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TRANSCRIPT OF INTERVIEW OF

GAMANI COREA

BY

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THOMAS G. WEISS: This is Tom Weiss, in Geneva on 1 February 2000, interviewing Gamani Corea. Good morning, Gamani. This morning we would like to explore the early part of your life and its influence on ideas. Could you tell me a bit about your family and your background and what it was like growing up in what was then Ceylon and your secondary school experience?

GAMANI COREA: Yes. Well, about my background. I was born in 1925, a little more than two decades before independence, and I was brought up in a family circle, many of whom were involved in public life, both on my father's side and my mother's side. On my father's side, my grandfather, and before that his brother, both lawyers, were members of the Legislative Council of Ceylon, as it was then called before the introduction of universal franchise in 1931. So, it was the end of the 1920s. One of them got recognition as one of the leading founders of the Ceylon National Congress, went to England to persuade the colonial authorities against what was then called a wasteland's ordinance. That was my granduncle.

My paternal grandfather, his brother, was also a member of the Legislative Council. He led a protest against a British poll tax—a tax on everyone's head—and was put to work on the road for refusing to pay! And I think he enjoyed it, got himself photographed, working on the road. He had a good public career, but none of his sons, including my father, took to political office. So political connections on the paternal side ended there except for a relative, Sir Claude Corea, who became Ceylon's High Commissioner in London and our ambassador to the United Nations. He was also active in the work of the early GATT (General Agreements on Tariffs and Trade). He chaired one of the GATT conferences and so on. I was then a student. But when I came to the UN, they all asked about my relationship with him.

On my mother's side, involvement with public life was more recent. My mother's brother was Sir John Kotelawala, who became prime minister of Sri Lanka in 1954. He was a member of the legislature from 1931 and a minister since 1936. He retired somewhere in the mid-1960s. He was a very colorful personality. They still relate stories about him. He was very outspoken. He was an army man who was known for his bluntness and his directness, but he commanded much affection. Just before he died, he donated his residence, the Kandawala Estate, just outside Colombo, to the military, the Sri Lankan Army. They have now set up on those premises what is called the Kotelawala Defense Academy. It is the Sandhurst of Sri Lanka. They have left his house, its garden, the summer house, and so on, as it was in his time. They used the outskirts to put up their buildings.

His brother was not a politician. He was a businessman. He founded what was then called the Ceylon Insurance Company. He was appointed a senator in the upper house of our parliament for a while, but his main interest was in business. He died somewhat younger, at the age of sixty-nine. His brother, the former prime minister, died at the age of eighty-three. In his last years, he divided his time between Colombo and Kent in England where he had a house and farm.

On my mother's side, there was also a close contact with the Senanayake family. My grandmother's sister married one of the Senanayakes who became very well known in public life. He didn't enter any legislature because he died at the age of forty-two or forty-three, but he was known as a great philanthropist, a great supporter of charitable and liberal movements, including temperance work. D. S. Senanayake, a younger brother, became the first prime minister of independent Sri Lanka.

TGW: So it was the experience and the example of several family members, rather than education, that pointed you in the direction of public service?

GC: Yes and no. I grew up a single child without brothers and sisters. My parents both lived with my grandmother in a big house, in which I still live. It was built in 1875 in Colombo. My grandmother was a very active person who traveled frequently abroad and had a lot of social life. She had lots of friends in all communities, including the British people, the civil servants. She used to invite the governor for lunch in our hillside home in the mountains once a year. The family was reasonably affluent on my mother's side. So nobody prodded me to look for a professional career, although some of my relatives had qualified as barristers in England.

Nor was I pushed to study very much. I think the idea was that one would grow up and somehow involve oneself in looking after the family properties and estates. I remember when I was about fourteen, at a Sunday dinner—which was a weekly event to which my grandmother used to invite her three children and her in-laws and some others—the question came up, “What will Gamani do when he grows up?” And my uncle replied, “Why, look after the estates, of course.” So nobody pushed me. I think on that side of the family, they also thought I was too quiet, somewhat retired and shy, to get into the tumble of politics.

But on my own, I began to take a deep interest in public affairs, national affairs in Ceylon. But even more than that I was very much inspired by the Indian national movement, the work of the Indian National Congress, figures such as [Mohandas] Gandhi and [Jawaharlal] Nehru, but particularly Nehru, of whose writings I read everything I could get my hands on. This gave me a kind of intellectual, or even a subjective passionate interest, in national politics but without taking me to the point of wanting to participate actively.

And then in my later years in school, I had a private tutor in Latin, Mr. Douglas Gunsekara, who was a graduate in sociology, and like all the young men at that time, he was very much influenced by the left movement, and he started bringing me books of the Left Book Club in England, which I read avidly. So, unlike the family members in politics, who were not at all intellectual in their interests, I began to take an interest in public affairs and to get involved in social objectives and so on—but without yet knowing how I was going to use this. Finally, this tutor of mine suggested that I should perhaps think of doing a degree in economics. And he gave me some books, and I looked at them and said, “That’s a good idea.”

By then I had left school and, like my relatives, most of whom I have mentioned, and who had been to Cambridge, it was taken for granted that I, too, would go to England, to Cambridge. But the war was on. So I studied at a tutorial college in Colombo, the Pembroke Academy, it was called, where I did the London Inter-Science (economics), which I passed, in addition to the London matriculation and the Senior School Certificate. I was just marking time until the war would finish. I got permission from the then-principal of the University College, Sir Ivor Jennings, who later became vice chancellor and advisor to D.S. Senanayake, to follow lectures in economics at the university, though I was not entitled to sit for the exams.

So I did do that for a while. Then when the European war ended, I applied for a passage to England, which I was given. In those days, ships went in convoys and you were given a bunk with other students. But I didn’t have to take that. In 1945, in the month of July—I was due to sail in September—my grandmother came and told me that Mr. D.S. Senanayake, the leader of the house, was going to England. He had been invited to discuss the Soulbury Reforms and the move towards dominion status. The RAF (Royal Air Force) had put a plane at his disposal. He was taking some other people with him, including his doctor, his official senior secretary, his

personal attendant, and the son of another person who was working closely with him. He said, “You can come, because the plane is empty.” Of course, we had to pay our fare, but it saved me having to go by sea.

That was a memorable trip because in Ceylon’s history Mr. Senanayake’s visit to London was one of the key steps in the move towards independence. Even a couple of weeks ago, in Colombo, in the publication of a memo supplementing one of our Sunday newspapers, they had this article of how I went with Mr. Senanayake on this historical trip. Of course, I stayed behind in England and went to Cambridge and then I did my economics there.

In Cambridge, I had to acquire an entirely new method of learning. In Colombo, despite the lectures we had where we took very careful notes, we were put on to the main textbooks in economics, which we read avidly. But in Cambridge the first thing my tutor told me—because as you know in that system one or two students go to a tutor once a week in addition to the university lectures— was “don’t bother to read any textbook; always read the originals.” Start reading John Maynard Keynes, [Alfred] Marshall, Joan Robinson. You should try and read four or five books a week.” And he said: “Don’t bother to remember, only try to understand. If you understand, you will remember.”

And all the subjects he gave us for essays involved a certain degree of thinking on one’s own. You couldn’t get it from textbooks. I remember his first title was: “Why do some kinds of fish cost more than others?” It had many of the concepts in economics—substitutability, joint supply, and so on, and we had to adapt. So I had an entirely different method of learning at Cambridge, which stimulated me a great deal. Keynes was not in the university then, but Keynesian economics was, of course, at its height. Joan Robinson was one of the chief proponents of that. But I did see Keynes personally when he came to receive an honorary

degree. On that occasion, I also saw Lord Mountbatten, Winston Churchill, and all those other people. Our professor was Sir Dennis Robertson, and I must say that with the encouragement of my tutors, I began to take more than a routine student's interest. I didn't merely want to pass the exam; I wanted to absorb the science of economics, the methodology of economics. And I did both parts of the economics tripos in Cambridge after which I wanted to follow the family practice of becoming a lawyer. I put a deposit of ninety pounds, and if it's still there, I'm sure I'll have a big treasure. But I didn't do my law exams. Instead, Nuffield College at Oxford, my tutor told me, had advertised for studentships, and he suggested I apply. If I succeeded, it would give me the chance of getting to know another university. So I did that and I was awarded a studentship. If you had a Cambridge degree, as I did, you could incorporate into Oxford and obtain the same equivalent Oxford degree, that is the B.A. And after a while you get the M.A. both from Cambridge and Oxford. So with one exam, I got four degrees: B.A. Cambridge, B.A. Oxford, M.A. Cambridge and M.A. Oxford.

But I had to work for the D.Phil. Nuffield College was then new. I was present when Lord Nuffield laid the foundation stone for the new building. I had a different experience of Cambridge and Oxford; I didn't do the things I did at Cambridge when I went to Oxford. I had more friends. In my last year, my mother allowed me to buy a car, which took me to London often. And I remember Ursula Hicks encouraging me in my thesis; I was very discouraged that I was collecting a lot of notes and reading a lot of things but that I hadn't written a sentence. She told me, "This is nonsense, you should start writing and then I will read it for you and tell you whether you should go on." She gave me the first chapter to write and for the first time I had a manageable thing to do. You know, Oxford requirements put you off; your doctorate has to be

an original contribution to human knowledge. It should be in a form fit for publication. For a young man that was a very forbidding thing.

So I did the first chapter and she was very encouraging and said, “Now don’t turn back, go on.” So I finished the thesis and luckily my examiners were just two—one was Sir Henry Clay, who was the warden of Nuffield College, and the other Professor [John] Hicks himself. I had only a fifteen minute interview. Hicks told me to come and see him in the afternoon, and I thought, “Was it so bad that no more questions were asked?” But on the road I bumped into Mrs. Hicks on the road. I was going for lunch and she said, “Well, are you happy?” I said, “Why should I be happy?” And she said, “Didn’t my husband tell you?” No, I replied, he had just said come at three o’clock. “Well,” she said, “he just wants to see you to get your agreement to publish it.” So I didn’t have to wait until three o’clock, I knew.

TGW: What was the topic?

GC: Well, the title was a rather clumsy one. It was called *The Economic Structure of Ceylon in Relation to Fiscal Policy*, but the idea was to see how much Keynesian economics, with its concept of compensatory financing and so on, was applicable to what was then called an underdeveloped open export economy. There was a historical part in which I examined the experience of the Sri Lankan economy in three contrasting phases: the depression, wartime, and the postwar period, and an analytical part examining the response of fiscal policy to see whether there was any room for governments to compensate for negative things or to support positive movements. But the main interest in it was not the descriptive part but the application of this to modern Keynesian economics.

TGW: I was curious because a colleague at UNCTAD (UN Conference on Trade and Development), John Toye and his son Richard Toye, who happens to be a historian at

Cambridge, pulled out of his files for me some speeches of yours from when you were part of the UK delegation, the first one, I guess, to the Havana Conference on World Trade.

GC : But I didn't go to Havana.

TGW : These are your remarks from the second session of the Preparatory Committee on Trade and Employment for the United Kingdom delegation?

GC : Not me, no.

TGW: Is there another G.C.S. Corea?

GC: Yes, that was the G. C. S. Corea I mentioned, who became Ceylon's ambassador, Sir Claude Corea. I was G.S.E Corea at the time but later dropped the last two initials.

TGW: Okay, because we were rather astounded because we found these remarks. Although the prose—you might be interested in looking at this, because in some ways it sounds as if you yourself had written it—referred to inequalities, and standard of living, and the wide gap in stages of development between different kinds of countries. And that the treaty itself had an inadequate provision for the protection of infant industries.

GC : This was in Havana?

TGW: Yes, this is his statement in Havana and it includes, in particular, a reference to the importance of inter-government commodity arrangements, and primary producers and so, so we thought that perhaps—

GC: No, I didn't even know this until now. Sir Claude Corea was a lawyer. He was a minister before he went into all this; he was the minister of commerce in Sri Lanka and much older than myself.

TGW: How aware were you, as a student, of the momentous undertakings underway in terms of putting the United Nations system together, of the Bretton Woods institutions,

eventually the Havana Conference? Was this a subject that was in the common room or over sherry?

GC: No, because, you see, I was a Cambridge undergraduate from 1945 to 1948 and those dates preceded all this. The UN hadn't even been set up at that time or had only just been set up.

TGW: 1945?

GC: Forty-five it had been set up, yes. Ceylon was not a member. You see we were being vetoed by the Russians for a long time. Finally, we came in with a group of countries which included some of the countries the Russians wanted to put in, including some parts of the USSR (Union of Soviet Socialist Republics). So, the UN wasn't very much a factor.

But one of the things that Cambridge did to me, I remember, was that I became a little more conservative in my thinking. When I came to Cambridge I had a lot of influence from the Left Book Club, from socialist thinking, and so on. In Cambridge, I became more interested as a technocrat in economics; that made me focus on and take more of an interest in the workings of the market system—all of the things that form part of classical economics together with the Keynesian supplement of full-employment theory. So at that time I was drifting away intellectually from a kind of socialist set of ideas to a more what you would call liberal technocratic set of ideas. I kept up with that frame of mind until UNCTAD was set up in 1964, when I began to move away from the rigidity of orthodox formal economics into looking at all these other dimensions. That took me along the lines of the [Raúl] Prebisch thesis, which made the IMF (International Monetary Fund) and World Bank a little less comfortable with me than they were before.

TGW: You're saying that from your university career until UNCTAD was founded you would have classified yourself more as a technocrat working in the Ceylon government on planning and other kinds of policy?

GC: Yes.

TGW: Your later more critical views about inequality, poverty eradication, the need for compensatory mechanisms—what do you recall during that period in the 1950s were your attitudes toward institutions like the World Bank or the IMF? Is this something that preoccupied you in the ministry or the Central Bank?

GC: Yes, you see, after I went to Oxford in 1948 but before I completed my doctorate in 1952, I spent one year in Sri Lanka. Partly because I had been away long, I wanted to come back home, but partly because I wanted also to collect some material for the thesis. During that period in 1950, the Central Bank was set up. I had no thoughts of a career anywhere at that time but some of my friends, including my tutor whom I mentioned, had joined the official founding group for the Central Bank. They said, "Why don't you join the Central Bank?" I said, "Okay, but I have to finish my thesis and I'll have to go back to Oxford on a kind of no-pay leave."

I sent in an application. I was interviewed and chosen on that basis. I spent a month at the bank and remember taking a distinguished Swedish economist around. But I didn't really work with the bank until I came back with my doctorate. No sooner had I come to Ceylon, the prime minister then, Dudley Senanayake—he was the son of D.S. Sananayake, said: "We're going to set up a planning mechanism and we want you to come."

The World Bank in its first report on Ceylon, I think around 1950, had recommended setting up a planning mechanism made up of a cabinet planning committee, a planning secretariat, and also some other institutions like a water resources development board and an

institute for scientific research. The government of Dudley Senanayake wanted to implement these things, and set up the planning secretariat and the cabinet planning committee. I was brought in from the Central Bank almost as soon as I returned, as an economist. The head of it was a senior civil servant, as was the deputy, and I was an economist—a small group.

Dudley Senanayake resigned because of ill health and some political turbulence at the time. My uncle, Sir John Kotelawala, became prime minister, but he did not take much interest in planning. He was far too practical for that. He was saying, “What is the value of economics? You get your money, you put it into one place, you take it out, and you spend it in another.” But his finance minister wanted to do something so he set us to work on preparing a six-year investment program.

That was really the first comprehensive planning document produced by the government, although the finance minister two years prior to that had called his budget speech a six-year plan. Our six-year investment program was a bulky document going into 300 pages and relating entirely to the public sector, detailing all the projects, phasing them out, and so on; we wanted to make that the first phase of an overall plan. But I did remember, when working on this, that all the literature on economics and politics that I had read had made a very strong case for the need for planning, the rationale of planning, the logic of planning; but one could hardly find any guidance on how to prepare a plan. So, in fact, in that document I put an appendix on some aspects of planning techniques.

Unfortunately for that plan, there was a general election and my uncle was defeated and Mr. S. W. R. D. Bandanaraïke succeeded him (he was earlier in the opposition). I must say that for the openness of mind of Mr. Bandanaraïke, that not only did he want to continue the plan, he wanted to expand it. He wanted me to stay in office even though he had just defeated my uncle.

Some members of the cabinet were raising questions on how the man who had prepared the six-year plan for the old government could prepare the plan for the new government. But the finance minister at the time and Bandanaraike said, “No, if he can do it technically, he should stay on.” So, I stayed on.

We later produced a ten-year development plan. They set up a much bigger planning machinery called the National Planning Council, of which I was the secretary; the prime minister was the chairman. Bandanaraike had just been to India and spoken with Nehru, who had told him about how they had invited [Nicholas] Kaldor to come and advise them on his inventions (expenditure tax, the capital gains tax—this combined series of Kaldor taxes). So Bandanaraike came back and said, “I want you to write to Kaldor and invite him to come and advise us, too. And not only that, you should write to some of the leading economists in the world and invite them. You know who they are, so you make up your list.” I invited quite a collection: I invited [John Kenneth] Galbraith, Joan Robinson, [Gunnar] Myrdal, the two Hicks, Oskar Lange from Poland, and Kaldor himself. These people did not come at the same time, but they all came and spent four to six weeks and left a memorandum on their views on planning in Ceylon.

I kept saying, even at that time, that although these people came from different backgrounds, there was quite a consistency in their prescriptions for Ceylon. I remember that the far left was wanting the tea plantations taken over, and many of these people said it was not advisable until you had the people to run them. Then the World Bank and IMF were criticizing excessive resources being allocated to food subsidies and social services. We had free education, free health, subsidized transport, and a whole lot of give-away programs. Even Joan Robinson, Marxist though she was, said, “You mustn’t try to eat the fruit before you’ve planted the tree.”

There was not a great divergence between what they were saying and what the Bank and the Fund were asking us to do. We produced this ten-year plan which, to this day, is quite a readable document. It was very imaginative; we set a growth target of about 6 percent a year. And one of the things I keep recounting is that the plan started off by saying that in the Asian region, in terms of per capita income, Sri Lanka was behind only countries like Japan, Korea, Singapore, and maybe the Philippines. We warned that if we do not look up and accelerate our development, we will lose this favored place. And I keep saying, jokingly, that whilst the plan was full of projections, the only one that came right was this one! We did fall back.

No sooner was the ten-year plan out—Bandanaraike was very proud of it; he was quoted in the newspaper saying that if his government did nothing else at least it has produced this ten-year plan—he was assassinated. New elections were held. His wife became prime minister, and she had a finance minister who was impatient with this slow, long-term planning; and we were all sent back. I went to the Central Bank, and after that I kept saying that if you want to bring a government down in Sri Lanka, prepare a plan. Because we did the 1954 plan and the government fell; we did the ten-year plan and the government fell.

At the Central Bank I was appointed director of economic research. After a while, we had the leader of the Trotskyist group, N.M. Perera, as finance minister. I went with him to the Bank-Fund meeting in Tokyo. He put pressure on the Bank and the Fund to create an aid group for Sri Lanka, as they had done for India, Pakistan, and so on. Shortly after the Tokyo meeting, the government collapsed and a new government came in, in 1965. They followed this up and the aid group was set up. The World Bank was to chair it; but the sequence was that there had to be talks with the IMF, and the IMF had to write a report giving a certificate of good monetary

and fiscal behavior. The World Bank then writes its report on aid needs and the uses to which this aid would be put.

But I am running ahead of events. Mrs. (Sirimavo Ratwatte Dias) Bandanaraiké ruled from 1960 to 1965. I was director of economic research at the time and assistant to the governors of the bank. In 1965, Dudley Senanayake, who started the planning process, came back to power. He wanted me back from the bank to help in his economic policy. Eventually, we created a separate Ministry of Planning and Economic Affairs. The national planning council that Bandanaraiké set up had ceased to exist. Under the Ministry of Planning, I was made the permanent secretary. On the official side, I had to undertake all the negotiations with the Bank and the Fund. The first thing was to set up this aid group. We had, first, to solve a dispute with the Americans about compensation for the nationalization of the petroleum distribution enterprises, which Mrs. Bandanaraiké had done. At that time, also, the economy was so short of resources that restrictions were imposed everywhere. There were scarcities. You could not get anything without a big bureaucratic procedure—getting licenses and so forth. So we had to loosen up all that.

Finally, the aid group was set up and I headed the Ceylon team to the aid group from 1965 to 1970, supported by one or two of my colleagues in the ministry of planning. One of the things that was interesting was that we had to have very intense discussions with both the Bank and the Fund separately so as to satisfy them and get their endorsements to the aid requests. Finally, they decided how much to ask the donors for. And in order to satisfy them, we had to show that the budget was balanced and that we were tackling other things that were politically difficult. But what I did find at that time was that although the Bank and the Fund had their

ideas of what sound economic policy should be they were open to a certain degree of persuasion if you wanted to modify these things.

There were two issues that were in the way of their endorsing Ceylon's policy. One was that of the food subsidies, inherited from the early 1950s. Finally, we signed a letter of intent to the Fund freezing the level of the food subsidies at the then existing level. That was not easy to do because the population was growing. In order to fulfill it, somebody in our ministry came up with the ingenious idea of cutting the ration in half. Instead of giving rice at a very low price, it was suggested that we give one half at the open market price and the other half free. So the politicians were relieved. They could say, "What are you talking about? You're getting half your rice ration for free." So it was politically acceptable. The Bank and the IMF were a little perturbed about it but they couldn't say anything because we were fulfilling our commitment to freeze the expenditure on the subsidy. So they endorsed it.

Another issue was that they were pushing us to devalue the currency, which was also very difficult. India devalued and I remember getting a call in my home from the IMF Asia director, Mr. Savkar from Washington, saying that India had just then devalued, and we could go ahead and do the same since it would be politically easier. But it wasn't. Then Britain devalued, and at that time, of course, we had little reason not to follow because we would have found it difficult to keep the existing sterling-rupee rate. Again, we introduced an innovation in the form of a dual exchange rate. We kept all the traditional exports and essential imports at the old rate, whilst everything else was put at a free rate on open, general licenses. The free rate was determined by supply and demand in the market. All this had to be approved by the Fund board. They didn't like it, and they sent a message saying that the Fund had approved it not because

they liked it but because they thought that, although it was a wrong step, it was in the right direction!

So I had a lot of experience working with the Bank and the Fund, and I realized that up to a point, if you had a good team at home, you could influence them towards taking into account the local compulsions. If you didn't have a good team, you could get frustrated and complain that what they were doing was not right. It was just before this time that UNCTAD I was convened. In 1963, Raúl Prebisch called a meeting in Geneva. Prebisch was secretary-general designate of the UNCTAD conference, and he asked ECAFE (Economic Commission for Asia and Far East), as it was known at that time, to suggest some Asians for that meeting. They suggested me from Ceylon and I.G. Patel from India. We met in Geneva. Kaldor was there. Tommy Balogh was there, and some others. We had a good and open exchange of views.

At that meeting, Sidney Dell spoke to me and said they were preparing for the conference in Geneva in 1964 and asked me to come and help with those preparations for two or three months. The Central Bank gave me permission, and I came to New York as a consultant to Prebisch to help, as Dell suggested, write the first report. When I came, neither Dell nor Prebisch were in New York, and I did not know where to go. I was sent to [Jocab] Mosak who told me that Prebisch was out and would be coming in a few days. I said that I was asked to help in the report and Mosak said, "That's interesting, but Prebisch is a man who writes his own reports."

When Dell came back, he acquainted me with the themes of UNCTAD I—the "trade gap," and so on—and he wanted me to write all this up, which I did. If you look at my draft now, it has all the main themes of the Prebisch report. I would like to say this started with me, but it was the other way around; all the ideas started with Prebisch. Mosak was perfectly right;

Prebisch did not, I believe, use any of this. He wrote his own thing in Spanish but, as a result, I got acquainted with the main thrust of the UNCTAD I themes.

That influenced me because after UNCTAD I, when I became the permanent secretary and the aid group was set up, my IMF friend Dr. Savkar found my talk more Third World-oriented, more interventionist in international policy, and asked, “What has happened to you?” He saw me as a very good classical economist. So UNCTAD I had a big influence on me. My early period was the Left Book Club/India national movement period, followed by the technocratic phase. Then, with UNCTAD I, I began to think politically about North-South issues and the external environment for development. It all started with my working for Prebisch.

Career-wise, of course, even in the 1950s I used to be invited to ESCAP (Economic and Social Commission for Asia and the Pacific) meetings. Some of them were headed by Jan Tinbergen, I remember. In 1962, I went as the head of a planning mission to what was then called British Honduras for five months. It had a population then of 90,000—that’s what I read—but the prime minister used to correct me and say “we are 100,000 now.” I stayed there for five months. We had a team of about three or four economists, including a very well-known French economist, called René Dumont. Finally, we put together a development plan for them and they were very happy. That was my involvement with another branch of the UN, not the Prebisch crowd. Then came the Prebisch link and UNCTAD I. After that came the Committee for Development Planning (CDP), of which I was made a member.

TGW: This was which year?

GC: I think that would have been somewhere in 1965. I remember Peter Carghill of the World Bank protesting to our ambassador in Washington that I, who should be spending my time on the Ceylon recovery program, was going on to these other things. I sent a rude reply, saying

that the disposal of its officers was a matter for the government of Ceylon and not for him. My ambassador didn't give it to him, but I showed Carghill when I met him a text of my reply!

I was in the CDP when we defined and identified a list of least developed countries, although I was not in the subgroup that did it. Eventually, I succeeded [Jan] Tinbergen as chairman of the CDP, in the late 1960s, until I came to UNCTAD.

TGW: Those were rather big shoes to fill.

GC: Yes, but Tinbergen continued as a member, so he gave me all the support. We had a very good team. We were popular then. I remember Bernard Zagorin—I don't know what's happened to him now—in the U.S. mission. He was calling us a "blue ribbon committee." The word "planning" didn't upset anyone then; subsequently it did. They have changed the name of the Committee now from Development Planning to Development Policy or something.

TGW: Do you see anything illogical between what you described as classical-economic technocratic background and efforts to plan because subsequently planning took on a bad name? But during the 1950s this was the normal run of affairs?

GC: You see the proposal for setting up a planning mission came from the World Bank during the late 1940s, maybe early 1950s. It was not a pejorative word; people did not see it as linked to socialism and so on. It was to get the state organized in spearheading the development drive because the state was the only major actor in many developing countries. So it had everyone's blessing. The Colombo Plan was set up in 1950. I was there when there was a Commonwealth foreign ministers meeting in Colombo. Nehru attended it as Indian foreign minister, and there was Ernie Bevin from Britain, and from Australia, Foreign Minister Spender. They launched this idea of a plan for the developing nations of the Commonwealth. Later the big non-Commonwealth players like the United States were invited. Japan, too, was invited to

join. But the first thing this Colombo Plan did was to ask the developing country members to submit their long-term development plans for financing because if you're going to give aid you want to know what you're giving the aid for. What are the projects? What is the rationale? How did it link up overall? So planning was part of the technocratic process of economic management at that time, and it wasn't seen in a bad way.

But when we set up the aid group in 1965, although planning was not out of fashion, the economy had been so run down that we came up with a "short-term recovery program" asking donors not for project aid but for what was called commodity aid. That is money to buy spare parts, machinery, fertilizers, and such things for the short term. At that time, we decided not to start off with going back to drawing up a plan because we had to get over the immediate crisis. I remember the American official who was in Colombo asking for the plan. When I told the World Bank officer, Peter Carghill, that the American was asking for a plan, he was very upset and said, "I'll speak to him. You don't need a plan."

TGW: I wonder if I could just go back a minute, but this is linked to a question about the future. Ceylon was independent in 1948, shortly after India and Pakistan. They were among the first wave of the independent countries. Brian Urquhart mentioned in an interview that at the outset, the United Nations participants thought that decolonization would take seventy-five to 100 years. And it obviously came much more quickly. Did you have any sense in the late 1940s or 1950s, perhaps with Ghanaian independence in 1956 or so, that there would suddenly be a number of underdeveloped countries, in the lingo of the time, that would suddenly be becoming independent together?

GC: Becoming?

TGW: Yes, that independence would come much more quickly or was your sense that Ceylon was unusual and that most of Africa would remain in a more dependent status for a longer period of time?

GC: No. Of course, in the first phase it was the British Asian possessions, India primarily, which was split to create Pakistan, and we followed. There were a lot of Asian countries that were nominally independent, like Thailand, Nepal, and so on. Burma had been occupied and run by the Japanese, unlike India. But they, too, after the war settled themselves and Aung Sang Suu Khi became the leader. And then came the Dutch possessions in East Asia, what is now Indonesia. They, too, struck out for independence. The Americans pulled out of the Philippines. At that time all these independence movements had been spearheaded by the example of the Indian nationalist movement; we all got our inspiration from that. But you had these nationalist movements in Indonesia, and Aung Sang in Burma, and so on. And then sometime in the 1954 to 1959 period, they had this meeting of Afro-Asian countries in Bandung.

TGW: Bandung. That was in 1955.

GC: Yes, 1955. And my uncle, Sir John Kotelawala, was prime minister then, and he went along, and Nehru was very much a leading figure. They for the first time tried to create a commonality between all these African and Asian countries, which ultimately led to the Non-Aligned Movement (NAM). At that time, the Latins were not there. It was the Asians and the Africans. There were some tensions. I know that my uncle clashed with Nehru because he condemned communism and this upset Nehru. Nehru came and asked my uncle, "Why did you not talk to me about this before?" And my uncle said, "You don't talk to me before you speak, so why should I?" Anyway, they patched it up and it went off as an historic occasion, that Bandung meeting.

TGW: You think it was historic. In retrospect, I'm trying to get a sense of how many people at the moment thought that this was going to be in some ways an important wave of the future. For instance, Brian Urquhart, in his interview, basically said that the front office, the 38th floor of the United Nations, was basically unaware of Bandung. The problem was that a Chinese plane was shot down on the way to Bandung, and therefore there was a political crisis on the 38th floor. But his recollection was that this was not seen as a meeting of much consequence, and that subsequently, of course, it became critical. But at that moment his recollection was that it was not.

GC: Well, I was not at Bandung myself and, of course, the local Ceylon press focused on our own prime minister. But I think that much of the inspiration for a bigger grouping came from Nehru's ideas of getting the poor countries together. At that time, there was also Chinese support. The Indo-Chinese rift had not come. And so, it was seen, not necessarily for setting up of an organization or a mechanism for the coordination of policies and so on but as a demonstration of the Third World's arrival on the scene and of their ability, for the first time, to make contact with each other, to exchange views, and so on. In a sense, it was probably right that when it took place nobody saw it as the first step toward Third World unity, political unity and so on. But it was a meeting of the former colonies, and they were looking at their common experiences and the common goals they had, in a context in which planning was accepted, and the main idea was mutual support, cooperation, and so on.

TGW: By the second session, in 1961, the Latins joined and there were also more African states. What is your sense of the importance, in the midst of the South coming together, of the First Development Decade launched by President Kennedy, I think for largely domestic consumption? At that point, the United States was a leader in the development aid business and

this was done, at least as well as I can determine through interviews with American officials, as a largely theatrical presentation. But there was a lot of substance in this. Do you recall 1961 and how that first effort at coming up with, if not a plan, at least an agenda of sorts, for development was perceived in Ceylon?

GC: No, I must say that looking back—I don't know whether these things have slipped my memory—I don't get the feeling that I had a great awareness of this First Development Decade concept. I had an awareness of the aid programs and the setting up with the Bretton Woods institutions, after the reconstruction phase was over, of a new focus on developing countries. But the idea of drawing up, for the first time, something like a coherent agenda for the developing countries and for cooperation for development didn't leave a big mark in my mind. That is my shortcoming. That was not the time I was going to the UN very much. But I became aware of it much later. And when the Prebisch report for 1964 was being developed, it took the growth targets from the First Development Decade goals, and by then it had become a working document.

TGW: When the CDP began to look at the Second Decade, did you feel the notion of specific targets was a sensible one?

GC: Again I don't have a recollection—maybe this is again my shortcoming—that the CDP involved itself in the Second Development Decade.

TGW: 1971?

GC: At that time, I think, I must have been the chairman of the CDP and I have no recollection that we were asked to. But my memory bank is not that strong. I chaired the GA (General Assembly) exercise on the Fourth Development Decade—for the 1990s. By then, of course, we were well into the Reagan/Thatcher period.

TGW: That's where I wanted to go eventually, so why don't we stay there for a minute? It does seem that the four strategies provide interesting snapshots of moments in time. Obviously by the preparation for the fourth, the state—your description of the state being the only important actor, even by the World Bank and IMF views in the 1950s—that view falls by the wayside by the 1980s and 1990s. How did you feel, personally, about this evolution? Did you look at your earlier thinking and think that this was misplaced? Or did you think that the criticisms of the 1980s and 1990s themselves were inaccurate?

GC: No. I, of course, felt very much—and I've said this subsequently—that the change that came vis-à-vis development cooperation and North-South involvement was influenced by a number of things. One was the changes in governments in the developed countries: conservative regimes that came into power, [Ronald] Reagan, [Margaret] Thatcher, [Helmut] Kohl and also in some of the earlier development-friendly countries in Scandinavia and the Benelux (Belgium, Netherlands, Luxembourg) group.

The old thrust weakened partly because those governments came to power in the aftermath of the OPEC (Organization of Petroleum Exporting Countries) action. They were burning under the damage inflicted on them by OPEC, and they wanted to take action to correct the impact of this on their own economies, the overheating of their economies. They started contractionary programs at home, which brought down employment levels and so on, and which of course had very negative effects on the Third World. Commodity prices came tumbling down, so the Third World also went into a kind of recession. Then came the next phase when ideological thoughts came up with the beginning of the break-up of the East-West tensions and rivalry, when Gorbachev came into power and finally the breakup of the Soviet Union. The

result, ideologically, was that there was one set of ideas coming from the market-oriented West. That again had its impact on Third World programs.

The biggest blow to the involvement of the West in the development of the South was that communism had ceased to be a threat. As long as communism was a threat, there was an attempt on both sides to see that the Third World countries did not get drawn into one camp or the other. Once that threat went away, there was no real motivation except the humanitarian or charitable motivation and that is never as strong as the geopolitical objectives. So the Third World suffered a lot. All of this happened in the course of the 1980s.

TGW: We're going to move back to the founding of UNCTAD. You've written that U Thant was essential to the founding. Very few people have very strong images of U Thant. Did you know him personally or have the chance to work with him or observe him?

GC: I don't recollect your reference. I had met him several times but after the founding of UNCTAD. I accompanied the prime minister of Ceylon in the late 1960s when he called on him at the UN after a visit to Washington. U Thant sent for me once and asked me whether I was interested in taking up the ESCAP post. Not that he offered it to me, but he wanted to know whether I was interested.

I did not have too much to do with him, but many of the people who worked with him were known to me. I got the impression that he had a good image amongst developing countries, and was supportive of many of their goals. They did not think he would want so much to curry favor with the West that he might neglect them. At that time he didn't have to do that. Even [Kurt] Waldheim didn't have to do that. I think Waldheim, too, was playing a very supportive role as far as the developing countries were going. That was a very different environment. But

U Thant left a good image—not of being a very open, articulate intellectual but as somebody who was fairly solid and not afraid to push forward the things he felt should be pushed.

But what I do remember was, that having worked for Prebisch in the run-up to UNCTAD I, when I went to UNCTAD I as a delegate from Ceylon, it was great to find that a coalition had been set up for the first time between African, Asian, and Latin American member countries. I thought this was a great thing, a powerhouse. Actually I had the privilege of writing the first ever declaration of the Group of 77 (G-77). They had set up a drafting group of three—a Brazilian, a French-speaking African, and myself. The other two said, “Your English is better than ours,” so they asked me to write it. I did draft the whole thing and finally it went to the committee of the G-77 and was accepted with a few changes. I remember land-locked countries wanting some transit things inserted. [Janez] Stanovnik was chairing the committee, but basically it went as I had written it.

I keep recalling this and I was quite delighted the other day to find that in the website of the G-77 this is included as the first statement of theirs. But, of course, it doesn't use the names of the people who drafted it.

UNCTAD I was a memorable event for me. I was one of the few delegates who had a background and exposure to what the conference was all about because I worked with Prebisch in the preparatory stage. I was put on the committee on money and finance and also the committee on agriculture, and I pushed for a lot of things. In agriculture, I pushed for schemes to look at competition between natural rubber and synthetic rubber. I pushed for commodity agreements at that time. I remember that Libya, which was in OPEC, didn't want the reference to oil because they were already beginning to launch things on their own. But anyway, we got some resolution passed calling for commodity stabilization and commodity agreements and so

forth. The chairman of that committee was a Ceylon delegate who has since died, and he was then in our mission in London.

In money and finance, I moved the resolution on international monetary reform. Sidney Dell was encouraging on this. I remember the American delegate coming up to me and saying, “Did you know there has been an agreement between Prebisch and the IMF head that monetary issues would not be brought up in UNCTAD?” So he argued that this should be ruled out of court. I replied to him very politely that I am not a representative of the UN Secretariat or a Prebisch delegate so I was free to move anything. So we moved this resolution calling for a group to be set up looking into the evolution of the monetary system. We had, at that time, in mind the creating of special drawing rights (SDRs) and linking them with aid for development. Such reserves should be created not according to aid needs, but according to the world’s liquidity needs. But these should be distributed through the Third World countries, who would then proceed to spend them because they were in deficit. The new liquidity would thus end up in the reserves of the developed countries.

UNCTAD later set up two expert groups on this, and I chaired them both in Washington. They were both very good groups. Sidney Dell was one who did the background work for that, but there were others. At UNCTAD I, I also chaired the first ever UN group on shipping—[Bronislaw] Malinowski was behind that. I was known to these people by now so they came to me, and I was able to bring the developing countries along. I remember trying to persuade some of the Third World countries who were not exposed to all of this to go along with the UNCTAD proposals. When at the beginning the Asian developing countries selected their representatives to negotiate the final text of the conference, Ceylon was so active; we had a

certain visibility. At the end, when they elected the group of Asian candidates for the new UNCTAD board to be set up, Ceylon came second in the voting after India.

TGW: So given this long background, starting with Prebisch and Sidney Dell and the first UNCTAD, you were a natural person to be kept in mind to go back to UNCTAD rather than ESCAP?

GC: At that time, offers of UN posts came from ESCAP and elsewhere. But apart from that, the time I chose to go work with Prebisch prior to UNCTAD I coincided with an invitation I got from ESCAP to serve on a group to launch an Asian Development Bank (ADB). I had to choose between these two, but I decided I'll go to Prebisch because I had committed myself to Dell to do so. The World Bank was very much opposed to an ADB at that time. But after Vietnam, the Americans came along with the need for a regional emphasis and, of course, the World Bank went along. But I would have had the earliest links with the ADB had I gone that way.

TGW: Serendipity influences careers. If you choose to go to one meeting versus another you end up having a totally different career opportunity.

Some of the momentous events of the 1940s and 1950s—did these, during your government career, influence your own thinking, or were these sideshows? I'm thinking of the Marshall Plan, or the Suez crisis and the Soviet invasion of Hungary. Were these just political crises, which a government official needed to keep an eye on, or did these in a fundamental way change your own thinking about approaches: the volume of finance required to move development, in terms of the Marshall Plan; or distance to be kept from the Soviets and the Americans in terms of crises? What do you recall from these events being important to your own thinking?

GC: Speaking for myself—and this may not reflect other peoples' reactions—at that time in the early 1950s, I did not, and I think many people did not, have the concept of a Third World. They were conscious of the developing countries, but they did not look upon them as a collectivity for which there has to be one global response in the realm of policy. That came later with UNCTAD I and the development strategies and so on, and the Colombo Plan. They came up in stages.

And the Marshall Plan, in my recollection, was seen as a plan to rebuild Europe. At that time, when the Bretton Woods institutions were set up, the IMF was set up to help the developed countries have monetary order. It was not meant to help the developing countries so much. The Bank was set up for reconstruction and development, but it was not meant to be the main source of funding for developing countries, of their capital needs. They were supposed to get their funds from a variety of sources, including a bank that would supplement these sources. In the later period the Bank became a major channel of credit for the developing countries, but at the early stages I do not recollect that it was seen like that.

TGW: The political crises—Suez and Hungary—how did you look at these from Colombo?

GC: The Hungarian episode has not left much of a memory with me. Suez was different because we tended to see it not in the light of Third World solidarity so much as in the light of a hang-over from imperialism and domination. So anything that affected the developing countries was looked upon as the West throwing its weight around and so on. And there was sympathy for the Egyptian government at the time.

TGW: When did your own concerns with what would now be called South-South cooperation—cooperation among developing countries—when did these ideas begin germinating in your own head?

GC: At that time, we tended to see South-South cooperation as the cooperation of the South in order to give it muscle vis-à-vis the North. That is, South-South cooperation in multilateral forums, not so much South-South cooperation in building up linkages within the South. Of course, people were aware even at that stage that ECLA—the Latin Americans—had been pushing this within that region with a logic of its own. The idea then was of regional neighbors combining to give a bigger market for economies of scale in import substitution rather than for exports because they thought that their manufacturers did not have prospects in the world outside. But countries that were too small to internally establish domestic industries should join together to create regional markets. That kind of thinking came from Prebisch and his collaborators in ECLA. It caught on.

Of course, today, I don't think we can find any developing country which does not belong to one or another regional group. But one keeps reminding oneself and one's audiences that although much of the example came from the success of the European Economic Community (EEC), the parallel is not that close because European integration was the culmination of an historical process of growing intra-trade amongst the countries of Europe. The European Common Market was the icing on the cake. In developing countries, there had been very little trade amongst such countries. All of them were oriented toward the colonial powers in the West, selling commodities and so on. To them the task was not of consolidating a process that has already gained momentum but of starting one. Even to this day, in the Asian region, the intra-trade among South Asian countries is very, very small. And all these discussions focus on

how you can build this, not only by trade liberalization in the classical sense, but by building up cooperation in infrastructure, exchange of skills, contact between business people, and so on.

So it is much harder to have South-South regional cooperation produce the same kind of results as you might get in Europe, but I think it will eventually happen. It will happen not only because of conscious attempts at cooperation but also because, as these countries proceed on the development path and acquire more capabilities, capacities, industries, and so on, the ability to exchange amongst themselves will be much greater.

Take Sri Lanka. Until three or four years ago, its biggest supplier of imports was Japan. Then, with unilateral liberalization that brought down our barriers, and growing industrialization in India, India has taken that place. India is now a big supplier of transport equipment, vehicles, machinery, and some foodstuffs as well. So India is now the number one supplier to Sri Lanka from the point of view of our import pattern. This was the result of the transformation in India, and I think this will grow. South-South trade will gather momentum as these economies proceed along the development path, and the conscious measures are a means of helping that along, rather than making it possible by themselves.

TGW: Two things before you move into UNCTAD. You had a stint as an ambassador to the Nordic countries. Did this exposure to what for a North American is quite a different political culture particularly in reference to development issues—how did this exposure to like-minded countries help you in your own thinking?

GC: I was ambassador to the EEC and the Benelux countries. But regarding your question, I feel that, although there is much to gain by way of enlightenment and encouragement from what other like-minded countries are thinking, most of the thoughts that came to me did not

originate from within the like-minded countries but from within the progressive elements in the UN system.

Of course, in Ceylon, we were always impressed and influenced by what India did, particularly in planning. People used to say, "See what India is doing, we should do the same." But it stopped there. We didn't go to Africa and other developing countries. But from the UN secretariats, we found much of the articulation of what South-South cooperation can do and is all about. In fact, I keep saying to this day that much of the so-called agenda of the G-77 was articulated by the UN secretariats rather than the G-77 itself. I remember the time I was in UNCTAD. Whatever we put down as the course of action on any issue, whether on commodities, the Common Fund, the transfer of technology, shipping—you name it, that was taken by the G-77 and made into their own platform. Then, they negotiated down from that position. Whereas what I wanted was for them to come up with something more ambitious and then end up nearer our proposals.

Third World countries did not have, and still do not have, the capability to react to the kind of situation, such as the present, in which the UN secretariats do not seem to play the kind of role they played in the past. They are not being encouraged to do that and so there is a vacuum, which is why the South should, even now, set up some kind of capability. They never succeeded in setting up a secretariat and so today they are without the means of outlining a position which they can all follow. I was chairman recently of an ad hoc panel of economists that was set up by the non-aligned to work out an economic platform for the South. We produced a report, and I presented it at the Durban summit (UN Earth Summit +5) the year before last.

I remember saying then that one could write a score of music; you may think it good or bad, but where is the orchestra to play this? I think this is the big challenge the developing countries are having now. They do not work as a group in the World Trade Organization (WTO). In UNCTAD, they still work as a group but in a less cohesive way than before. And they are less able to draw on the Secretariat for their strategies and their arguments and so on. And also, another thing that weakened them is that their relative numerical strength in the UN system was weakened with the breakup of Eastern Europe and the emergence of new members who are not members of the G-77. They're having a summit, I see, in Havana.

TGW: How serious was the discussion of turning UNCTAD into the Third World secretariat? I recall this being discussed, but was this ever more than a notion that was kicked around and then vetoed by members of the West? Members of the South? No one seemed to be all that keen on this notion.

GC: No. But I was not keen on it myself when I was in UNCTAD because I thought that UNCTAD's strength was that it was a universal organization with a mechanism for dialogue within UNCTAD between various groups. UNCTAD was presenting—at least we wanted to present—problems which reflected the development dimension of issues, not the narrow interests of the developing countries.

I always tell the story of [Henry] Kissinger at Nairobi. We were sitting at lunch, he was next to me and talking, and then he made a remark which was rather complimentary to UNCTAD. I responded that I was very happy to hear him say that because most of the comments we heard on UNCTAD from the United States were rather distant or even hostile. Then he asked me, "What makes you say that?" I said, "I don't know. Maybe they think we are too partisan, that we are trying to mobilize forces to impose pressures on them beyond what they

could do.” He said, “No, no, no. You should not talk like that. That is your job. You do what you are doing because if you do not do it there will be no one to do it. Don’t have this kind of inhibition. You go ahead.” I was very encouraged by that remark. It may have been tactful lunchtime diplomacy, but I think he meant what he said. I interpreted it to mean: don’t worry about us; we can look after ourselves.

TGW: Nairobi was my first UNCTAD conference. I do remember Kissinger buzzing through, so it’s very nice to hear a good story about Mr. Kissinger, as opposed to all the ones I could tell. What would you say, after spending twenty years in government service, were the most significant rewards of being in service to Ceylon? What were the pay-offs? What kept you in it? What do you think your legacy will be?

GC: I think the answer to that is not a very encouraging one for other people because my whole summation of my contribution as a planner in Sri Lanka and internationally is that in almost all cases it did good to me. It gave me prestige; it gave me recognition; it brought honor. But it did not help in any of the problems I was seeking to solve. Because, as I said, we had a six-year plan, and then we had the ten-year plan with Joan Robinson and all helping. The six-year plan wasn’t implemented; the government collapsed. The ten-year plan wasn’t implemented; the government collapsed. Then we set up the aid ministry from 1965-1970. I attended all those aid meetings. We had a recovery program, but at the end of the thing tea prices collapsed, the economy went backwards, the government lost the election, and everything went back to square one.

You can look at UNCTAD. In my time, we set up the Integrated Programme for Commodities (IPC), the Common Fund, various codes and conventions—all of them have been

eroded if not disbanded altogether. But of course people will come and say we admire you for what you have done.

TGW: There was one question which a couple of researchers asked me to ask you. They are curious about the role of women and the role of gender, which is now a very popular idea. It is an issue the UN is associated with. Interestingly, Sri Lanka fares very well on the human development index there. You have female prime ministers and politicians—is there something about Sri Lanka? Was this part of your concerns in the 1950s and 1960s? Was this the result of planning or part of Sri Lankan culture? How would you explain this?

GC: Yes, I think if you look at Sri Lankan culture—particularly Buddhist culture since we've mentioned this—I think you can find in it things that do not view women in a secondary role. There have been important queens in our history. We did not have a tradition of too much male versus female. Of course, the political successions we have had were mostly due to dynastic politics rather than women. When the man dies, the wife or daughter is looked up to. It has happened also in Bangladesh, and in Pakistan with Benazir Bhutto, and in the Philippines with Aquino, and now in Burma, and in Indonesia with Sukarno. So the woman is representing the man who was removed from the scene.

But apart from that we have had recently a growing participation of women in the higher echelons, not only of government, but of business and the professions. There are women who are managing banks and private enterprises of some importance. Women in the medical and legal professions are quite high in number—and women in the workforce. Of course in the tea and rubber plantations they did a lot of the tea plucking and the rubber tapping even in earlier times. In more recent times, we have had women in the newly established garment industry. Its workforce is predominantly women. We have had women going out to the Middle East, working

as housemaids and so on. So much so, that if you add to the inputs that women give to GDP (gross domestic product) through their work, it's pretty high in Sri Lanka. Now of course there are people who say that in many of these cases there's exploitation, that in the Middle East, for example, women are subject to neglect and exploitation of all kinds. And also the garment workers—the women are there because they are cheap and so on. But any move for pushing women forward will get a good reception in Sri Lanka.

But in the UN, I remember that at one of the meetings of the board, there was some criticism that the presence of women on the staff is not good enough. They were urging me to do more to increase the representation of women. I remember saying two things. First, I had no mental blocks whatsoever in getting more women into UNCTAD; those we have had have been doing well, and I'm sure there are others who can come and contribute. I said we would like to see more women. But I said there is one constraint, which I've faced, that has been put on us by you, the delegations. You have this system of overrepresented/underrepresented countries. Now you want to talk to me about an underrepresented sex. But what do I do when I get a claim for a job from an underrepresented sex from an overrepresented country? I tell you if countries cannot find the men to man the UN, those countries are not going to be the ones to provide women. So, you have to give me some guidance. Can I brush aside overrepresentation of countries in order to take more women? Or what do I do? The other thing, I said, was that I'd like to see more women amongst the delegations since almost all those people in the hall there that day were men!

TGW: Always a good way to respond, to throw back to your audience. But it is true. My own doctoral dissertation was on the notion of quotas. And the notion of quotas today is not only geographic and gender. Age has also been introduced. So how do you reconcile these

clashes in norms when you have a person in front of you? Particularly because competence should enter into this matrix somewhere. So it's really an impossible assignment.

GC: Yes. Of course, if there is a conscious or unconscious bias on the part of the men who are making these decisions against women, you can criticize them for that. But if on the other hand they are doing what they have been asked to do—pick the best person—what do you do if the best person is not a woman? Do you give her some extra marks for being a woman? Now we are doing that in a way.

TGW: What is your own impression of the quality of those who worked for you within the UNCTAD secretariat or more widely within the UN, in comparison with officials within a very good civil service like Sri Lanka, Britain, France? Do you have any sense as to whether it is better, worse, or about the same?

GC: My experience both nationally and with international organizations is that somehow it is a limited group of people in either case that play the lead roles in what those bodies are doing because they are the most active, the best informed, and so on. Not everyone makes the same contribution. I would say that in the UN, since recruitment standards are high, you have a good quality. But it is also diluted by the fact that you have to have country representation and so on. I had not given thought to your question about if you had to choose between the two, which would come out better. I would expect the UN to come out better because salary-wise, qualifications-wise, they are choosing the cream of the applicants, and in government service they rise from various positions.

We used to have a very elite civil service in Ceylon, but that has been scrapped now. It is an over-all administrative service—more democratic but less elitist than it once was. I think in

all these organizations, you have good people and you have to mobilize them. Sri Lanka had a reputation—and still has—of having a fairly good staff.

But, I must say, at the national level in developing countries, the administration is more exposed to political pressures than perhaps in an international organization. In an international organization they are too, but not in the same way. In developing countries, there are the politicians, the prime minister, the deputy ministers propagating things, and they want the civil servants to support them in that. I think the civil servants are now playing less of a role of being arbiters giving advice. I remember being told in my Cambridge days about the British civil servants, how impartial they were. In the story, a permanent secretary was asked by his minister to do something with which the permanent secretary did not agree. He told the minister, “Mr. Minister, I think by doing this you will make a fool of yourself. But I’ll do my best to see that you don’t make a damned fool of yourself.” So that kind of attitude with the civil servants is getting diluted now. In Sri Lanka, there is a feeling that the independence of the administration is a bit under pressure because of the political claims on the actors in that field, of the politicians who want the civil servants to deal with things the way they want.

I don’t think you get quite the same thing in the UN, although you get ambassadors that come to see you wanting somebody promoted. I remember once, one country had a chap whom I promoted to D-1. Then they pulled him out after a while. And they said, “Thank you very much. He’s been very good and now we are sending somebody else to replace him.” They told me who he would be. And I said, “Look. You do not appoint people to UNCTAD. This man had been at the UN for his capabilities, not because it’s a country position for you. If you want me to consider some person from your country, I’ll be happy to do that together with others, but give me a choice, send me some names.” They learned their lesson, and sent four or five names.

TGW: My own impression is that political pressures on heads of institutions have intensified. But your approach, which is, to quote Nancy Reagan, “Just say no,” is actually the appropriate tactic. And governments, when they are told straight-forwardly that they are out of line, especially in regards to personnel issues, will usually back off. I think too many people succumb to pressure, and this has been one of the explanations for diluting the whole notion of an independent international civil service.

GC: These pressures come particularly from ambassadors because they are asked by their governments to put the pressure on. It’s a reflection on them if they don’t succeed. I remember a chap who used to send me nice gifts of liquor and such things for Christmas. He wanted a national taken, and I didn’t give it to him. And after that the gifts stopped.

TGW: I think that we are just about at the end of the morning session. This is the end of the first tape of an interview by Tom Weiss of Gamani Corea in Geneva.

TGW: Let’s just pick up with a few subjects discussed after the last tape ended. I was particularly keen to discuss work habits and obviously a few toys have come into our lives like computers and electronic agendas. Do you still work the way you did—with pen and pencil—better now than you did in 1945 or 1946 in Cambridge? Or have you adapted? Or do you find that the things you write or say depend upon the medium that you are using?

GC: Yes, I never wrote that much. Even in Cambridge I had my weekly essay to write to the tutor and some dutiful letters back home. I had to write, with my own hand, my thesis when I got to Oxford. It was typed for me by a college secretary at Nuffield, but I wrote everything. As usual, one starts slowly, takes one’s time, and then gets stampeded at the end when you have to rush and get a whole lot written. I remember the last evening before the date for submitting my thesis. I had to produce, as part of the thesis, a graph with a series of entries

covering more than a hundred years. So you had to put these dots on the graph paper. And you had to do it in three or four copies. So I spent a lot of time finishing this. It was broad daylight when I came home, and I was unhappy about the introductory summary, or digest, that I gave. So I immediately turned back and went back to the office and rewrote the thing because I knew that was the first thing the examiners would read. And if you gave a bad impression at the start, it would influence their minds. So I redid that.

If you look at it over the years, I have written a lot. But writing is not something I relished.

TGW: Is it easier with a computer, or more difficult?

GC: The computer came much later. I got my first computer in the early 1980s. I used it as a word processor most of all. If I remember right, the secretary-general's report for the last UNCTAD that I was participating in as secretary-general was in 1983. That secretary-general's report I typed, with two fingers, on my computer. I still wonder whether the computer does not detract from the effectiveness of my style. Not from the quality, because I think I write more carefully on the computer. But for that very reason one doesn't push things that one might do if one was dictating to somebody or addressing an audience. You write more for yourself and you don't try to teach yourself. You try to remind yourself. But the reader doesn't see it that way.

TGW: Why don't we move ahead to your days at UNCTAD, which is the focus of much of our interviewing. Let's move to 1974. You were appointed by Kurt Waldheim. What kind of conversations did you have with him before you were appointed secretary-general? Was he interested in economic and social affairs in any way, or was this one of his more routine duties while he was getting back to some political and security crises?

GC: Well, I think that the invitation from Waldheim came as the result of suggestions from a number of other people. I did not know him personally for him to pick me out on that basis. You see my association with UNCTAD goes back a long time, from the time of its creation. But in 1968, I was in Washington and I got a message that if I could possibly pass by Geneva, Prebisch would like to see me on the way home. I did do that. I stayed over for one or two nights, and I saw Prebisch. He told me he had decided to leave Geneva and to leave UNCTAD because the doctors had advised him on medical grounds that the climate does not suit him.

Then he said that it was not he who had to make the appointment of his successor, but the Secretary-General of the UN, who was U Thant at that time. He said he wanted to put up three names to the Secretary-General—a Latin, an Asian, and an African, but he did not have an African. He had a Latino, who was [Manuel] Perez-Guerrero, and I was the Asian. He wanted my permission to put my name up, but I said I cannot say yes because I was secretary to the planning ministry and would have to speak to the prime minister and so on. I said I would let him know. Then he told me that Perez-Guerrero was of course very well known in UN circles from the League of Nations time, was a minister in his own country, and a man of great prestige.

But the only doubt he had was that since Perez-Guerrero was a Latin, and Prebisch himself was a Latin, the UN might want someone from another region. So I spoke to our prime minister on my return and he more or less left it to me. But he was clearly unhappy. So I did not reply to Prebisch. But then I heard on the radio that Perez-Guerrero had been appointed. I heard also that Prebisch had put up my name and Stanovnik's name. So Guerrero became secretary-general in 1968. But, thereafter, when he wanted to wind up his own term, he himself invited me to consider being his successor because he knew the past history of all this. During this time in

office, I helped as chairman of the Cocoa Conference and had some contacts with him. I was then also chairman of the Committee for Development Planning and was involved in UNCTAD meetings for monetary reform in Washington.

So anyway, I did not hear anything about it. Then I became ambassador in Brussels. I had gone to Brussels when I got a message that my mother was unwell. I had a message saying that Waldheim was going to nominate me. The message came through the Japanese embassy, and that was the first I had heard of it. I next had a message asking me to come and meet Waldheim and of course I had to tell our prime minister, who was then Mrs. Banadanaraike. I told her before I went to Brussels that this thing had been talked about, and I did not know what would happen.

Then the UN sent me a ticket. And that's how I went to New York, and that's how I met Waldheim. He offered me the post and he said developing countries were not really satisfied with UNCTAD and its progress. Anyway, I was accompanied by our permanent representative, Shirley Amarasinghe, who was president of the General Assembly and himself a candidate for Secretary-General when Waldheim got elected. He used to tell all of his friends later that at that meeting with Waldheim, when Waldheim offered me the post, I did not say yes or no, and he was very worried that I may not say yes.

TGW: Do you recall Waldheim being interested in issues of the economy? This was the eve of the Special Session of the General Assembly? Was he focused on any economic issues or was he interested more in placating developing countries or Asian countries for his own political purposes?

GC: No, Waldheim did not get into substantive issues with me. Waldheim was in New York, and I was in Geneva, so I did not have day-to-day contact. But I did call on him whenever

I went to New York, and I found that from him I got no interference and maximum support. He was not a person who suggested “will you take that slot for so and so?” I never had anything like that. He was very supportive of the G-77, independently of UNCTAD. I was appointed by him first in 1974. This was a three-year appointment. I was reappointed again in 1977, and then again in 1980, and finally in 1983. This last one was by [Javier] Pérez de Cuéllar.

Waldheim began to pick up on issues that I had spotlighted in UNCTAD, particularly the Integrated Programme for Commodities, the Common Fund. He was Secretary-General at the time of the Sixth Special Session when the NIEO (New International Economic Order) was proclaimed and so on. So, he was there at a time when there was a certain Third World voice. My impression is that he went along with that and gave it whatever encouragement.

TGW: The ideas with which you are most associated, particularly on commodities and economic cooperation, the Common Fund, etc—did you arrive in UNCTAD with those ideas or did they grow in new ways once you became secretary-general?

GC: Well, I was familiar with the UNCTAD platform from the beginning and I was very supportive of the things UNCTAD was trying to do. But when I came as secretary-general in 1974, I had to outline what should be the main thrust of UNCTAD during my tenure of office. And some things were already on the way. The Generalized System of Preferences (GSP) had already been adopted. The convention on liner conferences (Convention on a Code of Conduct for Liner Conferences) had also been adopted just a few days after I joined UNCTAD. Within my first week, I came to New York for the Sixth Special Session, the NIEO session. So, I was aware of the full sweep of what UNCTAD was doing. I have already mentioned monetary reform.

But what I did decide to focus on particularly was the commodity issue for three reasons. One, of course, was that commodities were important to a large number of developing countries in Asia, Africa, and Latin America. Some of them were the poorest ones. There was a great vulnerability because of the instability of commodity prices. They were finding it very difficult to proceed along set lines in regard to their investment and so on. I had myself chaired the Cocoa Conference when they got the first cocoa agreement.

When I was the planning ministry secretary in Sri Lanka, I initiated an attempt to have an international commodity agreement for tea. I remember visiting India and convincing the Indians, who were a big tea producer, to join in this. Finally, we had some success in having a meeting of producer countries in Mauritius where we had a one year agreement on tea to restrict production, which was then presented and supported by consumers and was to be followed up by a producer-consumer agreement.

So I had this background on commodity issues. But in addition to that, the OPEC situation had emerged and was an example of producer countries pooling their strengths to get prices strengthened. It was also an example where the developing countries, as importers, were affected adversely by these prices. And I thought that the time was ripe to give a push to the commodity issue because of the history—my own personal history, the emphasis on commodities in the Havana Charter, and even the IMF, a short-term compensatory financing program. In my first speech, which was to the General Assembly at the Sixth Special Session within a few days of my assuming office, I flagged the commodity issue as being important. At that time, the idea of a common financing fund was beginning to germinate and I think I made some reference to it, but I cannot remember how specific.

After that the commodity issue became a visible part of the UNCTAD platform and at the Seventh Special Session, which succeeded the sixth, there was a focus on commodities by the G-77. But they did not make any reference to the Common Fund; they talked of special measures for financing. From that time onward, I took it upon myself to highlight the Common Fund as one of the main objectives, and to make it known to people. All this was also paralleled by the Conference on International Economic Cooperation (CIEC), which was launched in Paris. I think it was called the North-South Dialogue.

At that meeting, the commodity issue was highlighted, particularly under the initiative of the Indonesians, led by Widjojo Nitisastro, who was then either a minister or a senior official. That was prior to UNCTAD IV, which was in 1976. So, from the beginning I began to put the spotlight on commodities. I felt it had a certain theoretical support for all this based on economic analysis because in my Cambridge days we were taught that there was no mechanism in the market system to bring equilibrium to supply and demand in commodities. The lags in the response of producers to high prices or lower prices was such that one had to put up with a lot of instability. In the case of tree crops, it takes years to increase output because they had to plant new trees and wait until they mature. In the case of falling prices, peasant farmers were so impoverished that their reaction was to produce more rather than less to keep their incomes going.

These were big destabilizing forces and there has been a long history of this. The British, of course, introduced regulation schemes for tea during colonial times and that was followed by the focus on commodities in the Havana Charter. And in Cambridge I even remember a book brought out by an economist called Rowe on commodity policies.

So I thought that I had a sound analytical and theoretical basis for this – not just a demand that we want high prices. So I concentrated on that and it was quite a hard battle; but UNCTAD, the G-77, and ultimately the developed countries were mobilized and came around to it.

TGW: The most famous group of producers, as you mentioned, was OPEC. With the 1973-1974 and then the 1979 oil increases, most authors point to this as a crucial moment in G-77 solidarity. How did you see it?

GC: It had two sides to it. One was that I was impressed positively by the display of leverage or muscle by a group of Third World countries, in this case the oil producers, to unite to take action, to change the market situation. At the same time I was aware that the impact of this was felt not only by the big importers of oil, the developed countries, but most of the Third World countries themselves. Many of them were importers. The response line came shortly on the heels of the Sixth Special Session. There was a need to compensate or have some support systems for Third World countries. The United Nations appointed Prebisch, and the oil producer countries went along with him to create a kind of fund to give aid to these countries.

But from the point of view of how I saw it, and the point of view of UNCTAD, there was the need to take advantage of that situation to focus attention on other commodities. But I was not proposing unilateral producer action. I was proposing producer-consumer agreements in all areas as far as possible. Subsequently, when all this failed, I was saying that in that case producers should take the reins into their hands and do supply management on their own. But at that time there were cooperative producer-consumer agreements that were, in principle, backed by many developed consumer countries. There were a number of such commodity agreements.

The developed countries had a fear that developing countries would sort of join together, commodity by commodity, and reproduce the OPEC situation. But apart from that they had no particular misgivings about the focus on commodities at that time. But it was still a very hard fight and we proposed an Integrated Program for Commodities, which meant, not that you have to deal with commodities as one bundle—you need the case by case approach—but that you should have one common framework of principles and so on, to which all these can fit in, so that together they make a policy for primary products. The Integrated Program should link up producers and consumers—not in the sense that they should meet together in meetings, but that they should be part of a common effort for the whole international community to bring strength and stability to commodity markets.

TGW: Academics are fond of counterfactuals, the what-ifs. My colleague Richard Jolly had urged me to ask you about the paths not taken. You mentioned it yourself in this case, which is the “NOPEC” countries, the oil-importing developing countries. If there had been a better arrangement for compensatory mechanisms for their oil funds, how would the G-77 have been different, not just today but immediately thereafter? Would there have been more collective bargaining strength if the solidarity, which sometimes was only skin-deep, had remained deeper?

GC: Well, if I remember right, there were two ideas floating around. One was already in operation and that was the IMF’s compensating financing facility. But it was to compensate for short-time declines in commodity prices and was therefore dependent on the efficacy of the commodity cycle. There were no actions to act directly on prices by supply management or buffer stocks or anything like that. So one did not feel that compensatory financing would go to the heart of the commodity problem and deal with the weaknesses and fluctuations in commodity prices.

At the same time, there was another proposal for a longer-term commodity compensation scheme. I saw a reference to it the other day, but I don't think it ever saw the light of day. That is to look after not the ups and downs along a trend, but to try to do something for a declining trend itself. So, if we set up a regime for commodities through the integrated program with a Common Fund, it could have also included these IMF facilities as part of the ammunition to keep commodity markets strong.

TGW: This would have made a difference?

GC: I think so. It would have made a difference. I'm still a little puzzled as to how this whole commodity initiative came apart because it did get unanimous support at UNCTAD IV in Nairobi eventually after a long fight. The Common Fund itself, which was more controversial at the start, finally came to be accepted, and it was ratified and has been set up in Amsterdam. But it is a bank without clients today because you do not have the commodity agreements to use it. A number of commodity agreements that were in existence—for coffee, for cocoa, for sugar, for hard fibers, for tin, for rubber—have now been dismantled or are not pursuing economic operations or are doing so only in a very tentative way. I don't know why all this came apart. I would have liked to have seen more commodities added to the list. Tea, unfortunately at the time I left, was close to an international agreement but it was not picked up after that.

TGW: Is it possible that, without the common framework, the integrated program, that one would have seen actually more progress on the individual commodity agreements? Or do you think that the general framework was essential for keeping all of the individual agreements—in whatever state they are in—together?

GC: I don't think the integrated program was in any way inimical to progress on individual commodity agreements. In fact, the whole logic of an integrative program was to

have more listed. We named some twelve or fourteen commodities of interest to developing countries as subjects for producer-consumer agreements. No, I think what happened to the integrated commodity initiative was the change in economic outlook that took place in developed countries from the end of the 1970s, the early 1980s, following the more conservative governments in developed countries, which did not like this kind of interventionism, statism as they call it. Also the fear that commodity agreements, despite the lip service given to stabilization, invariably strengthened commodity prices because of the fact that there were some instruments to control supplies.

So maybe the developed countries lost their interest in it when they started contracting their economies to combat the “overheating” that followed the OPEC price increases. This impacted on the other commodity producers. Commodity prices came tumbling down and this provided a degree of relief to the developed countries who were having declining growth rates, sometimes negative growth rates, and unemployment. At least there was the relief given by cheap commodity imports. So they lost a lot of interest. At the back of their minds they may have had a kind of political fear that all this could turn into another example of Third World muscle against them; if so, it was quite exaggerated. Third World countries did not really find it easy to coordinate their actions and take the drastic steps necessary. But still it is disappointing and rather inexplicable as to why this whole commodity initiative has more or less fizzled out for the time being.

TGW: You mentioned Third World solidarity in putting issues on the table. A couple of persons whom we have interviewed, particularly Johan Kaufmann, who was ambassador here in Geneva—it is his view that the semantics of the New International Economic Order, the sort of confrontational prose and attitudes brought on by the OPEC success, ultimately backfired. In his

view, it would have been better had something like the middle ground proposed by the like-minded countries been adopted as the ground on which to conduct the debate. Do you think that is true, or not?

GC: No, I think that developed countries perhaps had a fear that the Third World would mobilize OPEC resources to carry out the program to strengthen commodity prices even if the consumers did not join. But I was told by the ministers of Saudi Arabia that other countries should not expect them, for example, to fund the unilateral Common Fund, which did not help consumer-producer participation because they were taking one battle with their own product and did not want to add to that by taking on other things. So, in the North there may have been some anxieties that they would get a repetition of the OPEC thing, but it could not have been a serious argument. Of course, to the extent that the North thought that long-term trends in commodity prices were downward, why should you do things to arrest those trends? That's another thing.

But finally it was the like-minded governments who came and made it possible for the integrated program to be adopted in Nairobi and who also supported the initiative to set up a Common Fund, which came up many years later. OPEC was not in the vanguard of actions to deal with other commodities. They had to go along as G-77 countries, but they did not take a lead in encouraging other Third World producers to do for their products what OPEC had done for oil.

TGW: When you arrived at UNCTAD, who were the senior staff members whose work you most respected? Some people have said that the UNCTAD group in the 1970s and early 1980s was somewhat unparalleled as a group of high-powered economists. Sidney Dell has said this, and other folks. Did you inherit a lot of the people whose work you respected? Did you happen to know them earlier?

GC: Yes, I did inherit a number of people. Not Sidney Dell, unfortunately. He, having encouraged me to join UNCTAD, left just about the time I was coming in. I remember him coming and telling me that that's the way things went, and he was sad about that aspect of it. But there were other people who had a deep involvement in UNCTAD a long time before I came on staff. Malinowski was still there. He was another of Prebisch's lieutenants. He retired shortly after I came, but he was there when I arrived. Stein Rossen was there as deputy secretary-general. Then there were people in various divisions—there were in the commodity division people like Bernard Chidzero and Alf Maizels and Lamond and Cuddy, people who preceded me into UNCTAD. There was Surendra Patel in the technology area. There were, in trade and manufactures, people like Krishnamurti. I brought in Dragoslav Avramovic from the World Bank to work on commodities. Arsenis worked on money and finance.

TGW: In your recollection, among all of the people who have been in UN service and in UNCTAD service, in the world of ideas, whom would you characterize as giants, people who are really creative?

GC: Now to come back to the intellectual giants. I cannot pretend to know all of them, particularly those who came in the early years of the UN. The ones I knew before UNCTAD were in New York, mostly. There was Philippe de Seynes; there was Mosak; there was Sidney Dell. Well, I must be missing out a lot of people. You know they had those reports on full employment, which were drafted by people like [Michal] Kalecki—I'm not sure. I knew those reports by seeing them in print, and I didn't know the authors personally. Myrdal was associated with the European Economic Commission, I think.

TGW: What about Hans Singer? When did you meet Hans Singer?

GC: Hans Singer, again I don't know when I first met him. I don't remember too much of an association with him when he was in UNCTAD; but when I went to Sussex as a visiting fellow, he was very much there. When I came to UNCTAD, he was a source of continuous encouragement and support. So Hans Singer is a giant from whom I benefited really in my later years. But I did not know him personally too much in my pre-UNCTAD days. I had heard of the name, of course. I'm sure a lot of other names would come to mind if I concentrate on them.

TGW: We spoke a little earlier about pressures on you that you tried to resist, in terms of nominating staff members. Obviously the more senior the level, the more intense the pressure. Could you share with us the problems of a secretary-general of UNCTAD in trying to appoint his own senior staff?

GC: No, I should say I was very lucky in that way. I did not encounter persistent or unpleasant types of pressures to do this and that. I had ambassadors coming and recommending staff, but nobody really put too much pressure. I sensed sometimes that they were committed to showing success in this. But I cannot think of any appointment that I made that reflected that kind of pressure. I decided all those things as I thought fit. There were certain gaps, which I tried to fill. I had no people from China, for example, when I came, and I brought some of them in. There was no senior person from the Arab world at the time. Al-Naggar had come and gone and I brought in Al-Jadir. But for all these people I sought advice from senior colleagues in New York and other people to help find me candidates. No, I cannot think of any staff member that was imposed on me.

TGW: Probably the most controversial appointment that you made, that you wished to make, was Jan Pronk, minister of development from the Netherlands. Since I was in the

secretariat at the time, I do know that this was not well-received in certain quarters. How did you resist that pressure? When did you meet Jan?

GC: I think I met him first in the early years, either just before or just after he was made a minister. I think it was at the time that I was ambassador to the EEC in Brussels. And Tinbergen had been in the Committee for Development Planning. I recollect that at some event I had gone to—some seminar in The Hague—Tinbergen said I should meet this young man. Then I met him over dinner, and subsequent to that he was a minister. He had later come to UNCTAD conferences and played a very supportive role. But I did not know he was interested in any UNCTAD post until, upon the retirement of Rossen, I had to find somebody from the developed country group. I tried a lot of people, including Stéphane Hessel, as I mentioned. I think I remember asking Gerry Helleiner, and I don't know who else. None of this was working out, and then, I was told by someone—I think Marc Nerfen—that Pronk might be available. I contacted him, and he wanted to consult with his political group, and finally he said okay. So I nominated him.

There was a bit of a reaction because Pronk was a socialist in his own government. And there was a reaction from some of the more important developed countries, but not to the point of saying, "No you should not do this." They were saying, "Are you sure you're wise in doing this?" Well, Pronk turned out to be a very good deputy secretary-general of UNCTAD. He stayed on even after I finished my term. He has always had a very good mind and he was very sincere as a person. He believed in what he was doing. Then he went back as minister, so looking back on it, I feel I did well in getting him there.

TGW: I would tend to agree. One of the things that began to happen in the middle of the 1970s, even before the Reagan-Thatcher governments, was hostility, on the American part

toward international institutions. Pat Moynihan became ambassador in New York and took very visible and negative stances. And in 1976 the U.S. withdrew from the ILO. Did this seem like a threat within UNCTAD, or was this simply an internal affair between the ILO and the U.S. government? Did this seem to be a harbinger of other problems for other executive heads of agencies?

GC: No, I must say that until the last period of the Reagan administration the Americans, including Moynihan, were broadly supportive and cooperative. They may not have agreed with what we were doing, but they did not sort of turn their guns on UNCTAD. I remember that I was appointed once, and reappointed three times after that. The last time was of course under Pérez de Cuéllar and it was not for my full term. But in all the others, in the General Assembly there were very supportive speeches made by the U.S. spokesmen appreciating my contribution and what they thought were my intellectual qualities.

Now, I must say that one had to fight hard to take the U.S. along on many issues, including the Common Fund. And then I don't think they ratified the Common Fund. But they did not block it. There was a feeling that the Europeans were, in a way, allowing the U.S. to do the fighting for them but without getting the visibility of standing in the way of things. And I remember having many discussions with leading U.S. people—Senator Moynihan, I remember having dinner with him here, and with some of the secretaries of state at that time, and Kissinger who came to Nairobi even before—and they were all trying to find out what I had in mind regarding this commodity initiative. And when I convinced them what I was really trying to do was to bring about greater strength and stability to commodity prices, which helps anybody, and not to start a kind of unilateral price raising effort, they began to see this logic because they were

members of many of these commodity agreements themselves. In the case of coffee, for Latin countries, the Americans were the people who encouraged it from the beginning.

I remember lots of people coming and speaking to me. I didn't know who they were or what they were after. But I think I sensed that they were all trying get behind my motivations. And they all went away relatively relaxed.

TGW: I had meant to ask you this earlier. Since UNCTAD started out as the *Conference* on Trade and Development, when did it become clear that it was not going to be a conference but an organization that was called a conference? Was this basically a southern position, which then became policy? When, in this process, do you think this occurred?

GC: I don't know the inner story of all this. But as you say it started as a conference in the title, and I think that it was at UNCTAD I that the decision was taken to—

TGW: The decision was taken there, but I wondered whether this position had actually been there from the start?

GC: I don't know. I was not privy to much of that. But I also had a feeling that the developing countries and the socialist countries felt that they were either excluded from or on the periphery of the GATT. They called it a "rich man's club." They wanted another organization within the UN, more representative, which could deal with trade in relation to development. Perhaps they saw the possibility that UNCTAD I would lead to the birth of a permanent organization. But I don't remember going to UNCTAD I in the early days thinking that the main object was to convert this into a permanent body, but it happened there. Maybe that's why the name "conference" still persists.

TGW: One of the organizational questions was that the "conference," now an organization, remained part of the UN secretariat rather than becoming a separate, specialized

agency. Was any thought given during your tenure to actually converting UNCTAD into a specialized agency in the way that UNIDO (UN Industrial Development Organization) did? Would this have made a difference?

GC: Yes. The idea of converting UNCTAD into a specialized agency, to the best of my knowledge, arose after the UNIDO example in the later 1970s. Some of the leaders of the G-77, the stalwarts, thought that UNCTAD too should follow suit and become a specialized agency. I remember resisting that, myself, quite strongly because I felt that UNCTAD got its strength from its link with the General Assembly and the UN. Our influence and our ability to be effective would be greater if that link was kept. If it became a specialized agency with its own budget there was the prospect of people being able to withdraw from the membership and to cut the budget.

So I made it very clear to the G-77 that I did not like it. I made it very clear to the secretariat people in New York that I was against this, and I think they appreciated that. So much so that after UNCTAD I, when I got the integrated program approved, I had a very cooperative response from the personnel and budgetary people in New York in regard to the additional staff needed for the commodity program. They gave me another ASG (assistant secretary-general). When I came there was no ASG in UNCTAD; there was only Rossen who was a D-2. I got it pushed up to ASG. And after Nairobi, when I had a big program for commodities and said I needed a person of stature, they created another ASG post. UNCTAD, by the time I left, had two ASGs, one from a developed and one from a developing country.

So, I did not have to cogitate too much about this, about the merits of being a specialized agency because I felt that our success depended on the link that we have with the General Assembly and on being part of the whole UN response to development problems.

TGW: In the early 1980s, the problem of indebtedness in developing countries clearly began posing problems that were hard to ignore. The World Bank for some time had been pushing the issue of domestic policies and priorities. There was the famous Berg report (*Accelerated Development in Sub-Saharan Africa: Agenda for Action*) in 1981, the report by Professor [Elliot] Berg from the University of Michigan on Africa, and the importance of internal decisions as opposed to external forces. What was UNCTAD's reaction to the call to look at domestic policies as well as external ones?

GC: Well, first, you will recollect that the debt issue was on the agenda at UNCTAD IV for Nairobi, together with the technology issue. I think both Arsenis and Surendra Patel were perhaps keen that the focus on commodities would not overshadow these things. In a sense, commodities became the big game at Nairobi. But we did get a decision at Nairobi to have a ministerial meeting of the UNCTAD Board, the first ever ministerial meeting of the UNCTAD Board, and that that would be dedicated to the issue of debt. So I think in 1978—two years after Nairobi—the Trade and Development Board (TDB) met at ministerial level. And it was chaired, by coincidence, by a Sri Lankan minister because Sri Lanka had the chair at that time of the TDB. Our minister for trade came, and took part, and there were representatives from the developed countries, including in particular Judith Hart from Britain.

There was a discussion on debt, and Judith Hart was very constructive, I know. Finally, they took a decision, not committing the developed countries to debt relief, but rather saying that the creditor countries would “look to”—these were the words they used—to see what kind of relief they can give. As a result of that, there was eventually the outright cancellation of a lot of official debts of developing countries and not only confined to the least developed countries. Even Sri Lanka benefited. The amount at that time was not big by today's standards; it was

about \$6 billion worth of debts that were cancelled. I don't think all the creditors did this. The U.S. I don't think cancelled any debts, nor did Japan, for various constitutional reasons of their own. But Britain did, I know, and some of the leading countries of Europe did and maybe some of the smaller countries as well.

So UNCTAD had some results on the debt issue from the very beginning. Subsequent to that I am not too familiar with this thing you mentioned. Whose report?

TGW: It was a report about the relative importance of domestic decisions and the woes of Africa. UNCTAD was about external problems, but clearly there is a link between external and internal decisions and policies as there is between internal and external in foreign policy. I just wondered whether the importance of domestic decisions was brought up as a possible UNCTAD contribution and then rejected, saying that this was a World Bank issue or approach, or not?

GC: No, I don't think that in UNCTAD we put any kind of spotlight on domestic policies because we were looking at the global external framework for development. Of course, as you said, domestic policies were relevant. But many people in developing countries, and I won't exclude myself from that, had the feeling that the focus on internal development policies gained in sharpness in an opposite direction to the availability of finance. When finance is easy, domestic policies are not seen as such a constraint. When it became tighter, they were and understandably so.

But I have said subsequently—it was less noticeable in my UNCTAD days—that I have seen how this concept of conditionality has evolved as applied by the Bank and the Fund in developing countries. Conditionality started—I know these early days because then I was in planning in Ceylon—with conditions mainly confined to the project for which the money was

being lent. If it was a power station or an irrigation dam, the Bank had to be satisfied that the project was technically sound, that it was well-located, that its economics were correct and so on. It was a conditionality to ensure the success of the project.

Then came stage two, when the Bretton Woods institutions said, "Aha, but the product being sound won't do. It can all be brought to naught and undermined if the overall economic atmosphere, the macroeconomic framework, is bad." So, developing countries, irrespective of the projects, should focus on monetary and fiscal policy. They should avoid excessive budget deficits; they should pursue realistic rates of exchange. At that time, there was a feeling that developing countries all had overvalued currencies. You don't hear that now, but in those days there was the common feeling that they had overvalued currencies that should come down.

So, that next phase was this lecturing on monetary fiscal policies. Keeping credit within limits and keeping budget deficits within limits, and so on. Then came the third phase where conditionality extended to another area related to the opening up of markets. Liberalization, deregulation, privatization, all that became part of the conditionality packages of the structural adjustment programs. So you started with projects, then you went to the budgets and the central bank, then you ended up with major aspects of domestic policy, how they are adding social issues, safety nets and so on, so as to ultimately occupy the whole terrain of domestic policy-making.

I think this is ridiculous. They hardly prescribe for individual country situations. They may put out some general principles and directions, but if you link this with assistance, as they are tending to do now in the case of debt relief, you get a situation in which developing countries do not get the benefits of what was intended for them because they cannot satisfy the conditions. So I think as I told you, "The tighter the purse the wider the conditions."

TGW: The differences in view between the Bretton Woods institutions and UNCTAD are usually pointed out. Is this kind of tension—which is a diversity of views, a diversity of ideas, a breadth of ideas—a healthy part of the UN system? What is the range of views between UNCTAD, on the one hand, and the World Bank and the IMF, on the other?

GC: Well, if you had only Bretton Woods then I would say this other thing is not only healthy but necessary. The main thing about the Bretton Woods that people tend to forget is not their ideological stances. The fact is that the developing countries have only a very small, minority voice in those places—about 25 percent, because voting goes, like in a company, by contributions. The developing countries can never look at the Bretton Woods institutions as ones in which they could exercise the kind of influence they have in the UN where they have the strength of numbers. For that reason, any offset to the Bank and the Fund, which have the resources to offer in return for their policies, by the UN is good—except that the UN does not have the offset. So, this is all the more reason why the UN should emphasize the intellectual caliber and quality of its work.

TGW: If you are going to occupy the moral high ground, you should also have substantial research and powerful ideas behind you?

GC: That's right. But, as I said earlier, it always goes the other way. If you have less to give, you are more in a position to be demanding on who should get it.

TGW: The *Trade and Development Report* (TDR) was one of the counterpoints to the *World Development Report* and now there are a series of reports from UN agencies—annual or semi-annual reports—by UNICEF (UN Children's Fund), the UNDP (UN Development Programme), the High Commissioner for Refugees (UNHCR), etc. What role do these big reports play in the role of ideas and in the role of governments accepting new ideas?

GC: In my time, you did not have that many reports. The UNCTAD *Trade and Development Report* was started in my time, and I still remember the origins of this. It was a discussion I had with an Indian economist called Kelkar, who later joined the UNCTAD staff after my time. He suggested to me that UNCTAD should, apart from the documents it prepares for meetings, bring out a kind of review of its own which is not put to governments for their approval or anything. I then discussed this with Arsenis, who was head of the money and finance division, and he thought it was a very good idea so I encouraged him to go ahead with it. That was how the first TDR came about. Since then, I am glad to say, it has made a good contribution, sometimes standing out against things, not only from the Bretton Woods institutions but also from within UNCTAD. Sometimes there is a difference in tone.

Within UNCTAD, there wasn't a big debate on domestic policies. That's not because any of us thought they were not important but because we thought that was a matter for the governments primarily. And then it was for institutions like the UN and those of Bretton Woods to give some balance. But the narrow concept of conditionality was not something that came naturally to UNCTAD thinking in my time.

TGW: How much diversity of views was there within your senior staff? Were there serious clashes of approaches or of views about important issues? Things related to debt, or categories of countries, or approaches to preferences within your own directorial staff? Was there a wide diversity of views or not?

GC: Within UNCTAD?

TGW: Yes.

GC: Well, I don't recollect too many clashes of the kind you mean, perhaps partly because we did not have a forum within the UNCTAD secretariat to deal with this. We had

pulls, tug-of-wars, over the extent to which UNCTAD should highlight the work of particular divisions. Each division felt that UNCTAD should be pursuing the goals they were set to achieve, and they wanted it reflected in the balance of UNCTAD's total program and so on. But we did not have a kind of think tank within the UNCTAD staff in my time, in which one could thrash out not the work of divisions but the clash between alternative ideas and what could be done.

Of course, it was not simply that each division that was set up wrote its own prayer book. Their work and ideas did come up for discussion at the level of secretary-general, and I did have meetings with heads of divisions. But it was not formalized.

TGW: One of the issues that you mentioned earlier from the Committee on Development Planning, and actually UNCTAD was given responsibility for this, was the poorest countries, the so-called least developed countries (LDCs). Did this category of countries make economic sense or political sense?

GC: I don't know the answer. At the time the Committee on Development Planning set up a subcommittee—on which I did not serve—to outline the criteria for being classified, I myself had some misgivings about the political strategy of subdividing the Third World, of having a subgroup. Whether this was intended to create a special outlet for good treatment by the rich countries in order to show that they are meeting the most urgent cases, I don't know. But I remember at that time the criteria they used were illiteracy, share of industry in GDP, and per capita income. Sri Lanka fell out because on the literacy test we were too high. At that time, there were only twenty-one countries deemed to be least developed countries.

TGW: That's right.

GC: It's tragic that the number has now reached forty-eight, or something like that. Ultimately, the least developed program came to be located in UNCTAD. The first conference was in Paris. I served as secretary-general, not as secretary-general of UNCTAD, but as secretary-general of that conference, though coming from UNCTAD. Well, one of the things I wanted to make sure of was that there would be no division within the developing country camp between the G-77 and the least developed countries. I suggested that all the proposals, resolutions and so on, should be in the name of all the G-77, not just the least developed countries.

So that was followed, and there was not the kind of division like that at Paris. That was a good thing. But it is a tragedy that the number of least developed countries has increased. It is a very telling commentary on international cooperation for development.

TGW: Exactly. But it did seem to me that at this point in time, the early 1980s, the arrival of Margaret Thatcher and Ronald Reagan to power, an interesting set of developments was going on because at one end of the spectrum you have the Paris conference clients, the least developed countries. And on the other end, earlier, you had the oil-exporting developing countries. Now, in the early 1980s, the NICs, the newly-industrialized countries appear. So it seems to me that the notion of one group of southern countries is increasingly, if not under attack, increasingly inapplicable to the way the world was operating and the way a number of people were looking at kinds of countries and analyzing them.

So from my point of view, the G-77 solidarity actually began to come unglued with the OPEC crisis, which ironically also helped put a certain number of issues on the map. And subsequently these other categories were introduced, and it became quite obvious that the G-77 was anything except uniform. Would you agree or disagree?

GC: Well, I have two or three thoughts on that. One, of course, is that the developing countries, even at the time of UNCTAD I when the G-77 was formed, were never a homogeneous group. The Latin countries were more advanced than some of the African countries and some of the Asian countries. There were a lot of differences. Some were commodity producers. Some were pursuing industrialization, like Korea. But they came together on a platform which had something of interest to all of them. The platform taken as a whole reflected the major interests of all the developing countries. It stressed commodities; it stressed debt relief; it stressed tariff preferences, each of them affecting different groups of countries in different ways. But they were all there. As long as there were no conflicts between them, the developing countries can rally around the whole platform.

The second thought is that, of course, in recent times as you said the so-called “differentiation”—that’s the word they have used—between Third World countries has grown in terms of economic structure, in terms of per capita income. You have the NICs, the least developed countries, and the land-locked countries. But again I feel that this does not negate the logic of the developing countries coming together. There is one important reason, and that is that in multilateral negotiations, despite their differences, the only strength they have comes from the strength of their numbers. There is no developing country by itself, no matter how big, whether it is China or India or Brazil, which can by itself be decisive in multilateral processes. They have to combine with others. So I think that there is still a practical, strategic, and tactical reason for the developing countries to combine; but they should do this on a platform that incorporates, as far as possible, the interests of all.

The third point I wish to make is that despite the allusions to the differences among developing countries which come a lot from the North, the North itself does not recognize that

much differentiation when they talk of the developing countries. The World Bank Structural Adjustment Program has the same remedies, the same prescriptions, for virtually every country. They do not say “East Asian countries need to do this, South Asian countries are different, they need to do that and African countries something else.” I remember in New York once, at some seminar I was speaking at, somebody got up and asked a rhetorical question: “You’re talking of the Third World. Can you tell me what Brazil has got in common with Chad?” I was taken aback. I said, “I must confess, I know too little about either Brazil or Chad to answer your question. But there is one thing I can point to straight away that they do have in common. That is that they have a common finance minister in the World Bank!” And that is true.

The North does not, when it comes with its prescriptions for globalization and liberalization, recognize any kind of differentiation, not only within the South, but between the North and the South. The World Bank and the IMF structure also does not recognize differentiation. Sometimes differentiation is used as an argument to prevent the combining of the developing countries in multilateral bodies. The fact of differentiation is true, but the South has to recognize this and come up with a platform which takes into account the interests of all. There may be conflicts. There is a conflict in the WTO, for example, between the countries which are suffering from restrictions on textiles in developed countries and those who are benefiting because of the quotas that they have been given.

These and other issues have to be identified and sorted out. But in a cooperative global environment for development I think there are enough commonalities for the South to come together. These include the need to avoid crises, the need for good economic governance, the need for resource flows (some of them may be official and concessional, others may be private), the need for market access, the need for debt avoidance, the need for strong terms of trade and

for commodity price stability. I think these are enough elements to help them all to rally together.

TGW: It seems to me that perhaps UNCTAD's major contribution to the world of international organizations happens to be in this group process, a way of organizing discussion that makes it possible to have a semblance of order even though we now have 189 countries. Would you agree?

GC: I think so. I think UNCTAD has played a role always. The G-77 was born in UNCTAD. And UNCTAD has kept it together. It was most active in Geneva. Now it has proliferated and emerged everywhere. But I think UNCTAD can provide a binding thread for a common policy. It needn't be a confrontational policy, but a policy in which the interests of the Third World are articulated so that there can be a basis for negotiations with the North.

TGW: You have used the word, and this term was certainly used at UNCTAD, "negotiations," or "multilateral negotiations." Except very few real negotiations go on in multilateral forums; these mainly occur in bilateral ways. When did we drop the idea that UNCTAD would be a center for North-South negotiations?

GC: You see, I always said that UNCTAD has two roles to play. One role is as a front for ideas—the intellectual role. The other is to serve as a forum for negotiating instruments and agreements which reflect some of these intellectual conclusions. To be realistic, I said that the focus UNCTAD puts on at different times will depend on circumstances. There may be times when the negotiating possibilities are strong and then UNCTAD should focus on those; and there are also times when this is not so and then perhaps UNCTAD could look a little bit to the intellectual side and try to work out things. And there is a third area, which I did not emphasize too much in my time, but is now being emphasized, and that is UNCTAD's role as a technical

assistance agency to Third World countries. So I feel that UNCTAD should try to play the role of a forum for negotiations. And it's a pity, and I don't know whether I'm wrong—but I don't think so—I don't think there has been a single major negotiation in UNCTAD in the last fifteen years. Those days we were a hive of activity—the Common Fund, IPC, the technology code, restrictive business practice, multi-modal transport, least developed countries—a whole series of things. Delegates used to come and complain to me that the tempo was too much. I used to tell them, “You are living in a comfortable city; you are having good food; you are having good places to work; and you also want a good night's sleep?”

TGW: Did you sense, and maybe this question reflects too much hindsight on my part, that a massive political change had occurred with Mrs. Thatcher and Mr. Reagan? I think if we were going to date a moment that sort of indicates the world in which we live, it would be the early 1980s, which I think led subsequently to the end of the Cold War and the world of widespread democratization and liberalization, with all its pluses and minuses. But do you recall what you felt like in 1980 or 1982? Did you think that a sea change had actually occurred in the way that states organize themselves and that international affairs and local business would be organized in the future?

GC: Internally?

TGW: Yes, toward privatization and market forces? Something that you had learned at Cambridge, but we had not seen much in the 1970s and 1980s until this time.

GC: Yes. I think there has been a change, and it was influenced by, and certainly coincided with, a lot of changes in the developed world and in the global political climate. I think in many developing countries the pattern of development policy which they had fallen upon, and that is state-led development with a lot of regulation, rationing of resources, controls

and things, became counterproductive. It got out of hand. It was translating into a relatively bad economic performance on the part of many countries. So there was some kind of feeling that you need to break away from this.

With the end of the Cold War and all the euphoria about the end of the conflict between two systems, all this got a certain momentum and it was later helped along by the WTO results. But I always said that the emphasis on statism in Third World countries was not so much due to some kind of socialist ideological orientation, but to the very practical fact that the state was the only strong actor in those countries. Many of them were too weak to rely on the private sector to do the things that developed countries encouraged them to do. I remember saying that when this talk of liberalization and deregulation came in, that it was not enough to clear the stage and remove the obstacles that were in the way, and then expect that somewhere in the wings there was a wonderful *corps de ballet* waiting to give a great performance. I think you have to build up that team of performers. You had to encourage them, give them experience.

So there has always to be, despite the shifts, a mutually reinforcing relationship between the role of the state and the role of the private sector. It should not be an antithetical one. But today the emphasis is on the private sector. This policy is, however, getting into difficulties now because of all the crisis conditions, the disappointments, and so on. I hope that at the end of it there will emerge a kind of consensus on a middle path in which it is not ideology but realities and practical things which tell you how much the state should do and how it should help the private sector, and what the private sector can do and how much it can fall back on the state.

TGW: I hope we do not have to resurrect either the follies of the state epoch or the market epoch in order to find a middle ground. But it seems to me that the pendulum is beginning to move back to some sensible ground.

GC: Right. In my country, Sri Lanka, you know we had a change of government in 1977; and the new government created a presidency, and embarked on the path of opening up and of liberalization. I remember the new president telling me that he thought of *glasnost* and *perestroika* long before Gorbachev because he was already doing just that within the Sri Lankan context!

TGW: About the same time, amazingly enough, we had the two Willy Brandt reports (*North-South: A Programme for Survival* and *Common Crisis*) and discussions in Cancun which some people say was the end—Branislav Gosovic at lunch—of the North-South Dialogue. How did you personally, and how did the institution, react to both the issuance of the Brandt reports and also the discussions in Cancun?

GC: Well, I don't remember my having had a very strong reaction either way to the Brandt reports. I do remember participating in some of the meetings, or socials. And I appreciated the fact that many of the members of the Brandt Commission were committed, well-informed, experienced people. I recollect sitting at a lunch—Ted Heath was there and Brandt was there—and they were all people who I felt were trying to contribute, trying to further the cause of the developing countries. I cannot remember any specific idea that came up. What year was this?

TGW: 1981.

GC: That was before the sea change came on. So maybe we were all complacent and thought this was another source of support to what we were doing. I don't know whether I should go into that now. I can tell you that as an anecdote, but it was not a political conversation. At Cancun, on the last day, there was a reception given in one of the hotels. All the big names were there. I overheard Thatcher saying to Donald Regan, "You must promise to

bring down interest rates before Christmas.” Then I was talking to the Saudi finance minister, and Reagan walked out from the inside of the hotel onto the lawn, and he was alone.

One of the things I was impressed about was Reagan, although I have always categorized VIPs into two types—those who remind me of waiters and those who are somewhat better. Those who remind me of waiters look straight ahead; they don’t want to catch your eye in case you trouble them with something or another. Reagan was not like that. He looked around, he saw the two of us, and he walked up to us. The Saudi man and I introduced ourselves. I gave my name, and I said I am from Sri Lanka and that I am the secretary-general of UNCTAD. I had grave doubts about whether he was familiar with either Sri Lanka or UNCTAD. But he said, “Oh yes,” and he was very nice and polite.

Then the Saudi backed away, and I was left alone with him. I didn’t want to exceed the limits of my position and talk politics with him. So I turned to make polite conversation and I asked him, “Mr. President, have you had the opportunity of taking a morning’s swim here in Cancun?” He said, “Oh yes, I did it in the days before the conference started, but since that time I couldn’t do it.” Then what was I going to ask next? I asked him, “Mr. President, do you feel the heat?” It was very hot there. What would I do, I had to make conversation. Then he said, “I have not been to your country, but you must know I come from California, and in California—let me tell you that we wear the same suits during the evening that you would wear in Paris or London. The evenings are cool and we often sleep under blankets. Nowadays, you would be surprised at the kind of blankets you have. You can get a blanket where you can set the temperature you want it to attain when you get under it. When it warms up and arrives at the temperature set, it holds it there.” Then he said, “There is another kind of blanket where you set

the temperature before you get in, so that when you get in it is already what you want it to be.” He mentioned three varieties; I can’t remember the third.

I didn’t know what to say next. He had shown no desire to walk away. He was perfectly happy to keep on talking with me. He was very relaxed. Then I just asked him, “Mr. President, do you know Acapulco?” He said, “Oh, yes, of course I know it. I have been there several times.” Then he asked, “Have you been there?” I said, “No, I haven’t been there.” And he said, “But you should go there.” I said, “Well, I’d love to but I don’t know how I can get the chance.” And he said, “But this is your chance. You’re here now. Why don’t you arrange to go to Acapulco?” I said, “I don’t know if I can do that. I came with the UN Secretary-General and I have to go back with him. He said, “But there must be some way in which you can go to Acapulco and then get back to New York.” And he was very upset that I was missing this chance to go to Acapulco. I imagined that if we had gone on much longer he would have put a plane at my disposal!

The upshot of it was that I ended up liking this gentleman very much. You could speak to him. He had no idea of imposing his authority. I felt he could go on chatting as long as I was available. He was very, very relaxed and taking a genuine interest in the person he was talking to. So, I thought, whatever his politics, this is a very likable man.

TGW: I think that was also his strength domestically.

GC: Yes. And then of course somebody came and disturbed us, and that was the end of the conversation. At the meeting itself he showed his sense of humor. Pierre Trudeau was in the chair and said, “I want to make a proposal, and that is that in our interventions we dispense with two things: saying thank-you to the host because we should do that collectively rather than individually; and dispensing with applause after each speech.” Reagan put his hand up and said,

“Mr. President, I’m really disturbed by what you just said because I come from a profession where the absence of applause is the surest sign of failure.”

TGW: One more question before we leave this period. What pushed you to write the book *Taming Commodity Markets* (Manchester University Press, 1992)? I ask this because so few senior officials write up comments on substantive issues. Occasionally there are memoirs, but there are too few of those. But here is a book published a decade after you finished being secretary-general on an important substantive issue. What actually pushed you to do this?

GC: Well, you see when I finished with UNCTAD in early 1985, I had in mind writing up the story of my days with UNCTAD. I had an outline to cover the whole spectrum of what UNCTAD was doing. I was secretary-general for the longest period so far, eleven years. I was there for the tenth anniversary and I was there for the twentieth anniversary. So I thought of writing this whole thing, and I discussed it with some people, including Stein Rossen. But Rossen told me, “I think you should focus on the commodity thing because that took up most of your time and most of the time of the organization. That story needs to be recorded.”

So I said okay, let me start there and maybe can then add on all of the other things we have been talking about. But then the commodity story became longer than I expected. I didn’t have documents, notes, or anything. I just wrote it from memory, and I showed it to one or two people in the commodity division just to check up on accuracy. Then I got a kind of visiting fellowship at Corpus Christi, my old Cambridge college. I was called a “senior commoner” or something like that. They gave me a flat, and high table rights, and all to help write this. They didn’t know very much about what I was writing, but one of the fellows, a gentleman called Lowe, was lecturing I think in international law. He was interested in commodity agreements; they are a part of international law. He encouraged me to get ahead and finish my piece. I sent

him transcripts. He read them, and then he arranged for it to be published by Manchester University Press, which was publishing some of the other outputs of the Cambridge International Law School. So that's how it came about.

TGW: Well, it's getting to be dusk and Tony Hill will be here soon. So I will make this the end of the first day, the second tape of an interview by Tom Weiss with Gamani Corea in Geneva on 1 February, 2000.

TGW: This is the Second of February, in the morning. Tom Weiss, continuing the interview with Gamani Corea in Geneva.

After leaving UNCTAD, we mentioned yesterday that you went to the University of Sussex, back to England, and back to an academic setting. What was it like to return to England and a university setting after thirty, forty years in the field so to speak?

GC: After UNCTAD, I went to Cambridge, not to Sussex. But since you mentioned Sussex, let me fill in a few gaps. I went to Sussex after I finished with the planning ministry and went back to the Central Bank as a deputy governor in the early 1970s. Then I had an invitation with Sidney Dell to come and spend a month or six weeks in New York with UNCTAD to write a paper for the Santiago conference—which was coming up in 1971 or 1972, UNCTAD III, I think it was—on debt problems. So, I went to New York and wrote a paper on that and left it behind.

Then, I was contacted by the head of IDRC (International Development Research Centre) in Canada. At that time they were talking about a developing country chairman for IDRC and he wanted me to take it. But that meant locating in Canada and I could not do that.

TGW: Was it Bernard Wood at the time, who has become head of the OECD (Organisation of Economic Co-Operation and Development) Development Center? Or was it one of the Pearsons?

GC: I think it was David Hopper. Anyway, I said I wanted to write up the story of the planning exercise in Sri Lanka, particularly the period of the recovery program when I was permanent secretary to the ministry—the setting up of the Aid Consortium, the other issues we dealt with. And he said, “Well, if you don’t want to come to the IDRC, we can give you a fellowship and you can use it wherever you like.”

I said, “That’s a very good idea.” I think Dudley Seers or somebody had said, “Why don’t you come to the IDS?” Tommy Balogh, too. Because I remember when the IDS was first started, I was at a Commonwealth meeting that was held in Nairobi, Kenya. So I was aware of the efforts to set it up. So I said, “Fine, I will go there and write this story.” They gave me a lovely little flat in the place and I started writing a bit. So I went as—I don’t remember what my title was—a kind of visiting fellow. I’m now an honorary fellow of IDS.

TGW: I thought you said yesterday that this book, *Taming Commodity Markets*, published by the University of Manchester Press, that you had written that up afterwards and that you had spent some time there. Where did you write that book?

GC: Most of it I wrote in Cambridge, after UNCTAD. Sussex was after Sri Lanka, more than ten years earlier.

TGW: So Cambridge was after UNCTAD. And you spent some time there in residence?

GC: Yes, I spent some time coming and going. There, too, I was called a fellow commoner or something and given a nice apartment, everything free. I had access to the high table for meals. I enjoyed it greatly when I was there. But in Sussex itself, the IDS was small.

That's when I met Hans Singer, Richard Jolly, and others. And I started writing, but again, like most of the projects I have had, which were too ambitious, I never finished it. I wrote the introductory portion on the background to aid. Somebody read it and said, "When are you going to get down to your own story?" That I never did, because when I was in Sussex, I had a call from Perez-Guerrero from UNCTAD saying that the Cocoa Conference is going to convene and we want an independent chairman and we would be very happy if you could play that role. I told him I was writing this thing but he said it would not take more than a week or two.

So, I came to Geneva. I accepted it. And I was elected the independent chairman of the Cocoa Conference. But the duration of that exercise was beyond my expectations because we met more than once. Eventually, several weeks, perhaps months, of my time was taken up with this Cocoa Conference, but I had the satisfaction of seeing the first cocoa agreement accepted and launched, much to the surprise of the U.S. at that time. They did not think we would get that far. They did not go along with the consensus, but later I think they joined it so it went off alright. But UNCTAD was a happy experience, and that's when I met some of my later colleagues from the commodities division—Bernard Chidzero and so many people like that.

TGW: Shortly after your UNCTAD days, Mikhail Gorbachev came to power in the Soviet Union, and *glasnost*, *perestroika*, and pretty soon the collapse of the Berlin Wall in 1989. Were you, like everyone else, surprised by this turn of events? When it occurred, did you imagine the kinds of changes that would occur not just in the group bargaining system within UNCTAD and the UN, but within world politics?

GC: I remember at the time being somewhat taken by surprise at the speed of events because Gorbachev did not predicate the break-up of the Soviet Union at that time. He was launching his internal reforms. He was trying to establish a better climate of relations with the

United States, and so on. At that time, within UNCTAD, I did not find any particular impact of those changes. The Soviet Union was still a member and they were supportive. Sometimes after I left UNCTAD, I went to Moscow for some seminar and I met some of my former Soviet colleagues who were with me in UNCTAD, like Pankin and all of those people. I vaguely remember even being interviewed, whether by the press or the television I don't know. And at that time they were still overtaken by *glasnost* and *perestroika*, and I remember being told about the flood of petitions that were coming up, from within Soviet society for reform, and being encouraged by this.

TGW: Well, you were being interviewed in Moscow by the press?

GC: No, that was after I had finished with UNCTAD. As I said, I went for some seminar. I remember the then-president of Venezuela, Carlos Andres Perez, coming along with a former UNCTAD colleague, Reinaldo Figueredo. So I felt at home there. The Soviet Union was still in existence, but the reform was going on.

Of course, after the event, when the whole thing came apart, I was asking myself why this was not better managed within the Soviet Union. Why did it get out of control like this? In China, they too have tried to keep up with the times and liberalize, but they never let go. So, I was asking how this could have happened.

TGW: But it certainly led to calling into question the role of the state and the kinds of extremes that you pointed to yesterday. Do you think that we're coming back toward some more reasonable middle ground in which obviously there is a role for the state? And obviously there's a role for the market?

GC: You mean in the future?

TGW: Yes.

GC: I think so. Again, with the evolution of the former Soviet Union into a world power, one of the two leaders, I find it difficult to think that they would remain a backwater indefinitely. I think there will be an effort to put things right and, as you said, it will be a middle path. Not so much now correcting the excesses of communism, but the excesses of the free enterprise system that they have brought in and all the corruption and uncertainty that has come in.

I think Russia is too big, and its historical experience too important, for it to remain a country in crisis. I don't know, but I'm sure that they're all striving internally there to restore, to come back to, a more orderly situation, and I should expect that they will succeed. But who knows how long it will take?

TGW: I personally thought that the subtitle of the 1997 *World Development Report, The State in a Changing World*, suggests that even the Bretton Woods institutions are realizing that there is a role for the state to play in the development process, and it seems that the center of the debate is now in quite a different place than it was ten years ago.

GC: Of course this business of downplaying the role of the state—I understand the origins of this—the influence of the failures and shortcomings of the past. But it has gone too far. I sometimes say, jokingly, that there is now a convergence of views between Wall Street and Karl Marx on the “withering away of the state.” Certainly, for developing countries, this is going too far. I think the state needs to play a role, but it has to play not a confrontational role vis-à-vis the private sector, but a cooperative role in which the state and the private sector reinforce each other.

This, I have suggested, calls for a different kind of planning—not project-by-project planning, but the formulation of guidelines. A kind of roadmap which will tell the private sector

where we can go five or ten years from now, and then ask the private sector what contribution they can make to this, what their ideas are for investments in the periods ahead, what they can get from the state and so on. I did not have any special expertise, but I had the impression that this, in a way, was what was done by the success stories of Asia, starting with Japan and going to South Korea and so on.

TGW: One of the activities on which you spent an immense amount of time within the last ten or fifteen years is the South Commission. Could you tell me a little about your own association with that, and what your judgement is about its utility as we move into the twenty-first century?

GC: Well, when I left UNCTAD, and when I was in Cambridge, the thought came to me that perhaps we can have a kind of independent think tank within the South—not a secretariat, but what eventually became a commission. I mentioned this to several people, both in UNCTAD who were there after I left, and some people like Figueredo, who had gone back to Venezuela, and others, and I even remember some kind of a meeting. Alistair McIntyre called here, where we talked about this.

Parallel to that, there was a kind of initiative beginning to take shape in London, which involved a group who had set up the *South* magazine. A man called Gauhar from Pakistan was running it, linked with BCCI (Bank of Commerce and Credit International), which later collapsed. I also think it had a kind of link with people like Sonny Ramphal. So they, too, came up with this idea.

I think we had some meeting. We were all brought together and had, in fact, more than one meeting. One was in Harare, I remember, and the other was in Kuala Lumpur when the suggestion was made that a South Commission should be set up and that it should be headed

by—one name at the time was Carlos Andres Perez—but eventually it came around to Julius Nyrere. Then, I think the Malaysian government took this up and informed the nonaligned summit that a commission had been set up, that Nyrere had been asked to lead it. It wasn't a creature of the nonaligned but they were kept informed and they gave their blessings to it.

Then Nyrere, I remember, sent a message to me saying he would like me to meet him. He was coming to New Delhi. I went to New Delhi from Colombo. In my private hotel sitting room, Manmohan Singh walked in, and he said he had also received a message to call from Nyrere. So I went and saw Nyrere in his room. He asked if I would join the commission, and I said yes. Then I came back to the room and Manmohan was still waiting for me. He said, "I'll see Nyrere and come back." Nyrere had made the same request to him. I don't know whether it was on that occasion, maybe it was later, that he asked Manmohan to be the secretary-general. So I joined the commission, which came to be located in Geneva, and we met several times over a number of years. It had a little secretariat, with Manmohan as secretary-general. It had Carlos Fortín, I remember, and also Branislav Gosovic.

We had a number of sessions and, of course, I was anxious that the commission should push North-South issues. That was my background. They did, but not in the way I had earlier expected. North-South was one, but the last chapter of the North-South Commission report. The first chapter was on people-centered development; the second one was on South-South cooperation; and the third one was on North-South. Of course, it said all the right things in a restrained way. So it had a good reception in the North, I know, and in the South as well. But for the South it proposed a secretariat and things that were not acted upon.

After the commission report was over, the secretariat continued here in Geneva because the Swiss gave them the office space and diplomatic rights, which they enjoyed. And some of us

said we should keep the secretariat going. We negotiated with the Swiss because they said if we wanted to continue to have diplomatic rights and the same status, we would have to become an intergovernmental body. For the commission, which was a nongovernmental organization (NGO), you didn't need that. The Swiss have a special law for commissions. But beyond that, we had to negotiate with the Swiss and then set up the South Centre some years ago and invited governments to join. And I think now there are some forty-four governments. But the governments were not asked to subscribe. Subscriptions were voluntary. So the South Centre from the beginning has had a problem of funding.

TGW: Is there, in your view, an advantage to being an intergovernmental organization versus a nongovernmental one? There is great euphoria these days about the power of private organizations, non-state entities, to put issues in front of international bodies and to keep them alive. Would the South Centre have been in some ways better off as an NGO, incorporated in a society elsewhere?

GC: I doubt that because the NGO strength, South-based, is still relatively weak. NGOs have become increasingly prominent in the North, and they are beginning to emerge in the South, too, and link up with like-minded NGO groups in the North. All that is good, but I think if the South Centre had been purely an NGO, it brings up two questions. One is of course resources and funding, which is there anyway. The other is credibility. If the NGO is set up in the South, those who are enthusiastic join, but others would want to know who is inspiring them, who is funding them, and so on. There can be the feeling of their being an agent and so on. But despite the fact that the South Centre is a governmental body, in its statute it said that it would be an independent, autonomous body. It is not a secretariat of the member governments. It is meant to focus on issues, not necessarily those coming up for immediate negotiations. And to

give an input into the analytical work on issues concerning the South and of course with a special focus on North-South issues.

TGW: One other activity that has taken some of your time, namely, chairing the group that put forth the strategy for the Fourth United Nations Development Decade. Could you tell me a little bit about the dynamics of that group and what it was like moving into the fourth decade after three previous ones?

GC: It wasn't a group. It was the General Assembly meeting in special session. It was not even a committee then. It was the whole General Assembly. This was to take up the task of coming up with the fourth strategy, since the third one had run its course. I remember a number of discussions we had on it. The Assembly was very responsive. There were no big battles in it. The South had begun to suffer from the difficulties of the 1980s. Growth rates had come down. One of the themes was how to reverse this trend and set the South back on the tracks.

I put up some drafts for the original report, but I also drew heavily from UN staff members, including the Swede, Goran Ohlin, who died about a year or two ago. He was in the DIESA (UN Department of International Economic and Social Affairs). He was very committed to this and he really was instrumental in getting it finished.

TGW: Is there a time at which something that was a good idea, the excitement surrounding the First Development Decade, for example, or a vehicle such as a declaration outlives its utility? My own recollection is that the Fourth Development Decade certainly got less publicity and generated considerably less enthusiasm than the first and the second. Should there be a sunset clause on these things so that they don't become routine?

GC: Well, at the time of the Fourth Development Decade, as you said, they had this experience of the past. There were the signs of weakening of will to push ahead with some of

the old commitments and concepts; aid flow was one of them. Of course, my contribution was to try to underscore the continued relevance of important elements of the old strategy. Not so much to take the line that the world has changed so much that these were now irrelevant.

Globalization-liberalization had not yet become a household world. But there was the feeling that, with the changes that had taken place in the East-West relationship, a new scenario was unfolding. There were some voices about a focus on the private sector and so on.

In the end, I did my drafts and presided over the debates. But for the final meetings, when the strategy was adopted, I wasn't able to be present. At that time I had a mishap because something happened to my sciatic nerve. It affected my foot and so on. That was the end of 1989. But that did not stop my role. I did chair the thing. But for the final crossing of the t's and the dotting of the i's, on the very last day or days, I wasn't there. It said the right things. You didn't find, at the time it was written, much of the terminology that is in vogue now—particularly globalization, liberalization, the role of foreign direct investment, and so on. Much of the strategy drew attention to the falling back from earlier commitments and goals, not only in regard to aid, but also in respect of growth rates and the terms of trade. We were trying to say that the global economic environment was not sufficiently supportive of the development efforts of countries. We tried to bring back to the international community the need to adhere to some of the past commitments, not only in terms of numbers but in terms of the kinds of issues and so on.

I haven't re-read the strategy, and I don't know how I will think about it now. But when I left it, it was something that we need not have been dissatisfied about. Sidney Dell thought, I recollect, that we were a bit too soft on the industrialization part of it, and that we should be

stronger on that. He was there at the time of drafting, and I remember going to his home for the dinners and evenings he organized.

TGW: The other activity, which is actually quite recent, that would be interesting to spell out for the future, is the Corea Foundation. What will the Corea Foundation do, now that it has been incorporated in Colombo?

GC: My idea was, of course, to set up a foundation as a receptacle for the assets and properties I had inherited from my parents—on my mother's side. And not having brothers, sisters, nor children, I thought I should put it to this kind of use. But, of course, people are saying, "That won't do. You should activate it while you are there and get it going and give it an image because you have the contacts," and so on and so forth. Do not just keep it as a thing waiting to be brought alive after you are dead.

TGW: What are you hoping that the foundation will concentrate upon? Issues you yourself have focused on?

GC: Well, I wanted the foundation to focus on the things that occupied my working life and career. That is both the national dimensions of development and the international dimensions. Of course, my later experience was on the international side. I am aware of the fact that there is too little exposure to this in a small country like Sri Lanka. You don't have a body of expertise that is knowledgeable on WTO issues or international trade issues or aid issues. There are those officials in the ministries who have contact with the Bank and the Fund, and they are informed about all this. And in the trade ministry, there are officials who come to WTO. But if you want to have a seminar where you invite people from the public—academics or even business people—you don't find people with too much background on this.

So I thought it was one of the gaps we can fill in this area. I happen to be the former chairman of the Marga Institute of Development Studies, which was set up in 1972. I was chairman until about two or three years ago, when I finally persuaded them to get somebody else. But I am still called chairman emeritus or something like that. And I am chairman now of the Institute of Policy Studies in Colombo, which is a statutory body. It is supported by the Dutch government in funding. They have a good team of young economists, but not too many of them have been exposed as yet either to the administration in Sri Lanka or to international activities. They have come from universities with higher degrees and so on.

So I thought that an organization like mine can fill a void by giving a little attention to Sri Lanka's role in the global contexts, including the regional and sub-regional issues. South Asian regional issues and so on can be one window of that. But we could also be a kind of sounding board for the prescriptions on internal domestic policies coming from the Bretton Woods institutions, the WTO, and so on. At the time I was secretary of the Planning Ministry, we had very intimate contact and discussions and negotiations with the Bank and the Fund, and we had very good relationships. But we had a team in Sri Lanka, which was capable of dialogue with the officials from the Bank and the Fund. I got the feeling that now that team has been separated and is not in one place. So, I feel that one of the things this foundation can do is to try and put up a coherent set of approaches for domestic policies, not linked to political parties and so on, which then can be used by those who are having to liaise with the international institutions.

TGW: Actually, have you spoken with Oscar Arias about this issue? Because he has, in fact, set up a foundation in Costa Rica, called the Arias Foundation, which acts as an operating foundation. It uses resources of his, as well as attracting other resources, to try to do some of these things.

GC: I have not spoken to him. In fact, I don't think I have met him now for a long time. There was a time when a thing called the Third World Forum was set up. Mahbub ul Haq was one of the initiators of that. We met in Mexico and, if I remember right, Oscar Arias was there at the time, but I'm not sure. I, of course, know the name. He got a Nobel Prize. But I am interested to hear about his ideas and experience. Once this is set up, the first thing I need to do is to find one or two executives who can take over the day-to-day management. I don't want to start working on that kind of thing again. That's why people say that while I'm there, I should use the contacts and links that I've had. After that they will be lost.

Now that you mention Oscar Arias, I must try to keep it in mind to touch base with him.

TGW: Perhaps we can talk about that a little over lunch. I would like to come back in a little bit of a synthetic way to some of the things that we've touched upon in the last couple of days. One is your judgement about the sources of ideas and their impact on intergovernmental institutions and nongovernmental organizations. I would like to try to sort out, if we could, the differences, in your view, in the ideas that emanate from individuals. You've mentioned many sources of ideas: Raúl Prebisch, Jan Tinbergen, James Meade, Hans Singer, etc.; the role of major international conferences; the reports of eminent commissions; and finally, the academic arena. Perhaps we could go through those, one at a time. In your view, what is the power of these four different channels that seem to be operating internationally? Let's start with the individuals.

GC: I think that in regard to the first category, eminent intellectuals and individuals, my impression—and this may be less than the whole story—is that their impact was felt mostly in highlighting the development dimensions in international public discussions. When I was a student in Cambridge, decolonization was just starting. And I remember the subject was what

could be done for what were called “underdeveloped countries,” or the “backward economies.” Somebody had written a paper which focused on these countries and the need to have a kind of development policy internally for them. But, to me, the main input from distinguished individuals, and for obvious reasons, was their contribution to the international dimensions of the development issue. And that is what made them accessible to a wide clientele in different parts of the world. If they were prescribing for one country, it wouldn’t have been the same thing. As a result of that, there was a kind of lacuna when it came to the domestic policies of developing countries. That is a void into which the Bretton Woods institutions have attempted to step, and which they did step into.

There was a certain tradition coming from socialist thinking about the role of the state, the role of social justice, and so on, which was reflected in the thinking of intellectuals in developing countries who came from universities abroad—the London School of Economics (LSE) and so on. So that part of it was there. The big names associated—I’m going back to my young days—people like Harold Laski and intellectuals on the British left. Those names were quite well-known and their ideas were very influential. Most of the people were associated with the Left Book Club, even people like Beveridge, John Strachey, and the Webbs. That whole generation of thinkers, at that time, were not formulating policies, as such, for developing countries. They were pointing to shortcomings and gaps, and as I said the first day, here when I first had the task of drawing up plans I was complaining that there was a lot of literature on the need for planning, but not that much on how to prepare a plan.

On that we did not get too much of a lead. But some of it was also being developed in countries like India, with the Planning Commission. So, I think that in regard to the role of individuals—big names—the impact was very significant but mostly focused on issues of

common concern to all the developing countries and the world as a whole, with a special emphasis on the international dimensions of these issues: the need for aid and for a supportive framework for trade and things like that. Of course, one of the big names, who in a UN sense acted as a catalyst and led to the creation of UNCTAD, was Raúl Prebisch. Prebisch's focus again was not on internal policies of developing countries at that time, but on the external economic framework for development and the need for making it supportive of development.

TGW: I mentioned the second influence—global ad hoc conferences which come up, and in which an issue is given a great amount of publicity. Starting, I would have to say, with the 1972 Stockholm Conference on the Environment (UN Conference on the Human Environment), which was the first major and special UN effort to single out an issue. But since, particularly during the 1990s, we had one or two a year on particular subjects. I'm wondering what, in retrospect, you think the impact of these conferences has been on the development of ideas, on the development of new international policies.

GC: It is interesting you should mention this, and particularly that you should mention Stockholm, because Maurice Strong had been appointed as secretary-general of the Stockholm conference and he was looking for support from developing countries. The developing countries at that time rather distanced themselves, saying that environment is about pollution, and pollution is a matter for the rich countries. Acid rain and things like that did not concern them. Strong and his team were worried about this, and I recollect it was Prebisch who told me, in New York for the first time, that Strong was asking about me and that I should speak to him. Prebisch used the words, "Next to the issues that UNCTAD is pursuing, I think this is one of the most important of issues."

So I met Strong in New York, and he asked how we could get the developing countries into this, and I said we should have a little meeting with people who are involved in New York while I was there. He set one up very quickly. I remember Arthur Lewis was a participant. And the upshot of that—I think that Mahbub ul Haq was also there—was that we should have a little group to do a think piece on the relevance of the environment issue for developing countries. That is a group that, prior to Stockholm, met in Founex in Switzerland. I had the honor and privilege of chairing that. One of the things we stressed in our report is that the environment issue is not only caused by the process of development, it is also brought up by the lack of development, particularly in a situation of population growth where people are cutting trees and getting into deforestation and overgrazing soils. Therefore developing countries need to focus on both the environmental aspects of the lack of development and the environmental aspects of getting onto the development path.

After that conference and that report, Maurice Strong asked me to go talk to some countries in Asia. I went to Singapore. I went to Indonesia and Malaysia. I remember Singapore had a headline the day after I arrived saying, “UN Pollution Expert Arrives.” I spoke to a lot of people, including the Indonesians—Adam Malik was then the foreign minister. I think as a result of that, and as a result of the Founex report, the developing countries did come to Stockholm in all their numbers and did get intimately involved in it. I remember Indira Gandhi came and made a very good speech at Stockholm on the environment.

But the main thing was that the original inspiration, the original motivation for looking at the environment came from the developed countries. The thinkers in those countries—I won't say the governments—were beginning to warn about the impact of all this. The *Limits to Growth*, by the Club of Rome, came up. So, that was one. Since then, the developing countries,

too, have been pursuing this issue. I have always been saying—and say this to this day—that the environment is of concern to developing countries not only because of the internal stresses and strains on their national environments arising out of their own activities, but also because of the consequences of the global environment problem.

I said that we are being told that if all the countries of the world—if China, India—had today's per capita income of the United States based on present technologies and consumption patterns, the environment would collapse. That is probably true. But what is the moral? Should the developing countries remain poor in order to save the environment, or find some other pattern of development different to the North that does not put the same strains on the environment? I said, "This won't work because developing countries would want to copy the success stories no matter what advice you give them." Therefore, I said that it is not enough being told not to get on the boat because it is already full, and that if you do, it will sink. You have got to find a new pattern of economic and social change which puts less stress on the environment. The developed countries have to give the lead in this.

I kept saying that what you want is not sustainable development because one does not know whether development as we know it is sustainable; what we want is a kind of replicable development and a kind of sustainable lifestyle. The developed countries, using technology and whatever it is, have to show the way as to how you can achieve these lifestyles with less pressures on the environment; that they should release more environmental space to developing countries. Ecological space to enable them to develop, by cutting back on the pressures developed countries are putting on the global system. Anyway, that's another whole chapter.

Of course I went to Stockholm, the conference itself, and after that, to Rio (UN Conference on Environment and Development) as part of the Sri Lanka delegation. To

Stockholm I went on my own, I think. I was then chairman of the CDP, also. I was very impressed by the enormous presence of NGOs in Rio because they were there in large numbers. Outside the conference were tens of thousands of NGOs setting up their little sheds and camps, distributing things and so on. This highlighted another aspect of what's happening now. When an issue becomes important, to put it cynically, there are lots of people making a living out of it: doing good in the process, but at the same time having their own imperatives and driving forces, and developing countries are also getting drawn into this.

But there is still a feeling that the priorities that determine the establishment of NGOs are still a bit too heavily influenced by the North. The issues that the North focuses on, whether it be women's rights, or the environment, or children's rights, the Third World groups join up and give support. But you don't have a Third World NGO on industrialization, nor a Third World NGO on more energy for their countries. They are focusing on other things.

Recently, you had this Conference on Social Development. In fact, I'm dining today with Jacques Baudot. That was inspired by Juan Somavía, who was an ambassador, and who now heads the ILO. Of course that is all well and good, but I keep saying that these social issues—women's rights, treatment of children, safety nets, better income distribution—should have top priority in the development agenda. But you must remember also that these are not the issues that touch on the raw nerves of relations between states. In most cases, you can end up with a do-it-yourself kit for the developing countries: you look after everyone, you look after your children, your poor, distribute your incomes better. We will give you encouragement, we will give you technical assistance, we will give you a little money here and there. But it is not the same as the set of issues, like trade and aid flows, which affect the pockets and the economies of the developed countries.

So I have been saying to Third World countries, please be careful. By all means do these things because they are very valid. They are very important. You have to pursue them and to commit yourself to them. But don't make it an alternative to the more difficult hard-core issues of international economic relations—trade, aid, debt, tariffs, all that kind of thing.

TGW: It seems to me that you've made a very articulate argument that these conferences, sponsored by the UN, are indeed a useful gimmick, perhaps that's the word, to bring people together, increasingly the private sector and NGOs as well as governments; to put new issues on the table; to indicate that there are differences of views on how to approach the issue. And, as a result, institutions are created—Stockholm created UNEP (UN Environment Programme) and other kinds of departmental institutions. And to provide a way that the issue continues to evolve and gets inserted in the public policy dialogue in a way that reflects global as opposed to particular perspectives.

GC: Yes. Of course, in Sri Lanka, whenever I can I support the efforts of the environmental lobby. But I said, "Please be careful. Do not become nihilists, saying that everything is bad. Power is bad. Roads are bad. Highways are bad. Even golf courses are bad." And I said, "Don't allow them to call you the watchdogs of the environment. The function of the watchdog is to bark and keep away intruders and so protect the status quo. That is not what you should be doing."

So, there is still a message to be got across on the environment issue. That is the relationship between the opportunities for developing countries to develop and the activities of the developed countries in grabbing ecological/environmental space.

TGW: What about the "third way" that ideas seem to have come forth in the last several years? That is a report from an eminent group of people? I suppose beginning with the Club of

Rome on the environment, but since that time we have mentioned several others: Brandt, Brundtland (*Our Common Future*), Aga Kahn on humanitarian issues (*Winning the Human Race?*), the South Commission on South-South cooperation (*The Challenge to the South*), the Ramphal/Carlsson (*Our Global Neighborhood*) team on global governance. What, in your view, is the utility of these reports, which put together twenty or twenty-five recognizable names to focus upon an idea, an issue? Do they have an impact?

GC: I think it is very easy to be cynical or negative about these groups. But I think, if you ask me, my own feeling is that they do have value. I don't know about their impact but they do have value. They highlight certain issues; they help create an opinion on them which permeates to administrators, decision-makers, the public at large, and academics. They focus on burning issues of the day. I think that the balance sheet for all this is, taken on the whole, is quite a positive one. Of course one does not have to endorse the results of all these groups. Some of them are contradictory. I remember you mentioned the Ramphal group and global governance. Somewhere there it said that UNCTAD should be abolished. It had many people in it who were friends of UNCTAD, but who were doing this.

Yet I think that the general thrust of these commissions has been positive, progressive, and something that has been helpful to developing countries, particularly in relation to the international thrust in various international organizations and so on. On bilateral issues between rich and poor countries, perhaps less so—naturally.

TGW: The final category. You mentioned as a student, both in Colombo with the Left Book Club and at Cambridge, some important ideas that you picked up from academics. Is there an indication that UN institutions, or NGOs, pay much attention to what goes on in the academic arena? Numbers of academics get called into the service of the United Nations or governments

to do studies. You mentioned several in Sri Lanka. But I'm trying to figure out whether in their personal capacities—in terms of the books they write, in terms of the ideas they put forth, either books or op-eds and what have you—they do make a difference.

GC: I don't have the background to speak of the academic world throughout the developing countries. In Sri Lanka, in the old days, the academic world were those who were active in universities, and who, in addition to their university pursuits of teaching and lecturing, were writing and commenting on major issues. They attracted some attention. Now, I find increasingly, and again I'm talking of Sri Lanka but probably it is true elsewhere, that when you talk of academics you are talking not only of those who are engaged in the teaching profession in universities, but those who are engaged in research institutes who do not have a teaching obligation but who focus on think tanks, depending on the areas. I think there has been a proliferation of that, and I think that is good, because I think the academics have been contributing as a supplement to their normal responsibilities of teaching.

These research institutes can be full-time workers on whatever subjects that they have chosen. They can bring in people, have linkages with outside bodies. Some of them get funding from outside bodies. So I think that the role of the so-called academic, or the intellectual who is not a government employee or a foreign ministry employee or whatever it is, is beginning to grow in these countries. In Sri Lanka, I would like to see it grow more. I think I said that on WTO issues and Bretton Woods issues that research institutes do not have enough of a background of experience to produce papers, and so on. They tend to look at domestic issues, and sometimes micro problems, rather than macro problems. But you are seeing evolve a growing intelligentsia, which is putting the spotlight on policy issues, and trying to interest

governments. I don't know whether they have come to the stage of being able to replace the work of professions in either the international bodies or the governments themselves.

Of course, I keep saying that the thrust is to be welcome. But sometimes you find, in the international setting, discussions of the role of what is called international civil society. I was puzzled; what is the composition and role of this international civil society? Then I was told that in the UN setting, a multilateral setting, it was a mixed group. It included media, academics, transnational corporations and NGOs. I said, "This is fine, but don't you see you are leaving out the authentic civil society of Third World countries: the mullahs, the swamis, the Buddhist clergy and the like. Why are they left out? They are still part of the cultures of those countries." You get the feeling that "international civil society" has become a kind of adjunct to be manipulated in support of whatever thrusts are being made by governments and international organizations, and they have not yet acquired any independence of their own. If you bring the transnationals into civil society, then you are of course bringing in a very big player who can overwhelm all the other constituents.

TGW: From my point of view, it is easier to involve states in discussion because you know where the capital is, and even though you may decide that all the government ministries are not really representative of the head of state, or the foreign office, or the planning ministry, at least there is something like a representative view. When one begins to ask how you represent civil society, is this both the print and telecommunications media, which ones and at how many levels? And of course we talk about corporations and religious groups, trade unions. Just how do you go about structuring a discussion?

The group system came about to help with intergovernmental organizations. We certainly have no recipe to involve civil society, except that we have decided that we must.

What, in your view, is the role of leadership in pushing ideas? Do individuals matter? Or to what extent do individuals matter in helping to change the public policy debate, the terms of reference in debate?

GC: Well, I think that if we start with trying to have a predetermined conclusion about the role of intellectuals, either a positive one or a minimal one, you are likely to miss the bus. I think the impact of individuals depends on what they have to say. History is full of the examples of individuals in various activities of knowledge who have played a catalytic role in the evolution of ideas; long before the birth of international organizations, multilateral processes and so on. In every field, you can think of the contribution of individuals. I think this will continue. I think that in those days the individual was more isolated, and this had both its positive and negative effects. Positive when he had something very good to say. It blew him up to enormous proportions. But when he had not that much to say, he was subdued.

Today, I don't know whether the intellectual will still be able to get the focus individually on himself as a man of some bright new ideas, as in the past. But I still think that is possible depending on what the ideas are. There is a tendency, now more than ever, for an intellectual to be supported and quoted by other agencies. If he is saying things that reflect their own ideas, objectives and so on, the press may pick up on that and then the international organizations and their secretariats may draw on him. So he has a much better *entrée* than he had in the past. But the other side of the coin is, that the ability to dominate by the exclusivity or the originality of what he is saying may not be as great. But I think there will always be room for that.

TGW: Leadership is usually identified within international institutions as the head of an institution. We speak about the secretary-general, we speak about you as the head of UNCTAD. What about individuals below that, getting down to perhaps the director or the staff level? To

what extent do they make a difference in this process of changing the agenda and changing international policy?

GC: I think from my own experience, which is very much limited to UNCTAD, I would say that they do play a very important role and could make a difference. Even before I came to UNCTAD, I was aware of the leadership role played by people like Sidney Dell and Malinowski and one or two others, who were very committed to the goals of the organization and supported the head of it, substantively, organizationally, and public relations-wise. Take my own period in UNCTAD—I'm very much aware of, and also appreciative of and even grateful to, people at the level of heads of department and even deputies for the contributions they made. As the head of the institution you can play many roles—you can play an organizational role, you can give a kind of framework, but they have to pick this up and make things happen. In the money and finance division, there were people like Sidney Dell, Gerry Arsenis, and later on, Roger Lawrence, at the end of my time. In technology you had the Surendra Patel, and in shipping and all those invisibles there was Malinowski.

If you take each of the heads of UNCTAD divisions, and I must also mention Chidzero, I feel they played an important role, and it was their drive and energy, which kept some of these ideas afloat. Often, they were disappointed that their own areas of interest were overshadowed by preoccupations, like the importance that the commodity issue gained in UNCTAD. For example, the integrated program and the Common Fund made some of the others feel that I was giving somewhat less room for the other issues like the transfer of technology and shipping and trade in general. But I think that the quality of the support staff in an institution is perhaps even more important than the quality of the head of the institution because it is the support staff that

provides the ideas, the thinking, the momentum, the contacts, which make the institution relevant and come alive.

TGW: Well, actually, I went back and re-read a speech that you gave on the twentieth anniversary of UNCTAD. This was published in a book, to which I actually contributed, wherein there is a speech, which you gave on this occasion. There is a very intriguing thing I would like to read back to you. You basically say, “Agreements don’t come easily. They depend on the tenor of the times.” A direct quote from you: “Behind all this stands UNCTAD’s more general, but equally important contribution, the role that it has played in raising issues, generating ideas, and influencing thoughts and policies and actions in national capitals and other institutions in the international system.”

It seems to me that this is almost a subtitle for this project—that ideas matter. That in the international arena one of the main legacies, frankly, of international institutions will be the ideas that came out and the norms that changed and were then picked up by actors who can make a difference, like states, corporations, NGOs, and others. So I guess I would like to ask you, in your view, what were the best ideas out of the UNCTAD period, and perhaps what were the worst?

GC: I don’t know whether you can rank them that way. What criteria—from the point of view of suitability for negotiations, you have one set of winners, and from the point of view of intellectual significance, you may have another one.

TGW: Let’s try intellectual significance and then feasibility.

GC: Well, I think that if you look at the UNCTAD record at the time, it was trying to encourage decisions by governments and negotiating processes. You can list a lot of things for which UNCTAD can take credit, starting with the GSP. It was not negotiated *à la* GATT in

UNCTAD, but the principles were set out and then it was implemented on a country-by-country basis by the developed countries. But still it was UNCTAD that primarily raised and won the case for preferences to developing countries—generalized preferences. Then, UNCTAD played its role I suppose in fostering aid targets. Point seven percent of GDP going to official development assistance may not be a decision in an UNCTAD body, but UNCTAD I think had an input into it. The money/finance division began to focus on things like debt and international monetary reform. The Integrated Programme for Commodities, of course in my time was a big thing, and it came from within UNCTAD.

The Common Fund idea was not my mine. It came from somewhere in the UNCTAD secretariat—the need for financing stocks and setting up a common institution. In the area of shipping, as I told you, I chaired the first shipping working group at UNCTAD I. But subsequently you had the agreements on liner conventions, and on multi-modal transport. Then, apart from shipping, there was restrictive business practices and the code of conduct on technology. But it was a mixture of negotiations on issues of principle to get acceptance by governments, like aid targets, and sometimes even legally binding instruments like the Common Fund.

So, I think if you were to make a list of the successes, these and others, it was UNCTAD that was the innovator of many of them, but not all of them. I don't think it was UNCTAD that originated the concept of least developed countries; it came from CDP. But UNCTAD thereafter became the focal point for least developed countries. UNCTAD set up a mechanism for ECDC, and a division of the Secretariat concerned with ECDC. It was not very popular with the developed countries, because as members of a universal body they were asking, "What role do we play in this ECDC? It has nothing to do with us." That came in the later stages.

UNCTAD became a commentator always on the work of GATT because, in its origins, UNCTAD was set up as a body to rectify the shortcomings of GATT. I don't know whether I told you the story about UNCTAD IV, my first UNCTAD as secretary-general. I had a request from a delegation—I think it was a minister from Bulgaria who had been a president of the board—saying that at the UNCTAD conference it would be a good idea to put out a background document, even if it is not an issue on the agenda, on the whole concept of an international trade organization because it came out of the Havana Charter. It figured in the program of the developing countries at UNCTAD I, and of the socialist countries that were not then in the GATT, which was called a “rich man's club.”

So I said, “Good, we'll put out a factual document.” I asked the secretariat to do that, just giving the history of this idea, which they did. And I was interviewed by a journalist, I don't know whether he was Swiss, or American, or British. He asked what I meant by this ITO (International Trade Organization), and I said that the idea was to have a single institution which would combine both the work of the GATT and the UNCTAD. UNCTAD would be concerned with the policy dimensions of trade, particularly in relation to development. The GATT functions of contractual agreements would be another window of the organization. So you can combine these.

Stéphane Hessel came to see me, very agitated one day. He had just seen Olivier Long, who was then head of the GATT. And Olivier Long was very upset about this interview of mine about having a common body in which UNCTAD and GATT would be part of the same thing and felt that I shouldn't be saying these things.

But the reason, I'm beginning to believe now, was that at that time an international trade organization would have meant that UNCTAD would have swallowed up the GATT. Today the

wheel has turned. If there is going to be an ITO, it would be the other way around regarding UNCTAD and the GATT. But it just shows that there were ideas, which were not on the negotiating table; they were not winners as you said, but were kept alive in one form or another and kept popping up from time to time.

TGW: Now that there is a World Trade Organization, is there still a role for UNCTAD? Now that GATT has been swallowed and spit out in the form of WTO?

GC: I wouldn't say that GATT was swallowed by the WTO. The GATT was transformed into the WTO. Well, yes, now it is the other way around. And you can see that the WTO is beginning to acquire more and more dimensions. It is not just contractual tariff negotiations, but a whole series of other issues. And UNCTAD's role—well, UNCTAD always has the opportunity to comment on this and also to focus on the development dimensions—but it is not what it was in the earlier days.

TGW: It seems to me that one might make a case, after Seattle, that the UNCTAD role becomes slightly clearer if you define it as keeping the WTO aware of other kinds of issues that most officials in the WTO, and many of the more powerful trading powers, would just as soon forget.

GC: I hope so. I think that in the present context, the UNCTAD contribution, which it is trying to make, is to try and see how you can weave in development imperatives into the evolution of the trade system in a context of globalization, liberalization. And in that way to give to the developing countries a list of issues which they can focus on, not just reacting to what was proposed by the North and seeking just damage limitation, but presenting their own agenda as well.

In fact, I wrote a paper the other day for the South Centre on the need for a “Development Chapter” in which, with globalization and liberalization, you have to restate what I call the compulsions and imperatives of development. It must take into account the new setting, but keep some of the old things, which are still valid, like aid flows and trade liberalization, even preferences and debt relief. At the same time, it must also react to the new things have come up.

So, I think that is the way. But, of course, there are cynics who say that things are going the other way, that UNCTAD is being used as a platform to soften up the developing countries, to get them to go along on WTO-inspired ideas. I hope it doesn't happen that way; I don't think it's doing that. But, there are critics who say that UNCTAD is being used now. It is not the old developing country agency that it used to be, and so on and so forth, which I hope is not true.

TGW: What about the ideas that had too little impact? Were these bad ideas, or were the politics wrong? For example, one might make a case that ECDC was an idea before its time, or maybe it was a bad idea from the point of view of a universal institution. Or, what about trade among socialist countries? Were these, perhaps, bad ideas, or were they inappropriate political ideas? How would you classify ideas at the opposite end of the spectrum from the ones you characterized as important ones?

GC: Well, I wouldn't like to say that an organization like UNCTAD came up with bad ideas. There has to be a certain maturation process before an idea surfaces. If it was obviously a bad one, it would not have gone through that process. There were ideas which may not have been easy to translate into action because of the conflicts among member states. I don't think that UNCTAD should always look for issues on which there can be an equal response from all members of UNCTAD—developed, developing, socialist countries. So, there may be, if you

look at the UNCTAD reports and all that, issues being focused upon but which are not taken to the stage of being translated into a negotiating document or a negotiating process. To the extent that it did not get to that stage, you may say well it was not a workable idea. But, trade among socialist countries, I don't recollect that UNCTAD did very much there. The socialist countries did not want to bring their relationships into a multilateral forum. They were able to deal with them, themselves, except to get some kind of support. In a way, the developing countries would have liked to do the same except that they did not have their own mechanisms so they encouraged UNCTAD to set up ECDC. But I don't know if that area of UNCTAD's work had got very far.

TGW: In this project, we are beginning to identify ways that we think ideas make a difference to international institutions; and therefore I would like to ask you your view about this way of thinking about ideas. The first way that ideas seem to have made a difference, at least as I look at the past fifty years, is that they have changed the terms of reference in international public policy discourse. The way states talk about issues; the way that they define identities, their own identities. In particular, the way that they define their own interests. Does this make sense to you as you look back at your international career? That ideas are important in particular because of the way they changed the way public policy debate is framed, and the way that states in particular, define their national interests in terms of the environment? States see that there is a reason not to pollute. And there is a reason not to pollute. But that in coming to a conference, or coming to an agreement, it is important to bring in this notion of sustainability with their own peculiar perspectives. But the vehicle of an idea is brought in to help reframe national interests.

GC: I don't know if you look at the past, that there have been a lot of so-called ideas which cropped up and then got shot down and did not see the light of day after that. There are

others which we kept going even though it hadn't been translated into action. For example, nowadays you hear suggestions about a tax on global commons on the environmental front. You hear ideas about a tax on short-term capital flows in order to reduce the volatility of these flows. You had the idea of establishing an international reserve currency not just to have a minimal allocation of SDRs, but to create SDRs to match the whole world's need for reserves, and then to channel them through developing countries.

Now these ideas never got translated into decisions in the area of more intensive negotiation. On the code of conduct for the transfer of technologies, it never matured. It has now been dropped. And I think the efforts in New York on transnational corporations (TNCs) have taken a different turn because of the changes in the global situation and the perceptions of the big actors—the big powers who do not see quite the need for some of these things. So, ideas come and go. There was in UNCTAD supportive negotiations on the rights and duties of states, I remember, pushed by the Mexican president at the time. It was finally adopted in the UN, but again I'm not sure that it has an operational significance.

And I would say the same thing of the whole NIEO declaration, which set up a new framework for development. I remember it had two main dimensions. One is the concept of support for the external relationships between the North and the South—structural adjustments. The other was the issue of South-South cooperation—collective self-reliance. Many of the ideas set up on North-South issues have now gone by the board under liberalization. They were more or less the kind of things UNCTAD was pushing for.

South-South cooperation, of course, has in a sense sustained its role and relevancy. It has gained a bit in strength. But there has been the phenomenon, in some parts of the world, South-South cooperation being overtaken by regional or cooperation groups which are not South-South,

but which include some countries of the North and some of the South. APEC, for example, the Asia Pacific Economic Community, has as members the biggest economies in the world—Japan, the United States, Canada, Australia. They have also the developing countries of East and Southeast Asia and China. They are all members. They have set up the goal of free trade among themselves, developed countries to give free trade by the year 2010, and developing countries to catch up by the year 2020.

This is all well and good, but what does it mean? It means that you are creating a preferential trading system, which is not universal, as far as all developing countries are concerned. I remember at UNCTAD I, Prebisch used to insist on a “generalized” system of preferences. He said that otherwise all these developing countries would be grouped under some rich uncle: the Latins under the United States, Africans and so on under Europe. Then I remember asking him who India and South Asia would be grouped under. “Who’s going to be our rich uncle?” Then he said, “Why, the Soviet Union.” Of course, that rich uncle has since committed suicide.

But the idea was that there should be nondiscrimination in preferential treatment for all developing countries. But these groups—NAFTA is another one, and APEC, and some understanding between the European Community and the Lomé Convention in the Pacific—all are having selective beneficiaries. This may not matter, but it also means that those who are out of it can suffer discrimination. Sri Lanka’s neighbors on the east are the APEC members—Malaysia, Indonesia. If the U.S. or Australia gets free entry into their markets and we do not, that would be a kind of discrimination which would be quite paradoxical and difficult.

Of course, people will say, “Don’t worry, this is a fast track. It’s all leading to global free trade, and in the end it will embrace everybody.” I hope so, but when you talk of South-South

cooperation I was also reminded that there is now emerging, in our part of the world, in addition to APEC an Indian Ocean Rim Community which includes Australia and some of the African countries, the Gulf countries, Sri Lanka, India, and some of the Southeast Asian countries. There is also a Bay of Bengal agreement. So, you are getting a cross-connection between developed and developing countries in specialized cooperation arrangements. This is a somewhat new idea, but I hope it will not undermine the efforts at South-South cooperation, pure and simple. It can be an additional strand which takes care of avoiding discrimination against non-members.

TGW: One of the other ways that we are trying to conceptualize the importance of ideas is indeed one that you have just mentioned, which is that it permits new kinds of coalitions. This can be among states. It can also be involve coalitions of corporations in different parts of the world with certain states. It can involve nongovernmental actors with certain states—media, etc. It seems to me that what is actually what you just put out on the table. Is this why new or old ideas sometimes have a voice?

GC: I think this should be seen as a positive development, provided one takes care that it does not create pockets of favoritism amongst the members of the group while excluding others—that they do not become too exclusive. They have to be focused so they are cooperating with each other as members of a grouping, but they should minimize negative effects on outsiders.

TGW: Well, in yet another way that ideas seem to be important to us is that, once they become institutionalized, they can take on a life of their own. The very fact that UNCTAD, for example, was an idea of a forum for developing countries to make known their views, and then it became an institution. It takes on a life of its own; it puts out issues which the founders may or may not have anticipated. The idea of preferences—once it is picked up by the European

Community (now Union), Lomé becomes one manifestation which we may not have had in mind at the outset. But the institutionalization of an idea, in fact, seems to be a very important impact of an idea.

GC: I think that is true. And from that point of view, I still hope that in the new phase, in the early part of the twenty-first century, we would still see new—I won't say new ideas in the sense that nobody had thought of them before—but ideas that earlier did not surface and command attention because they did not seem to be either relevant or attract the interest of all countries. They may begin to surface.

One of these things is, perhaps, the environmental issue. As I said earlier, I think, the crying need is to have a pattern of development in the rich countries which stops the progressive erosion of the global ecological system. There has to be a lot of new thinking in these countries. I'm not saying that they should be asked to become poorer, but how they can still satisfy their needs with a less negative fallout on the environment. And this is a challenge partly to technology and partly to lifestyles. Because, as I already remarked, the poor will want to copy the rich. If they have a model which they can copy, there can be the possibility of progress all around. This still is not on the table—the whole idea of how economic processes in countries affect the global system and how efforts should be made to minimize and eliminate adverse consequences. That is just one thing which I think is going to be very important.

Otherwise, you are going to find that India and China—I saw the other day that in the *International Herald Tribune* somebody saying that by the year 2020, India will be the third biggest economy in the world. And China, I don't know. So, then you will get to the point where people say, "My goodness, this is going to do irreversible damage to the ecology so you

have to put the brakes on.” We have to find a solution to this. I think this is one very important issue.

TGW: Well, actually, that’s the fourth way that we have been thinking of that ideas are important. That is, you have norms that clash and you figure out how to reconcile them. So, in this case, you have growth as both the normative and an actual political imperative, and then you have sustainability or making sure that the environment does not deteriorate further as also a different kind of normative and political compunction. And the notion is that they seem to clash, but you need to find a way to reconcile them—or opt more in favor of one than the other. But here again, an idea provides the mechanism for doing that.

GC: I think so. And I also think that within countries there is still a challenge to which no intellectual answer has yet been formulated. That is how to design a mutually reinforcing process, a positive relationship, between social progress and economic progress. Because often each has its own champions, and they become antithetical. There can be a dichotomy between social progress and economic progress. I mentioned yesterday that we were told that in looking after the social sector we were taking resources away in Sri Lanka from development and hence being premature. We were trying to eat the fruit before we planted the tree.

So, today there is a big demand for social safety nets—for the spread of education, the spread of improvement in health services, access to transport, participation of women. And I think there is big need to see how this can also support and help economic development and growth. Similarly, we need think of economic programs which have an early positive impact on income distribution, social problems, and so on. I think all of us can say in general terms that we need to do this. But the content of mutually supportive policies has not been worked out enough. I am not in touch so I may be ignorant. But I got that feeling that if I were brought back as a

planner to Sri Lanka and told, "Look, the whole world is talking about social goals, safety nets, and at the same time there is less enthusiasm for economic growth except amongst the old hardliners." Well, what do I do? I'm not going to give up the growth objective because we are way back, but I also want to recognize the social. And how do I do this? How do I have economic development activities, which help social goals, and social activities, which help growth? Expenditures on education can work both ways. But that is not enough. You have also got to see in the design of your programs and projects, both in the social and the economic sectors, how each has a supportive impact on the other sector.

TGW: One month into the twenty-first century, as you look back on the twentieth century and look forward to the twenty-first, do you remain basically upbeat or optimistic as we move ahead?

GC: Well, I was asked the other day to give a lecture on Sri Lanka and the global economy in the twenty-first century. I started off by warning about assumptions. I just compared the thresholds. At the launch of the twentieth century you could not even forecast the big events of two decades ahead. In 1900, you could not forecast WWI and the Russian Revolution. In 1920, you could not forecast the Great Depression. In 1930, you would not have forecast WWII and the rise of fascism. So, even if you take short periods, your expectations get belied by events. So I proceeded to base my lecture not on what I think would happen, but what I would like to see happen, and what other things still have to be done to make that possible.

I would be optimistic in the sense that I think the potential to have a mutually beneficial global society is there. The potential to bridge the development gap between rich and poor states is there. But on the other hand, there is the tremendous possibility of frustrations and reactions arising out of unsolved pressures and failures. With modern weapons and technologies, if this

gets out of hand, the scenario for the twenty-first century can be worse than anything we have known before. So, I think we have not to spend time guessing but saying what we want and making our best efforts to make that possible.

TGW: I did not ask you what your golf handicap was. But is there another question that you wished I had asked, and you would like to answer before we finish up our tape?

GC: I still play golf. My golf handicap has progressively deteriorated. I was never a good golfer; I never had a handicap in the single figures. But still it has gotten worse now. But what worries me now is that even that handicap is difficult to live up to, and my golf is getting worse and worse.

But, I still try to play and enjoy it. It's difficult to find people now to play eighteen holes of golf. Most players of my age just try to stop at ten. I asked my doctor whether you can overdo these things and he gave me a very good reply: "Well, perhaps you can overdo it, but let me tell you to let your body answer that question but not your mind, because your mind is a coward."

TGW: Well, I thank you immensely for having spent these two days with me. And I look forward to staying in touch.

GC: Thank you. It is my pleasure. It refreshed my memory of a lot of things that I thought I had forgotten. I told you that I was trying to write my memoirs. The issues you highlighted would be a very good checkpoint in terms of points of reference for me to see what I could include in this. Of course, I don't want to make these memoirs a big essay on issues and analysis of problems. I just want to relate a story of my involvement in national and international issues. But what I have done here has been very useful because I have not come to that period yet.

TGW: What is going to be the title of the memoirs?

GC: Well, I haven't thought of that. See, apart from the title, I was always having anxiety about these memoirs because the division of the thing will interest different groups. The young period of course interests everybody, but still from the point of view of somebody from a former colony going to school, getting education, going to Cambridge, Oxford, and so on. The second period is all on national issues. So that may interest national readers, talking about personalities, ministers. The third one is on international issues. Now the international may have a different *clientèle* and if you put them all in one book you may fall between two or three stools.

TGW: We should probably think of something like *Keeping Out of the Rough*, or *Keeping Out of the Water Hazards*.

GC: Well, that would be the real truth of the story. On the other hand, what I would like to see is *Reach the Green in One Shot*.

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