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ADDRESS OF DR. SALEH HAIDER, HEAD OF IRAQ DELEGATION,  
BEFORE PLENARY MEETING

Mr. Chairman, Fellow Delegates:

On behalf of the Iraq Government and members of the Iraq Delegation, and also on behalf of the Government of our sister Arab country, the Kingdom of Transjordan, whom we have the honour to represent, I should like to extend my thanks to the Government of Cuba for their hospitality in receiving us here in their fair city of Havana.

It is appropriate that Havana, which was the gateway to the American Continent and which opened up a world of prosperity for so many millions of the people of the American Continents, should also be the seat for the inauguration of an organization which, let us hope, will be the gateway for prosperity for the whole world.

Mr. Chairman, the Governments of Iraq and Transjordan did not participate in the drafting of the document that is now before us, but they find themselves in complete agreement with the purposes of the Organization and with many of the general principles laid down for the regulation of trade between nations.

As far as we understand it, the International Monetary Fund, the International Bank, the International Food & Agricultural Organization, as well as this Organization which is to be set up, are intended together to achieve the twin aims of stabilization and expansion throughout the world, and remove the economic causes which led to the painful experiences of the depression of the early 30's, and the still more painful tragedies of the war of the early 40's of this century. But we are living in a dynamic world which is

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divided into regions endowed with unequal resources, and areas which had not had equal opportunities for development; we should therefore aim at the maximum degree of elasticity that is compatible with orderly relations. We should make sure that stability does not stultify expansion, and that expansion should be so balanced that the fullest development is made possible in all regions of the world. We are allowing in this draft Charter, as we had allowed in the Agreement of the International Monetary Fund, for a transition period, in recognition of the fact that the economies of several countries of the world have been so disrupted by the war that these countries could not conceivably carry out the obligations stipulated by these international agreements unless they were allowed a breathing period to put their own local economy in order first. But I submit that the ravages of the war, painful and cruel as they have been, are not the only causes of world troubles today. Poverty had existed before this war and will remain scourging the conscience of man unless we take steps to remove its most flagrant manifestations throughout the world. Would it not be reasonable, therefore, to say that undeveloped countries, where poverty abounds, should be first allowed a transition period, during which they should be assisted to carry out their obligations to develop their resources to a certain degree, and remove, to a reasonable extent, the causes of poverty, until such time as they can assume the other obligations under the Charter?

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There are countries which have begun their independent political life only a short time ago, and have not had enough time to put their resources in employment, to make the best use of their manpower, and to review their trade and tariff systems and mould them so as to fit in with their economic developments. There are countries which for various reasons are just starting to explore their resources and study their possibilities. Is it not, therefore, necessary that certain time should be given to those countries to try and mould their nascent economies to the best advantage for themselves and for the whole world? There are countries who had the double misfortune of war devastation and under-development. Should not the transition period for such countries necessarily be longer in duration and wider in scope? There are groups of countries which are bound by historical, cultural and economic ties. Should they not be allowed and encouraged to strengthen these ties and exploit their full possibilities as a means for their own development and for the benefit of the whole world? This Charter has been called an unequal Charter. It has been stigmatized as tending to freeze conditions and restrict the opportunities of undeveloped countries to rise up to the level of their enterprise and resources. But if we accept the principle that the transition period should not, in practice be necessarily equal in respect of all countries, and if we recognize the fact that undeveloped countries have been, in fact, in a transition period, and will be for a certain time to come, we should be able to arrive at a compromise which would secure for all countries the opportunities they require for realizing the aims intended in this Charter for themselves as well as for the whole world. Human ingenuity is not lacking in this Conference to find a formula wherewith to determine when a country's economy has developed sufficiently to allow it to assume its full obligation under this Charter.

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Iraq, Mr. President, is a young and as yet not fully developed country, but it has a great history and considerable potentialities for development in the future. It is at once one of the oldest and youngest countries of the world. In long periods of its history it was the granary of the world and the center of industry and commerce. Long before Herodotus, during the Babylonian period, and long after him during the Abbaside Caliphate of Baghdad, the twin rivers of the Euphrates and Tigris were harnessed to the needs of man, and out of the parched but fertile alluvium soil, varied crops were produced in considerable quantities; and in the populous towns along the two rivers industries developed the products of which were carried by land to the innermost of China, and the heart of Africa, and the shores of the Atlantic and North Sea, and were shipped across the hazardous seas to the East Indies and the ports of the Mediterranean and the Atlantic. By agriculture, industry and trade the valley of the two rivers could thus support three to four times as many as inhabit it today.

But by a series of historical events, beginning with the Mongolian Invasion and followed by floods, disease and famines under spendthrift and foolish foreign despots, the irrigation system which gave life to the arid soil was destroyed, and the towns that studied the banks of the two rivers and canals fell into ruin. To make things still more difficult for the unfortunate survivors from these tragedies, the International Trade Route which passed through Iraq had changed its course and favoured the sea route around Africa to Asia, thus by-passing Iraq and rendering it a virtually neglected inland region. So that with agriculture destroyed, industry restricted and trade lost, the greatest part of the country passed into a desert inhabited by tribes whose struggle for survival added to the turmoil in the land and the devastation of the country.

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Then dawn came to dispel darkness over the Valley of Mesopotamia, first with the opening of the Suez Canal and the use of the steamship, then the liberation of the country and the discovery of oil. A new period of reconstruction began, particularly during the decade preceding the last war, and the progress made was scarcely equalled by any other country similarly hampered by lack of capital and technical skill. The cultivated area was expanded six-fold by the opening of several perennial irrigation canals, as well as by the installation of some 3000 high-power water pumps. The famous Bagdad Railway line was completed. Roads and bridges, hospitals and schools, municipal water and electricity supply schemes and several industries were established. The number of population has doubled in twenty-five years. The principal exports of Iraq, namely grain, dates and animal produce were more than doubled. Imports of capital goods expanded to the same extent. The standard of living of the people had appreciably risen and imported consumers goods had expanded by nearly 30%.

Nevertheless, the country was far from reaching the desired level of development when the last war broke out. On the one hand, the time was very short, the problems were very great and we had to start almost from scratch. On the other hand, we were hampered by lack of capital, experience and skill. Whatever we had received from the oil royalties were put entirely on development, yet these sums were very small in relation to the requirements for the various schemes which we had in view in order to enable our fertile land to produce its greatest and its best. So than, by 1939, nearly two-thirds of the water resources of the two rivers still flowed down

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wastefully to the sea leaving large expanses of fertile land needy of the precious water. Only 20% of the main roads had been paved and modern transport facilities were lacking in many parts of the country. Scores of good-sized municipalities were still without their water and electricity supply schemes. Housing and town planning had only just begun but the plans were destined to remain unexecuted for the duration of the war. Bagdad and many other towns in Iraq looked during the war very much like bombed-out cities, for the demolitions which had taken place just before the war could not be replaced by new buildings and new streets for lack of supplies. Agricultural machinery, which the peasants were just learning to appreciate and use, was suddenly cut off. Some industries which under normal conditions would have had a good chance to flourish and expand were hampered by lack of equipment and machines, while plans for others had to be abandoned or postponed. The general standard of living of the people was still very low, and it could still be said then, as well as at present, that Iraq was a rich land with a poor people.

It was therefore especially hard for the people of Iraq to bear the sacrifices they so willingly offered for the maintenance of freedom and democracy. For we, too, had given our fair share in the war effort and received our full share of deprivation and suffering. The war had halted our major irrigation schemes and other construction projects for lack of supplies. We had declared war against the enemies of democracy and we had put our transport system at the disposal of our allies and shared our resources and our stocks of imported and local products with them. Owing to world shortage

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of supplies and shipping, we had received during the war years only 50% in quantity of what we imported before the war of consumption goods, and only 20% of capital goods. Hence, arrears of repairs and replacements were accumulated and stocks were exhausted.

We found ourselves after the war confronted with many economic problems. We had to re-stock in order to stabilize prices, we had to make good the repairs and renewals that were neglected during the war, we had to resume the construction and development and bring out our blue-prints from the drawers for re-examination and fulfillment. But we also had another problem. Before the war, on the average, we had no deficit in our balance of payments. We could pay as to half of our expanding importation from invisible earnings accruing to us mainly from oil royalties and from our substantial transit trade. But invisible earnings have not gone up in proportion to the rise of prices of our imports, and although we had exported in 1946 nearly as much in quantity as we had exported before the war, and we had imported much less, we found we had experienced a considerable deficit in our balance of payments. Happily, however, we had accumulated certain assets in the United Kingdom, mainly as cover for our currency which had expanded during the war, and we can draw a substantial part of these assets to meet part of our import requirements. We hope that we shall, after a short time, be able to use these sterling assets in all parts of the world indiscriminately. Furthermore, new pipelines are being constructed which would increase the production of oil, and we shall be able then to offer considerably greater quantities of this much needed commodity to the world. We shall also be able thereby to earn considerable income which we shall devote to meet a part of the cost of our development schemes.

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In the meantime, our immediate economic problems forced upon us a course, which we were reluctant to take, in order to resolve the difficulties we faced with regard to the shortage of foreign exchange in general and to shortage of particular foreign currencies. We had to resort to certain restrictions whereby import licensing and foreign exchange arrangements were put into force restricting the importation of luxury and non-essential imports, and directing purchases from abroad to the essential consumers goods and above all to capital goods for reconstruction and development. In addition, as we experienced a shortage of certain currencies, we had to restrict importation of goods from these hard currency areas. We hope, however, that conditions will soon improve so as to enable us to remove these latter restrictions.

We are, therefore, pleased to find that in the draft charter, that is before us, the fostering of the general economic development of countries still in the early stages of development is placed as one of the principal purposes of the organization, and that in several articles of the charter there are stipulations which aim at implementing this principle. We hope, however, to offer our contribution in this Conference to make these provisions more adequate for the realization of this fundamental aim on the lines previously presented. We also note with satisfaction that those who took part in the drafting of this charter had wisely recognized the present practical difficulties in which certain countries find themselves and had embodied in the charter certain safeguards to protect the economy of the countries thus placed.

Mr. Chairman, you are no doubt aware of the facts and considerations which underlie our political and economic policy. Facts which were based on historical, cultural and economic grounds.

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On the one hand, Iraq, and also the Kingdom of Transjordan, are members of the Arab League, a regional organization recognized by the United Nations. We are bound by the decisions of the Arab League to further and strengthen the economic ties among the Arab countries in all means that are practicable.

Secondly, we were a part of the Ottoman Empire before the first great war, and a preferential treatment among countries which were a part of that Empire were allowed to us by the Treaty of Lausanne.

Thirdly, in all our commercial treaties we had always reserved the right to give preference to those countries which were a part of the Ottoman Empire and to make an exception in their case from the most favored nation clause. We therefore note that preferential treatment has not entirely been barred in the charter but we feel that the interests of our country, those of the Kingdom of Transjordan, those of various countries that form the Arab League and parts of the previous Ottoman Empire, and perhaps also the world at large, would be better served if we were to reserve the right freely to practice preference whenever the case arises in order to foster the development of that part of the world to which we belong, and which was in fact one economic and political unit in many periods of its history.

Mr. Chairman, may I indulge on your patience and the patience of my fellow delegates to give consideration to yet another point which we consider of vital importance. At no time in our history had we been discriminating against a particular state or country or people, and at no time until shortly had we refused to receive goods on grounds of origin or prohibit the sale of goods on grounds of destination, nor to prevent the passage of goods on either of the two grounds I have mentioned. But a set of circumstances, entirely not of our making, have imposed on us a situation of

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considerable gravity and forced us into the position of having to abandon in one particular instance our traditional policy in this respect, in conformity with a decision taken by the Arab League prior to the formulation of the proposals which finally led to the present draft charter. This decision was not made for the purpose of material gain, nor were we seeking a selfish advantage. But it was taken as a means to defend our vital interests and safeguard our natural rights. I have no doubt that we shall be given full opportunity to present this point which we consider of vital importance before this Conference, and I am confident that adequate safeguards will finally be embodied in this Charter to protect our vital and legitimate interests in this respect.

Mr. Chairman, before I conclude, I wish to thank you and all those who have made it possible for us to meet here to establish an organization which I hope will be successful in time to carry out the noble purposes embodied in this Charter, and fulfill the hopes of humanity to enjoy the fruits of its efforts in peace and security and to be free forever from the anxieties and sufferings of poverty and want.

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