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ADDRESS BY DR. GEORGE HAKIM OF THE LEBANON DELEGATION

Mr. President,

We are gathered here in this beautiful and hospitable city of Havana to undertake a great and historic task. Our purpose is to establish an organization, the function of which will be to regulate economic relations between nations and to create a system of international economic co-operation in which countries can participate freely and equally to the common benefit of all.

In the nineteenth century international trade was governed by natural economic laws which acted to produce automatic adjustments between economic forces. These economic laws were beneficial in their effects and contributed to the expansion of production and trade. In the twentieth century the increasing complexity of the economic system led to government intervention in economic affairs. The growing competitiveness of international trade and the devastating intensity of economic crises forced governments to adopt policies and measures in the interests of their own economies to the detriment of other countries. The net result of the attempts of every government to solve its own problems without regard to the problems of other governments was the deterioration of economic conditions in all countries and the contraction of world trade and production. It became clear that the only alternative to the continuance of the economic warfare which was leading the nations to economic ruin and war, was a system of economic co-operation that would insure the welfare of all, by the expansion of production and trade in all countries.

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The International Trade Organization represents an attempt at the creation of such a system of international economic co-operation by means of which economic relations between nations can be regulated rationally and effectively. There is no certainty that this man-made, consciously thought out regulation of trade will prove to be superior to the automatic system governed by natural economic laws, of the nineteenth century. But the days of free competition and laissez-faire are gone. There is no alternative for us under the present complex economic system but to regulate consciously economic relations between nations. If every country follows its own interest and acts to achieve it in its own way, without due regard to the interest and policies of other countries, there will necessarily result a conflict of interests that is detrimental to all countries. The welfare of the world demands that every government co-ordinate its policies with those of other governments and follow rules and regulations adopted by all governments in the common interest. This necessarily means that every government should sacrifice part of its freedom of action in order to achieve the best results for the expansion of trade and economic activity.

The Draft Charter before us has been drawn up with the greatest care and patience by the Preparatory Committee appointed by the Economic and Social Council of the United Nations. No charter, not even that of the United Nations, has required such time and effort for its preparation. The labours of the Preparatory Committee have been most thorough and painstaking. The results of these labours embodied in the document laid before us are very impressive and deserve the greatest respect. Lebanon has had the honour to participate in the work of the Preparatory Committee and to contribute in a modest way to the results achieved.

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Although the Draft Charter has been prepared with the greatest care and thoroughness it cannot be said to give complete satisfaction to all nations. It is idle to pretend that it provides an instrument capable of achieving an effective solution of the various economic problems which concern our various Delegations. The fact that it is still subject to many reservations made by the members of the Preparatory Committee is sufficient proof that it does not afford full satisfaction to the countries, representing various types of economy, which have participated in its preparation. Nevertheless, the Draft Charter has taken account of the important problems with which our various governments are faced and has arrived at compromises which provide a basis for agreement by all nations represented at this conference.

Lebanon has always been a trading country, interested in the development of trade with other countries on a rational and mutually beneficial basis. Trade relatively plays a very important part in Lebanese economy. We do not forget, however, that trade is based on production and that it cannot be developed without a development of production. Our fundamental need, therefore, is for economic development by which our economic resources can be most effectively used, so as to provide a higher standard of living for our people. The ultimate aim of the economic policy of all governments must be the raising of the standard of living of their people. Our age is the age of the common man. Every government must take into account the demand of the common man for a decent and satisfactory standard of life. To achieve this aim throughout the world a great expansion of production is necessary. This expansion is possible in view of the great progress of science and technical knowledge. There is no reason why, if the progress of science is effectively utilized, poverty should not disappear from the face of the earth. In spite of the tremendous economic progress of the last hundred and fifty years, however, the majority of

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the people of the world are still plagued with poverty, ignorance and disease. But the poor masses in the under-developed countries are waking up to their rights and demanding an end to their misery and suffering.. No government can afford to neglect their demand. That is why, the greatest need of the world today is for a great effort of economic development that will gradually raise the standard of living of the people and do away with poverty everywhere.

It is true that the reduction of trade barriers can contribute to the economic development of the under-developed countries. But this result may not necessarily take place, for economic development requires positive and constructive action. The under-developed countries, Lebanon among them, must make sure that this positive and constructive action for development can be undertaken under the terms of the Charter of International Trade Organization.. They must in the first place insure the existence of the conditions of possibility of their economic development. They must also insure that facilities and means for economic development are provided for them under the Charter. The under-developed countries realize that their development is in the first place their own responsibility, but they expect, not only that the advanced countries do not impede their development in any way, but also that they provide positive assistance for such development.

In the present stage of the development of world economy, the economic development of the under-developed countries provides the greatest opportunities for the expansion of world production. The development of production in backward regions is necessary for the maintenance of a high level of economic activity in the advanced countries. The export of capital is a necessity of the first order for the advanced industrialized countries.

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Just as the accumulation of capital was the *raison d'être* and the greatest success of the free unplanned economic system of the Nineteenth Century, so will the vastly increased capital accumulation of the Twentieth Century need an adequate outlet for its torrential flow, if the system is not to break down. Such an outlet exists in the under-developed countries of the world. For a long time to come the high level of production in the advanced countries can be maintained and considerably raised through the export of capital goods to the less developed countries of the world. Without such opportunities for the expansion of the production of capital goods which is also necessary for increased production of consumption goods the industrialized countries will find themselves faced with economic crises of increasing intensity that are bound to disrupt world economy as a whole.

But whether or not the industrialized countries realize their ultimate interest, the underdeveloped countries must primarily insure their own interest, which consists in promoting their own economic development to the fullest possible extent.

Lebanon is a very small country and has limited resources for its economic development. But it belongs to a region which is largely undeveloped and which has great potentialities for economic development. Lebanon's own development largely depends on the development of the countries of the Near and Middle East. We are, therefore, fundamentally interested in the growth of production and the rise of the standard of living of the countries around us. As a Member of the Arab League, Lebanon is already bound to follow a policy of economic cooperation with its sister Arab countries. The Lebanese Government must respect the Charter of the Arab League and enforce the decisions of the League on all matters of vital interest to the Arab countries. We must consider in the first place the common interest

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of the countries with whom we are bound by the most intimate, cultural political and economic ties. This interest does not conflict in the least with the interests of the trading countries of the world, but wherever there is any possibility of conflict in economic policies, we must make sure that the interest of the region to which we belong is preserved. We do this in the firm belief that regional economic cooperation especially among small nations is the proper basis for world-wide economic cooperation.

The Lebanese Delegation comes to this conference firmly convinced of the necessity for its success. We come here with the sincere hope that agreement will be reached on a Charter that will insure the common interest of all countries. With the proper spirit of understanding of one another's problems there is every reason to hope that this conference will be successful in accomplishing the great task with which it is entrusted.

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