

Middle East conflict - Middle East Development Funds: Middle East conflict ...

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4 March 1958

Letter to Dr. Dhia Jaafar

Letter to Dr. Fadhil al-Jamali

Letter to Sayed Abdul Kereem al-Uzri

Letter to Sayed Towfiq al-Suwaidi

AIRMAIL

4 March 1958

My congratulations upon your new appointment. It is quite like my old days in Baghdad, seeing so many old friends holding their former positions in the Government.

.....
I was recently in Baghdad for two days, but, unfortunately, had no time to see more than very few of my friends. I came to discuss Mr. Hammarskjöld's ideas on Middle Eastern development, and talked about them in general terms to your predecessor. The best way of explaining them in brief, will be to enclose a copy of a letter which I have written to Fadhil Jamali. You will see that I was also able to have a discussion both with Nuri Pasha and with Towfiq Pasha Suwaidi. I hope very much that the present Iraq Government will endorse the position taken by their predecessor, which amounts to an agreement in principle with the ideas which I discussed, without any commitment at this stage.

His Excellency
Dr. Dhia Jaafar
Minister of Economics
Government of Iraq
Baghdad, Iraq

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IN REPLY
PLEASE QUOTE NO.

4 March 1958

PERSONAL AND CONFIDENTIAL

I wrote a private letter to you yesterday before hearing of the change in Government and of your new appointment as Foreign Minister. Very many congratulations. I wish you and the new Government every success.

As my time was so short and as there were a number of people present at Crawford's dinner party, I did not have an opportunity to discuss with you the reason for my visit to Baghdad. This was, as you will have heard, to obtain the Iraq Government's views on Mr. Hammarskjöld's ideas on economic development in the Arab States. I was able to have a talk with Nuri Pasha and Towfiq Pasha about this. Nuri Pasha felt, as I understood him, that there were political reasons for not proceeding further at the present time, but Towfiq Pasha felt that the matter should now be pursued to a further stage and promised to discuss the matter with Nuri Pasha. The opinion of the late Government was generally favourable in principle and I enclose a copy of a letter which I wrote to the Foreign Minister, giving my understanding of its position.

The idea, in principle, is that an Arab organization, having an international status and with technicians lent by the International Bank as members of its staff, should be established in Beirut to work out and co-ordinate schemes of development for the Arab States and to obtain finance for them. It is suggested that there should be a liaison office of the United Nations and of the International Bank working alongside it. A policy committee of Finance Ministers of the Arab States

His Excellency
Dr. Fadhil al-Jamali
Minister for Foreign Affairs
Government of Iraq
Baghdad, Iraq



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would have to meet from time to time in order to give general directions, though it should be possible to avoid controversial matters arising in it. The purpose of the organization should be to attract funds for development of the Arab States from the outside, and the experts in this field believe that an organization of this nature could satisfactorily achieve this. Of course, there are certain obvious principles which must be borne in mind. The organization must be one carrying with it equal obligations for all States and providing equal benefits. It must have built into it safeguards to ensure that no State, whether inside or outside the area, is able to use it for political ends. It must, indeed, be completely non-political, and there seems to be strong advantages for everyone concerned in the establishment of a means by which investment and aid for development can be channelled into the Arab States on a multi-lateral and non-political basis. We realize too that the Iraq Government is heavily committed to its own development schemes, but I am sure you will agree that Iraq will need the injection of more capital from outside, both in order to increase the pace of its own development, and to help it with schemes of development in Jordan. The initial capital would be small, sufficient to meet the expenses of the organization, and might well be contributed on the basis of Government revenue. The individual schemes could be financed by various methods, Government and private loans and aid, International Bank loans, United Nations projects funds, a certain amount of self-help, investment from the funds of the organization, etc. It will be better to leave this quite flexible in order that the institution can grow in accordance with its practical needs and experience. In the beginning, it would, no doubt, be advisable for comparatively small development schemes in each State to be tackled, and they might include municipal and private projects, as well as Government projects. Later on, this organization might be of considerable use with development schemes which cover more than one State. The members should, in theory, clearly be all the Arab States, though it would be wise in the first stages if Libya were the Western limit.

At present, we are very much in the initial stages of working out something on these lines, but we want to be sure that we have the general good will of the Iraq Government in doing so, though, as I wrote to the late Foreign Minister, there is no question of asking the Iraq Government at this stage to commit themselves to anything definite at all. I know from my past association with you that development of the Arab world is an ideal very close to your heart, and I trust that we can work together to promote this on a completely non-political plane. I shall be happy to come and discuss this matter with you if this suits you, as soon as we have been able to fill in to some extent the ideas which I have outlined.

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His Excellency
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IN REPLY
PLEASE QUOTE NO.

25 February 1958

I am most grateful to Your Excellency for the help and hospitality which the Iraq Government gave me on my recent visit to Baghdad on behalf of Mr. Hammarskjold. Thank you also for the very useful discussion which we had and for your readiness to consider the Secretary-General's ideas on development in the Arab States in a positive and constructive way.

As I understand the position, the Iraq Government agree in principle to the idea that an Arab States Development Fund should be established on the lines suggested by the Secretary-General and would, in principle, be prepared to participate as a member of such a Fund, but they naturally do not wish to make any definite commitment until the scheme has been worked out in detail. You informed me also that you will be ready to discuss it again with the Secretary-General or his representative, after further progress has been made in the examination of the question by the United Nations Secretariat and the International Bank. I have informed the Secretary-General of the Iraq Government's views on the various points which I discussed with you and the Minister of Finance and of your suggestions how the matter should now be pursued.

With many thanks,

His Excellency
Mr. Burhan Ad-Deen Bashayan
Minister for Foreign Affairs
Baghdad, Iraq

AIRMAIL

4 March 1958

I was delighted to see your appointment as Finance Minister. My congratulations. As I told you the other night, I have the most vivid recollection of your admirable handling of the Iraq Government's financial affairs when you held this post in 1949.

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.....
When I was recently in Baghdad, I discussed with your predecessor some preliminary ideas on Middle Eastern development. These are explained in the letter which I have written to Dr. Fadhil Jamali. I enclose a copy of this letter and a copy of my letter to your predecessor, which relates my understanding of the matter. As you will see from my letter to Dr. Fadhil Jamali, I had the advantage of a discussion on this with Sayed Towfiq Suwaidi. I hope very much that the present Iraq Government will maintain the position of its predecessor in this matter, so that we may go ahead with our further consideration of the project here. As I have written to Fadhil, I shall be very glad to discuss this matter with you both again, as soon as we have been able to work the suggestions out in a little more detail. Having a clear recollection of your views on development from our old discussions on the Iraq Development Board, I feel sure that you will be as anxious as I am to further any scheme which holds out a prospect of economic development of the Arab States with the aid of outside capital.

His Excellency
Sayed Abdul Kereem al-Uzri
Minister of Finance
Government of Iraq
Baghdad, Iraq

AIRMAIL

4 March 1958

My congratulations on Your Excellency's appointment as Deputy Prime Minister in the new Government. I wish the Government every success.

.....
I am naturally anxious to know whether the position of the Iraq Government is still the same over the ideas of Middle Eastern Development which we discussed last month. The position as expressed to me by the late Foreign and Finance Ministers was very much the same as that which we reached in our talks. I enclose a copy of the letter which I wrote to the late Foreign Minister, recording my understanding of the Iraq Government's position. It would help me very much if you or Fadhil Jamali could let me know if this position still holds good. I need hardly say that I sincerely hope that your own views have been generally accepted. I believe that the right course is for these ideas to be pursued and developed irrespectively of the immediate political relationships in the Arab world, and that whatever those relationships may be, they should not bar the establishment of a non-political organization which should benefit every Arab country participating in it.

With kindest regards,

His Excellency
Sayed Towfiq al-Suwaidi
Deputy Prime Minister
Government of Iraq
Baghdad, Iraq

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With many thanks,

His Excellency
Mr. Burhan Ad-Deen Bashayan
Minister for Foreign Affairs
Baghdad, Iraq

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