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LETTER DATED 12 JULY 1997 FROM THE PERMANENT REPRESENTATIVE OF  
IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government, I have the honour to transmit herewith the text of a letter dated 12 July 1997 addressed to you by the Minister for Foreign Affairs of the Republic of Iraq, Mr. Mohammed Said Al-Sahaf, exposing the methods employed by the United States of America to obstruct the approval of contracts for the purchase of medicine, foodstuffs and other humanitarian supplies in implementation of Security Council resolution 986 (1995) and asking you to take the necessary steps to ensure effective implementation of this resolution, in accordance with the provisions of paragraph 13 thereof.

(Signed) Nizar HAMDOON  
Ambassador  
Permanent Representative

Annex

I have the honour to refer to my earlier letters, in particular that of 11 June 1997 (S/1997/452, annex), in which I explained to you how the representative of the United States of America in the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait is deliberately and systematically delaying and obstructing the approval of contracts by raising contrived and unwarranted objections so as to place on hold or block contracts. I have also drawn your attention to the working methods of the Committee, which flout agreed procedures, clearly as a result of the influence of the United States representative, and disregard the time-frame (an initial period of 180 days) established under Security Council resolution 986 (1995) and the Memorandum of Understanding. Contracts placed on hold or blocked have thus accumulated, and the approval of contracts and the delivery of goods to the Iraqi people have been considerably delayed. You yourself, in paragraph 10 of your report to the Security Council (S/1997/419) indicate that, although the initial period of 180 days has elapsed, difficulties continue in the execution of contracts for the provision of foodstuffs, medicine and supplies for essential civilian needs. I, for my part, would add that this situation can be explained by United States intransigence. The following is a list, in clarification, indicating the status of contracts as at 9 July 1997:

Number of applications submitted to the Committee: 746

Number of applications submitted under the "no-objection" procedure: 713

Number of applications approved: 494

Number of applications blocked: 15

Number of applications on hold: 175

Since the adoption of Security Council resolution 1111 (1997) on 4 June 1997, and the renewal of the Memorandum of Understanding on that date, the processing of contracts for the provision of foodstuffs, medicine and other supplies during the initial period of 180 days is still subject to delay, not to say obstruction, despite the fact that the Iraq Account has sufficient funds to finance all the contracts submitted to the Committee secretariat. These difficulties relate not only to contracts for the supply of foodstuffs and medicine, but also, and especially, to contracts for supplies to the sectors covered by the purchase and distribution plan, namely electricity, water, sanitation, agriculture and education, sectors which were the object of systematic and relentless destruction. There follows a list by sector indicating the percentage of contracts on hold pending United States approval and the Committee's written authorization.

Foodstuffs: 14 per cent

Medicine: 29 per cent

Electricity: 56 per cent

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Agriculture: 64 per cent

Water and sanitation: 3 per cent

Education: 19 per cent

As you can see, Sir, the effective implementation of the provisions relating to the second period constitutes a very dark picture. Moreover, as I have indicated on other occasions, in the initial period all the quantities of oil provided for by resolution 986 (1995) were exported prior to the end of the 180-day period in accordance with that resolution, the proceeds from the sale of oil were paid into the Iraq Account at the Banque nationale de Paris, in New York, and withdrawals for reimbursements to the Special Commission and all other withdrawals were made in full. That notwithstanding, the processing of contracts for humanitarian goods and supplies for essential civilian needs that should be delivered on an urgent basis to the Iraqi people is still being obstructed. This situation prompts us to ask whether we are dealing with an agreement on oil in exchange for foodstuffs, medicine and materials for essential needs, or with an agreement on oil in exchange for withdrawals and the payment of funds remaining in the escrow account.

We have reason to question the very basis of our work during the second period, in view of the role of the United States, which is deliberately delaying and obstructing the processing of contracts. In addition to lacking any legal or technical basis, the United States attitude is shameful and contemptible, since the country in question is using the United Nations for odious purposes. My above-mentioned letter to you described in detail the arguments for placing contracts on hold put forward by the United States representative, who sometimes claimed that the goods requested were not on the detailed list, whereas they were in fact on the list, and sometimes asserted that the United States wished to be certain that there were enough observers, even though the Department of Humanitarian Affairs had assured the United States more than once that over 139 observers were present in Baghdad. Even more seriously, the United States representative often does not even provide any justification for requesting that contracts be placed on hold. How long is this situation going to continue, Sir?

In paragraph 13 of resolution 986 (1995), the Security Council requests the Secretary-General to take the actions necessary to ensure the effective implementation of the resolution. However, now that the initial 180-day period has elapsed and over four weeks after the adoption of resolution 1111 (1997), the citizens of Iraq have still not received as much as one single whole package of provisions for even a single month and over 175 contracts are still on hold, while the Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait continues to delay the adoption of measures to accelerate the handling of contracts.

It can legitimately be asked when the Secretary-General will ever be able to assume his role and eliminate these difficulties, if not now. In that connection, we would appreciate it if you would duly inform us whether there is any way in which you could intervene effectively to deal with the situation where the initial period is concerned. It is more than one month since the deadline passed, and Iraq has still not received all the humanitarian supplies

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provided for, even though it has met its obligations with respect to the export of oil.

The course of events during the initial period obviously drained the Memorandum of Understanding and resolution 986 (1995) of their substance, namely, their humanitarian goals, and concealed their primary objectives. The results achieved during the initial period by no means matched the goal of resolution 986 (1995) and the Memorandum of Understanding. This is demonstrated by the fact that the citizens of Iraq have, to this day, not received any whole packages of provisions, even during a single month.

Is this situation going to continue during the second period? There is no question, Sir, that you have a decisive role to play in the implementation of resolution 986 (1995) and the Memorandum of Understanding. If this role is not assumed, that will mean that the party concerned will bear a considerable humanitarian and moral responsibility, particularly since it is a question of alleviating the suffering of millions of Iraqi citizens.

This situation cannot be allowed to continue, since it is clear that just one country is obstructing by all possible means the methodical implementation of the Memorandum of Understanding and resolution 986 (1995) clearly provides the Secretary-General with the necessary frame of reference. How long will this one country be permitted to act just as it pleases, placing obstacle after obstacle in the way of implementation of this resolution?

It is extremely odd that the country in question uses all political, technical and administrative devices, sometimes recommending one procedure, sometimes another for implementing the Memorandum of Understanding, while pushing some persons to insist that the Iraqi oil loadings should begin, in accordance with resolution 1111 (1997). This requirement is surprising, illogical and unjust. An equitable procedure for the implementation of that resolution, as during the initial period, and as you are yourself well aware, would be first of all to finalize the purchase and distribution plan to be approved by the Secretary-General, as during the initial period. Then all the parties concerned must take the necessary action to put an end to the manoeuvres designed to obstruct the processing of the contracts submitted under the initial purchase and distribution plan and expedite the processing of pending contracts.

We signed an agreement with the Secretary-General on the sale of oil in exchange for the purchase of foodstuffs, medicine and other humanitarian supplies for Iraq, not an agreement on the sale of oil for the purpose of reimbursements and other withdrawals from, and payments of funds into, the Iraq Account. The Iraqi Government can legitimately ask what the intentions are of those who, while insisting that Iraqi oil loadings begin, are not too concerned about lifting holds on contracts not yet processed under the initial period, which expired over a month ago. The Iraqi Government is also entitled to interpret this agreement in the light of reality and taking account of its provisions on its observance by all the parties concerned in terms of the achievement of its fundamental goal, namely, the purchase, financed by Iraq, of foodstuffs, medicine and materials for essential needs.

We hope that you will give this question due consideration and that you will take the necessary action to put an end to the obstructionism that prevailed during the initial period and that is continuing even now. United Nations action and initiatives must be in keeping with both the spirit and the letter of the Memorandum of Understanding, and also with the spirit of cooperation and seriousness shown by the Iraqi Government in connection with the implementation of the Memorandum.

(Signed) Mohammed Said AL-SAHAF  
Minister for Foreign Affairs of the  
Republic of Iraq

Baghdad, 12 July 1997

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