



Security Council

PROVISIONAL

Distr.
RESTRICTED

S/AC.25/SR.175
24 February 1999

ORIGINAL: ENGLISH

SECURITY COUNCIL COMMITTEE ESTABLISHED BY RESOLUTION 661 (1990)
CONCERNING THE SITUATION BETWEEN IRAQ AND KUWAIT

PROVISIONAL SUMMARY RECORD OF THE 175th MEETING (CLOSED)

Held at Headquarters, New York,
on Friday, 3 October 1998, at 3.30 p.m.

Chairman: Mr. MONTEIRO (Portugal)

CONTENTS

ADOPTION OF THE AGENDA

LETTER DATED 1 OCTOBER 1998 FROM THE OFFICE OF THE IRAQ PROGRAMME AND LETTER
DATED 6 OCTOBER 1998 FROM IRAQ

NOTE VERBALE DATED 5 AUGUST 1996 FROM TURKEY

LETTER DATED 28 SEPTEMBER 1998 FROM THE UNITED ARAB EMIRATES

LETTER DATED 1 OCTOBER 1998 FROM OMAN

NOTE VERBALE DATED 6 OCTOBER 1998 FROM SPAIN

LETTERS DATED 26 AUGUST, 2, 8, 16, 22 AND 29 SEPTEMBER, AND 6 AND
13 OCTOBER 1998 FROM JORDAN

COMMUNICATIONS UNDER THE "NO-OBJECTION" PROCEDURE

OTHER MATTERS

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Chief, Official Records Editing Section, room DC2-750, 2 United Nations Plaza.



The meeting was called to order at 3.45 p.m.

ADOPTION OF THE AGENDA

The CHAIRMAN suggested that items 4 and 6 of the provisional agenda should be treated as a single item, as they dealt with closely related subjects, and that the Committee should consider the resulting consolidated item first.

The agenda, as so amended, was adopted.

LETTER DATED 1 OCTOBER 1998 FROM THE OFFICE OF THE IRAQ PROGRAMME
(S/AC.25/1998/COMM.142)

LETTER DATED 6 OCTOBER 1998 FROM IRAQ (S/AC.25/1998/COMM.144)

The CHAIRMAN noted that the letter from the Office of the Iraq Programme dealt with the revenue shortfall and difficulties in the prioritization and processing of applications, especially with respect to oil spare parts and equipment, while the letter from Iraq dealt with implementation difficulties, especially reimbursement of the 53 per cent account from the 13 per cent account and the approval of applications concerning oil spare parts. Iraq
He recalled that the Committee had held two meetings at expert level to discuss the various issues involved, and had concluded that it was essential for the Committee to have all relevant information at its disposal in order to expedite the approval of applications; the Office had undertaken to make every effort in that connection. The Committee had also decided to identify problem areas relating to the approval of applications in an effort to lift existing holds and prevent future ones insofar as possible. The two letters, however, did not necessarily reflect the current state of what was a dynamic and evolving situation, and consequently the Executive Director of the Office had been asked to provide the Committee with the latest available data.

Mr. SEVAN (Executive Director, Office of the Iraq Programme) distributed an update on funding levels and commitments made in terms of approved applications under various sectors, including proposals from the Government of Iraq regarding the reallocation or revision of funds in view of the anticipated revenue shortfall resulting from the recent fall in the price of oil. Spare parts and equipment in the oil sector were an issue of the first

importance, and he welcomed the initiatives of some Committee members aimed at expediting the processing of applications relating to that sector and lifting holds placed on them. There was also a need for further prioritization of the funding of applications, with food and medicine receiving priority funding, but with due regard to the electricity, water and sanitation sectors, which were of vital importance for people's health. The price of oil had continued to decline during October, with the result that the projected revenue shortfall in phase IV might be even greater than originally anticipated. If so, projected funding under both the 53 per cent and the 13 per cent accounts would be further reduced.

The revenue situation was at risk of being aggravated by the poor state of the Iraqi oil industry. While production levels were still high, spare parts and equipment must arrive as soon as possible if a sharp decline in production was to be avoided. To that end, a joint effort by the Government of Iraq, the Secretariat and the Committee was required. The Government reported that it had in hand 480 signed contracts for spares and equipment, many of which had been approved. He welcomed the lifting of holds on a number of contracts. The Office was endeavouring to expedite the implementation of approved contracts in the oil sector. The Central Bank of Iraq had been very slow in requesting the opening of letters of credit; in the end, however, it was necessary to acknowledge the impact of political factors. The issue should be depoliticized. In view of the size and complexity of the items involved - some of which had to be custom-made - long delivery times, of up to two years in some instances, were required. It was for that reason that not too much should be made of the fact that no equipment or spare parts had yet arrived in Iraq; given the nature of the equipment involved, that situation was normal.

The Office was proceeding, in consultation with the Government of Iraq, to prioritize phase IV allocations for humanitarian supplies in response to declining revenues: the original estimate of earnings of \$2.2 billion had been revised downward to approximately \$2.1 billion by the end of the current phase on 25 November. The Office and the Government were trying to adjust expenditures in various sectors to the reduced availability of funds. Tight management and close coordination were essential to ensure that no sector was penalized as a result of overspending in other sectors. Iraq's Ministry of Petroleum had provided the Office with information on the numbers of contracts

/...

it had signed with suppliers, indicating the value of each contract, and the Office had asked the Government to do the same for other sectors in the interests of a clearer overall picture.

The lengthy waiting period required before the 53 per cent account could be reimbursed for bulk purchases continued to be a major constraint on the timely procurement of humanitarian supplies. The only viable solution was to follow the same course as had been adopted in the case of spare parts, namely to charge both the 53 per cent account and the 13 per cent account proportionately at the time bulk purchases were made. Nearly two years' experience with that method had yielded a good track record in terms of the delivery of supplies of food and medicine in the northern governorates. Enough money was held by the United Nations in the escrow account, and in the event of a violation, the funds could be stopped immediately. A pragmatic approach, subject to appropriate monitoring, was in accordance with the spirit of resolution 986 (1995), which had been framed with a view to the welfare of the civilian population of Iraq. The Office would shortly be approaching the Committee with a formal proposal in that connection.

Turning to the assertion contained in the letter from the Government of Iraq that various phase I and phase II contracts were still on hold, he recalled that the Office had informed the Government of Iraq the previous March that all revenues under those phases had been exhausted, whereupon the Government had requested the transfer of all medical applications to phase III, suggesting that contracts involving non-medical goods could be renegotiated under phase III or subsequent phases. In the Office's view, therefore, phases I and II were closed, and it was meaningless to speak of contracts from those phases as being on hold. The letter asserted that contracts relating to protein enhancement were on hold, but the Office's own records indicated otherwise. It was not clear where the discrepancy lay, and accordingly the issue would be taken up with the Government of Iraq.

Concerning the medicine sector, while shortages of medical supplies and health conditions in Iraq certainly gave cause for concern, the value of applications for contracts in the medical sector received by the Office fell far short of the allocated amount. It was not altogether clear why more of an effort had not been made to expedite the submission of applications and the signing of contracts in that area. There were, it seemed, procurement problems

on the Iraqi side, besides the difficulties that arose in connection with the Committee's consideration of the issue.

The number of holds under phase III had declined from 20 to 17, while the number under phase IV for sectors other than oil stood at 31 as at 27 October, down from 43 at 1 October. In the oil sector, unfortunately, difficulties persisted. With respect to the reimbursement of the 53 per cent account from the 13 per cent account, the amount outstanding was nearly \$240 million as at 28 October. It was essential to find a way to unblock the situation.

Mr. CONG Guang (China) asked how many applications relating to spare parts in the oil industry were currently on hold, how many contracts for the supply of spare parts had been signed, how many applications had been circulated to the Committee, and how many were still pending.

Mr. SEVAN (Executive Director, Office of the Iraq Programme) said a total of 259 such applications had been received, of which 214 had been circulated and 105 approved. Seventy-six were currently on hold, and 40 per cent for circulation.

Mr. CONG Guang (China) said it was unfortunate that the position regarding the status of holds had deteriorated. The Committee members had agreed that all the countries concerned should provide technical details in order to facilitate clarification of all relevant issues, but it appeared that had not happened. His delegation had repeatedly stressed the importance of processing applications for oil spare parts and equipment without delay, and urged the countries concerned to take meaningful action as soon as possible to resolve the issue of contracts on hold. The status of reimbursement of the 53 per cent account from the 13 per cent account was also a source of concern, as was the question of priorities. He hoped that the Secretariat would submit concrete proposals aimed at resolving the difficulties as soon as possible.

Mr. BIGOT (France) welcomed the prospect of a solution to the problem of reimbursement, but noted that the Executive Director had reported the existence of the problem some 11 months earlier. In view of its importance, a detailed calendar for devising such a solution would be desirable. Concerning the question of holds on contracts in the area of oil spare parts and equipment, that issue, too, had supposedly been on the point of being resolved, but all too clearly, it had grown worse. The Committee's efforts to work out technical solutions had been unsuccessful, and he therefore considered that it would be

desirable to take the matter to a higher level, namely the Security Council. In view of the importance of spare parts and equipment to Iraq's oil sector, it was essential to unblock the situation. In failing to implement the relevant Security Council resolutions, the Committee was giving ammunition to those who criticized it as being ineffectual. The members of the European Union had worked hard to implement those resolutions; the Committee's own performance to date had been less than impressive by comparison.

Mr. STIERNLOF (Sweden) said that the Committee had worked very constructively in informal meetings; he saw no need to raise the matter in the Security Council until the Committee had had another opportunity to consider it informally.

Mr. McGURGAN (United Kingdom) said that, as the Executive Director had said, there was a need to depoliticize the issue; he supported the view that another informal meeting should be held. The Committee should continue to do its work as a technical body.

His delegation was concerned that there appeared to have been a reduction in the food basket and in the supply of medicines. However, over 90 per cent of all applications were being approved, so the Committee was doing its job. On the question of contracts for oil spare parts, his delegation was prepared to consider any credible explanation and any technical information that would enable it to release its holds. However, it had difficulty in approving applications which were not related to the distribution plan.

He requested figures on the rate of issuance of letters of credit by the Central Bank of Iraq for all humanitarian items; it was clear that unless letters of credit were issued, suppliers would not feel confident to procure goods to send to Iraq.

Mr. SMIRNOV (Russian Federation) said that his delegation supported the views of the representatives of China and France with regard to holds. On the question of reimbursement, ~~with an amount of \$240 million outstanding~~, the problem had moved beyond the purely technical plane. The consultations held in the Committee had not produced any results. The scale of the problem urgently required a resumption ~~of these consultations~~.

Mr. AL-DOSARI (Bahrain) said that his delegation was concerned about the continued holds imposed on certain contracts and hoped that a solution to

the problem would be found soon. It therefore believed that the Committee needed to be given a report on the reasons for the placing of holds.

Mr. YOUNG (United States of America) said that over the past week alone, his delegation had released holds on 22 contracts for oil spare parts. There had been an increase both in the number of holds and in the number of approvals, although the gap between holds and approvals had certainly widened. The problems of letters of credit and of slow delivery times needed to be born in mind. His Government was continuing to review the holds it had placed and welcomed any information which would help convince it that some of the spare parts put on hold actually would have an impact on increasing oil revenue, as was the goal of Security Council resolution 1175 (1998). The purpose of that resolution was not to approve every contract which was submitted; there must be some kind of prioritization of the oil-spare-part contracts which were submitted. The Executive Director had noted that the number of holds under phase III and phase IV had declined; that was because his delegation was working with other delegations on the issue. The work that was taking place in the Committee should not be overlooked. It had already been pointed out that there was about a 90 per cent acceptance rate across the board for oil-for-food contracts; that was very important, especially in terms of the letters which the Committee received from the Government of Iraq which made no reference to the amount of food and medicine that was going into Iraq.

His delegation noted that the Iraqi Government's proposal on prioritization of phase IV allocations was based on levels which were close to the phase III levels; he asked whether that meant that less food and medicine would be brought into Iraq under phase IV than had been planned, and whether the Government of Iraq had indicated that it was now satisfied with the levels of food and medicine that were entering Iraq (which was not what it had said in the past). He also asked what happened to approved contracts when letters of credit were not available; and what order of priority was followed in applying letters of credit to approved contracts.

He hoped that it would not be necessary to take the issue to the Security Council. The Committee had its responsibilities and should continue to fulfil them. Informal meetings were very useful in that respect.

The CHAIRMAN suggested that the Committee should have an informal meeting early in the following week; if it did not make any progress, it could

consider what to do at the political level. The Committee could not do much with regard to reimbursement; that was a matter for the Office of the Iraq Programme and the Secretary-General.

Mr. SEVAN (Executive Director, Office of the Iraq Programme) said that greater efforts needed to be made in terms of approval of contracts for spare parts; Governments should be helped in obtaining information that would help them make positive decisions.

It was true, as noted by the representative of France, that the number of holds had increased; meanwhile, 259 applications had been received by 27 October. He appealed to those Governments which were reviewing holds to expedite their efforts; the secretariat was ready to provide them with any additional information they desired. At the same time, a number of contracts which had been submitted were inconsistent with the distribution plan, and needed to be clarified.

With regard to the revised figures provided by the Government of Iraq for the purposes of allocation between different sectors, by and large they maintained the relative proportions between sectors. However, it was misleading to look at dollar figures alone, especially since some contracts involved huge items of equipment. The Committee should try to depoliticize the issue, since the aim of the programme was to try to assist the average Iraqi person. It would not be very helpful to go back to the Security Council, since the Committee had been established to perform the technical work.

The secretariat would prepare proposals with regard to reimbursement. On the question of the prioritization of letters of credit, the Iraqi Government submitted a list of priorities for funding purposes on a weekly basis, and those priorities were respected by the secretariat. Iraq had experienced some internal coordination problems with regard to the issuance of letters of credit, but there was now better coordination and, on average, letters of credit were issued by the Central Bank of Iraq within about one week. The Iraqi Government had also pointed out that it lacked computer and electrical equipment for such operations.

Mr. BIGOT (France) said that the Committee had tried technical solutions for some two months, and they had not worked. Although 19 holds had been lifted, the situation was still very poor. He was not opposed to having another informal meeting, but if that meeting did not lead anywhere, and just

produced promises which were not kept, there would be no point in continuing along the same course. It was the Security Council which would decide on the outcome of phase IV, at the end of November. If the Committee had not resolved the question by then, the Council should take a political decision. If there was an impasse in the Committee, it was logical to go to the Council; that procedure had been followed in other sanctions committees.

The CHAIRMAN said that the Committee needed to provide accurate information to the Security Council by the end of November; it should continue its work at the technical level.

NOTE VERBALE DATED 5 AUGUST 1996 FROM TURKEY (S/AC.25/1996/COMM.7649)

The CHAIRMAN said that the note verbale from Turkey was concerned with the resumption of the import of petroleum and petroleum products from Iraq. The item had been on the Committee's agenda for more than two years, and had been deferred yet again at the previous meeting.

Mr. BIGOT (France) said that the item should be resolved one way or another before the end of the year, otherwise there was no point in keeping it on the agenda. His delegation had proposed that the secretariat should make a study of the question so as to clarify the problem, and that proposal was still on the table.

Mr. McGURGAN (United Kingdom) said that his delegation had explained its opposition to the French proposal in the past; however, he would refer the proposal back to his Government. He noted that work was being done in the Sixth Committee on the question of Article 50 of the Charter, so that some movement on the issue could be expected.

The CHAIRMAN said that the Committee would keep the item on its agenda.

LETTER DATED 28 SEPTEMBER 1998 FROM THE UNITED ARAB EMIRATES
(S/AC.25/1998/COMM.139)

THE CHAIRMAN recalled that the Committee had considered a communication from the United Arab Emirates in 1997 concerning a passenger shipping service to Iraq (S/AC.25/1997/COMM.7314) and had responded that such a service would not violate the sanctions imposed by the Security Council, but that the vessels involved should only transport passengers and their personal effects, and should not load cargo in Iraq, including fuel (document S/AC.25/1997/OC.5560). The United Arab Emirates was now advising the Committee

that the service was scheduled to commence soon, and sought clarification of the term "personal effects", since the service would be provided by a vessel which was equipped to carry passengers travelling with their own private vehicles. The United Arab Emirates also provided the clarification that any vehicle carried on the service would be used solely for the transportation of the accompanying owner, and that the vehicle would be returned by and with the owner to the United Arab Emirates in accordance with its laws.

Mr. AL-DOSARI (Bahrain) said that, because of the exceptional situation in Iraq, and the lack of transportation, the only means of transport in Iraq was private vehicles. Private vehicles should therefore be regarded as personal effects.

Mr. BIGOT (France) said that the United Arab Emirates was responsible for the decision to be taken, and was merely seeking the Committee's opinion on the matter. Since an arrangement of the same type existed between Jordan and Iraq, a similar arrangement between Iraq and the United Arab Emirates should also be valid.

Mr. McGURGAN (United Kingdom) said that, under United Kingdom customs law, the term "personal effects" did not include motor vehicles. His delegation did not want to set a precedent in that regard but was prepared to seek other grounds for approving the request.

The CHAIRMAN suggested that the Committee should draft a reply stating that it agreed to the transport of private vehicles without mention of the term "personal effects".

Mr. YOUNG (United States of America) said that, under the Warsaw Convention and aviation and admiralty law, the definition of "personal effects" was quite limited. However, his delegation appreciated the fact that the United Arab Emirates had sought clarification of the matter and, since the individuals in question were pilgrims travelling to holy places, was willing to consider alternative grounds for granting the request.

Mr. LENARČIČ (Slovenia) said that the private vehicles in question were, in fact, not personal effects but means of transport. As such, there was no question of their importation and it would be sufficient for the Committee to so state in its reply.

The CHAIRMAN said that he took it that the Committee wished him to draft a reply along those lines and to submit it to the Committee under the "no-objection" procedure.

It was so decided.

LETTER DATED 1 OCTOBER 1998 FROM OMAN (S/AC.25/1998/COMM.143)

The CHAIRMAN drew attention to the Government of Oman's request for permission to import 6,000 tons of linear alkyl benzene from Iraq under the oil-for-food programme.

Mr. SMIRNOV (Russian Federation) said that the Committee had considered a similar request regarding the export of sulphur from Iraq and had failed to resolve the issue. Security Council resolution 986 (1995) allowed for the export of petroleum products and, in view of the recent drop in the price of oil, he suggested that the Committee might authorize the export of alkyl benzene as a means of increasing revenue.

Mr. MCGURGAN (United Kingdom) said that the Committee must first determine whether the company which proposed to import alkyl benzene was registered with the oil overseers and therefore entitled to discuss contracts under the oil-for-food programme. He also wondered whether it would be cost-effective to modify the Iraqi pipelines and terminals for the export of petroleum products rather than of crude oil.

Mr. KRAMAR (Oil Overseer, Office of the Iraq Programme) said that his office had not yet received information on the company in question but that, in any case, it would be useful to have the Committee's views on the matter.

Mr. SMIRNOV (Russian Federation) said he agreed with the representative of the United Kingdom that the Committee should first ask the secretariat and the oil overseers to make the necessary inquiries and to report to the Committee thereon. However, even if the company in question was not accredited with the oil overseers, the Committee could decide to take a decision on an ad hoc basis if the proposal proved feasible.

Mr. MCGURGAN (United Kingdom) said that he agreed with the representative of the Russian Federation's proposal and suggested that in the meantime, a copy of the Committee's procedural rules should be sent to the Permanent Mission of Oman.

Mr. BIGOT (France) said that revenue from the sale of Iraqi oil was currently insufficient; moreover, while petroleum products such as alkyl benzene

might cost more to produce, they were probably more profitable in the long run. He asked the oil overseer to provide information on that matter.

Mr. AL-DOSARI (Bahrain) said that, since Oman was not a major importer of crude oil or petroleum products, the situation could be viewed as a special case. He did not think that the issue was so complex as to require detailed information, and he hoped that the Committee could take an expeditious decision. However, if other members thought it necessary to make further enquiries, he suggested that the Committee should do so and then take a decision under the "no-objection" procedure.

Mr. CONG Guang (China) said that he supported the suggestion made by the representative of France. If the export of petroleum products, which was clearly authorized under Security Council resolution 986 (1995), would help to reduce the current export deficit, the Committee should deal with the matter under its normal procedure for the export of Iraqi oil.

Mr. YOUNG (United States of America) said that he agreed with the representative of the Russian Federation that the Committee needed more information, both from the secretariat and from the Government of Oman, and that he would prefer the Committee to follow its standard procedure for such cases. Furthermore, as the representative of the United Kingdom had rightly pointed out, it was important to determine whether conversion of existing equipment to allow for the export of petroleum products would be cost-effective and whether the system could handle both crude oil and by-products.

The CHAIRMAN said that the Committee could easily and quickly obtain such information from the oil overseers and the Government of Oman. If feasible, the proposal might provide a useful supplement to revenue from oil exports.

NOTE VERBALE DATED 6 OCTOBER 1998 FROM SPAIN (S/AC.25/1998/COMM.146)

The CHAIRMAN drew attention to the request from the Permanent Mission of Spain that the Committee should take the necessary steps to release the funds held in a Spanish citizen's account at Barclays Bank, London, which was blocked as a result of the sanctions imposed on Iraq.

Mr. MCGURGAN (United Kingdom) said that, in the past, the Committee had decided that it did not have a mandate to instruct banks to release the funds in blocked accounts. In such situations, the primary concern was the residency status of the account holder. In the case in question, Barclays Bank

/...

had contacted Ms. Sancho Moreno, a Spanish citizen, to inform her that any accounts held solely in her own name were not frozen. However, in the absence of documentary evidence that her husband no longer held Iraqi citizenship, all funds held in his name had been blocked. The account mentioned in the letter was held jointly by both spouses. Documentation had been submitted to the effect that Ms. Sancho Moreno's husband currently resided in Spain, but it was not clear whether he had been granted the status of permanent resident.

He (Mr. McGurgan) had already informed the Permanent Representative of Spain that his delegation would send written confirmation of the Barclays Bank request for further information in that regard and, in particular, for a copy of Ms. Sancho Moreno's husband's passport. The Permanent Representative of Spain had expressed his satisfaction with that course of action. The matter was therefore being dealt with at a bilateral level, and he hoped that it could be resolved swiftly.

The CHAIRMAN said he took it that the Committee agreed to that solution.

It was so decided.

LETTERS DATED 26 AUGUST, 2, 8, 16, 22 AND 29 SEPTEMBER, AND 6 AND 13 OCTOBER 1998 FROM JORDAN (S/AC.25/1998/COMM.133, 134, 141 AND 145)

The CHAIRMAN said that the letters from Jordan (S/AC.25/1998/COMM.133, 134, 141 and 145) contained the usual reports concerning the examination and verification of cargo at the Port of Aqaba carried out by Lloyd's Register. He invited the Committee to take note of the report.

It was so decided.

COMMUNICATIONS UNDER THE "NO-OBJECTION" PROCEDURE

The CHAIRMAN said that, since there were no comments on the status list, it would be considered adopted.

OTHER MATTERS

Mr. SMIRNOV (Russian Federation) drew attention to the status report of United Nations independent inspection agents as at 23 October 1998, provided by Saybolt Nederland B.V. He noted that the situation of United Nations personnel stationed on the Mina al-Bakr oil platform remained very serious. Water rationing was in effect, there were virtually no facilities for the evacuation of the sick or injured, and the boat which provided transport to land had no life jackets or safety equipment. A contract for three boats of Russian

/...

registry, which were to be sent to Mina al-Bakr to resolve the situation, had been stalled in the secretariat because the list of spare parts under warranty was not yet available from the manufacturer. For humanitarian reasons, and because the matter involved United Nations personnel, he asked the Committee to permit the contract to be circulated in its current form with the understanding that the remaining documentation would be supplied at a later date.

Mr. MCGURGAN (United Kingdom) said that his delegation was prepared to support the request.

Mr. YOUNG (United States of America) said that, in July 1998, the Committee had approved a Chinese contract for two tugboats for transport of personnel to and from the oil platform. He asked what the status of that contract was.

Mr. ALMSTROM (Office of the Iraq Programme) said that his office shared the Committee's concern for the safety of those stationed on the oil platform. The contract for the tugboats had been approved, but the boats would not be delivered for some time. As soon as the list of spare parts became available, his office would expedite action. It was his understanding that, in the meantime, the basic sanitary and health requirements of platform personnel were being met by other vessels moored alongside. A representative of his office would be visiting Iraq during the following week and would see what could be done to correct the situation, perhaps in cooperation with the United Nations Iraq-Kuwait Observation Mission (UNIKOM) or the United Nations Office of the Humanitarian Coordinator in Iraq (UNOCHI).

Mr. SMIRNOV (Russian Federation) said it was his understanding that the tugboats were intended to service tankers brought into the terminal. He had been referring to a contract for three small ferries intended for crew transport and evacuation.

Mr. YOUNG (United States of America) said he had understood that the tugboats would arrive before the ferries and, in the interim, could be used to transport personnel to and from the oil platform. He asked when the tugboats were scheduled to arrive.

Mr. ALMSTROM (Office of the Iraq Programme) said that the lead time for manufacture of the tugboats was approximately one year from placement of the order in July 1998.

Mr. YOUNG (United States of America), turning to another matter, said that his delegation looked forward to the Committee's discussion of the pilgrimage to Mecca and was prepared to be as cooperative as possible on that matter.

Furthermore, he asked the Chairman to report on the results on his discussion with the Permanent Representative of the Islamic Republic of Iran concerning the report of the Multinational Interception Force (MIF).

The CHAIRMAN said that he had had a fruitful discussion with the Permanent Representative of the Islamic Republic of Iran, who had promised to draw the matter to the attention of his Government.

The meeting rose at 5.55 p.m.

011