

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[51] DATE[10/15/91] TYPE[Agenda]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Adoption of the agenda]

TXT[Adoption of the agenda

Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)

The agenda was adopted.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[51] DATE[10/15/91] TYPE[Procedure]

SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Recalled that, at its 50th meeting, the Committee had authorized him immediately to contact the Permanent Representative of Iraq to ascertain whether or not he had any further comments on the proposed procedures to be employed by the Committee in the discharge of its responsibilities under Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1). Accordingly, he had met with the Permanent Representative of Iraq the previous day and had informed him of the Committee's discussions. The Permanent Representative had informed the Chairman that he had conveyed the working paper to his authorities, but had received no response so far. Thus, he had no further remarks to add. He had reiterated that he had no problems with the proposed mechanisms and welcomed the procedures concerning the overseers, since they would allow speedy action by the Committee.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[His country had not yet decided whether to make use of the possibility of exporting oil and oil products. In that connection, the main problem was the bilateral one of reaching agreement with Turkey on transit fees. Although he was not eager to appear before the Committee the Permanent Representative was willing to cooperate in every way possible. He accepted that the Committee was responsible only for the implementation of the resolutions and he welcomed its efforts to be flexible over the procedures.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[51] DATE[10/15/91] TYPE[Intervention]

SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Regretted that the Committee had not seen fit to invite the Permanent Representative of Iraqi to appear before it, as there were a number of questions the Committee was entitled to ask before it adopted a position. He reviewed previous developments in the field, referring in particular to the report dated 20 March 1991 by the Under-Secretary-General for Administration and Management on humanitarian needs in Kuwait and Iraq (S/22366), paragraph 23 of resolution 687 (1991) empowering the Committee to approve exceptions to the prohibition against imports of commodities and products originating in Iraq and the report dated 15 July 1991 by

the Executive Delegate of the Secretary-General on humanitarian needs in Iraq (S/22799). He said that, although nearly 10 months had elapsed, nothing had so far been done to provide emergency humanitarian aid for the people of Iraq.]

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SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Although his delegation would not object to the proposed procedures, he wished to draw attention to a number of defects. First, the procedures provided for only one way of exporting oil, namely through Turkey. Problems could arise if Turkey adopted an intransigent position over transit fees, and the door should have been left open for other possibilities. Second, oil products were now to be exported through Turkey rather than overland via Jordan as in the past. Why could the latter option not be retained? Lastly, the use of overseers would facilitate the selling of oil, but surely the same procedure could also be applied to the import of foodstuffs.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Iraq was not being forced to export its oil via Turkey but that the Committee was merely seeking to implement the provisions of the Secretary-General's report (S/23006), which had been endorsed in paragraph 3 of Security Council resolution 712 (1991). The Committee could only work within the parameters of the relevant resolutions. The Permanent Representative of Iraq recognized that the Committee was merely implementing the resolutions and doing its best to be flexible over the procedures. The question of transit fees was a bilateral issue between Iraq and Turkey and could only be resolved by the countries concerned. The use of overseers represented a major improvement, as they would allow business to be concluded rapidly. The system would be reviewed subsequently once it was in operation. The Committee could not oblige Iraq to export its oil but only provide an appropriate framework to enable business to be conducted as quickly as possible.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[51] DATE[10/15/91] TYPE[Intervention]

SPKR[Menon] MS[India] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Wished to raise a few technical points related to the proposed procedures. The system of overseers was obviously necessary in the interests of speed and oversight, but the number of overseers appointed should depend on the amount of oil exported, the average value of sales contracts and the number of expected contracts. Secondly, the draft text made provision for a bi-weekly reporting procedure, but the volume of transactions might not justify such frequent reporting. Furthermore, overseers were given the authority to approve or reject oil sale contracts, but his delegation believed that the right to reject them pertained only to the

Committee itself and that more thought should be given to the matter. Also, in section II.A of the draft procedures, there seemed to be duplication in paragraphs 2, 3 and 4 regarding the supervision of sales, or else the distinctions being drawn were unclear.]

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SPKR[Menon] MS[India] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Lastly, it should be borne in mind that the oil business already had its own system of expert supervisors, and some of them could be considered for appointment as United Nations agents. With regard to the number and the stationing of United Nations agents, he assumed that the intention was to deploy them only at certain vital supervision points on the pipeline, such as the pumping, loading and offloading points, rather than along the entire pipeline.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Agreed that it was necessary for overseers to be available around the clock, as Iraq itself had insisted. The number of overseers depended, first, on whether Iraq wanted to undertake oil sales at all and, if so, on the volume of contracts and their average value. The Committee, however, had had to draft a procedural scheme that would cover all eventualities including the possibility of a large volume of contracts, and would provide for any preparatory steps required. The overseers would be recommended by the Secretariat but approved by the Committee. Of course, if there were no sales or contracts, their services would not be required. Similarly, with regard to the reporting procedure, if there was nothing to report, no report would be filed.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[The political responsibility and authority for rejecting an oil sale contract rested with the Committee, and the draft text made provision for a kind of "no-objection" procedure in which the overseer would submit any rejection to the Committee for approval. The overriding concern in setting up the system of overseers had been to speed up approvals of routine oil sales. The Committee, assisted by experts as needed, would deal with any problems relating to oil sales. Rather than involving duplication, paragraphs 2, 3 and 4 of section II.A sought instead to be as specific as possible in describing the step-by-step procedure for the approval of sales, particularly for the information of those States not normally involved in the oil business. It would, of course, be important to appoint United Nations agents with reliable expertise.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Such inspectors would, indeed, be stationed only at crucial points along the pipeline. He wished also to inform members that the Permanent Representative of Iraq had referred in their conversation the previous day to the question of the export of oil products, a point also brought up at an earlier meeting by the representative of Yemen. Apparently, in order to satisfy the domestic demand for oil products, Iraqi facilities must for technical reasons overproduce a certain amount, and therefore Iraq expected soon to be in the position of having to sell small quantities of oil products on the international market and to do so at unfavourable exchange rates.]

ISSUE[IRAQ/KUWAIT]

CAT[661] MTG[51] DATE[10/15/91] TYPE[Intervention]

SPKR[Moreno Fernández] MS[Cuba] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Notwithstanding his Government's position at the time of the adoption of Security Council resolution 706 (1991), Cuba, in compliance with Article 25 of the Charter, would not oppose the proposed scheme but that, for the record, in approving it, it reaffirmed all the views it had expressed in the Security Council at the time of the adoption of the resolution. His delegation would address a letter to the Chairman reaffirming his Government's position regarding document S/AC.25/1991/WP.2/Rev.1.]

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CAT[661] MTG[51] DATE[10/15/91] TYPE[Intervention]

SPKR[Posso Serrano] MS[Ecuador] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[It was his Government's understanding that the proposed procedures were a strictly provisional and exceptional arrangement intended to produce a specific sum of money within specific time-limits, as determined by previous Council resolutions. The draft text spelled out the technical aspects of recommendations made by the Secretary-General in the light of what was currently possible. Surely, however, Iraq's situation would eventually change and other avenues for trade would open up. Ecuador endorsed the proposed procedures.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[If he heard no objection, he would take it that the Committee wished to adopt, as a whole, the procedures set out in document S/AC.25/1991/WP.2/Rev.1. It was so decided.]

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SPKR[Hohenfellner] MS[Austria] FCT[Chairman] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Would also take it that the Committee wished to authorize him to have the text of the procedures just adopted circulated as a document of the Security Council and to request the Secretary-General to circulate the document to all States, drawing their attention in particular to section I, paragraphs 3, 4 and 5.

It was so decided. He said that he would circulate to members later that day, under the "no-objection" procedure, a draft of a standard application form for requesting the Committee's approval of contracts for the sale of Iraqi petroleum, as referred to in section I, paragraph 4, of the procedures just adopted. If the draft met with their approval, he would request the Secretary-General to circulate it together with the procedures just adopted.]

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SPKR[Moose] MS[United States] FCT[Member] LANG[1]

ITEM[Implementation of Security Council resolutions 706 (1991) and 712 (1991) (S/AC.25/1991/WP.2/Rev.1)]

TXT[Observed that the United States attached considerable importance to the way in which the funds provided for in the procedures would be managed. The escrow account would be a conduit for a considerable amount of money, and his Government hoped that the Chairman would convey to the Secretariat that all transactions must be fully documented, auditable and reasonable. There was no reason to think that it would be otherwise.]