



Security Council

PROVISIONAL

Distr.
RESTRICTED

S/AC.25/SR.168
8 June 1998

ORIGINAL: ENGLISH

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

PROVISIONAL SUMMARY RECORD OF THE 168th MEETING (CLOSED)

Held at Headquarters, New York,
on Wednesday, 11 March 1998, at 12 p.m.

Chairman: Mr. MONTEIRO (Portugal)

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The meeting was called to order at 12.15 p.m.

ADOPTION OF THE AGENDA

The agenda was adopted.

HAJJ PILGRIMAGE (S/AC.25/1998/COMM.38, COMM.43 and COMM.44)

The CHAIRMAN, stressing the Committee's respect for the Muslim tradition of the Hajj pilgrimage, said that he had contacted the Permanent Missions of Jordan and Saudi Arabia to the United Nations and members of the Secretariat with the aim of ensuring that Iraqi citizens could make the pilgrimage. He had also held discussions with the Minister for Foreign Affairs of Iraq, Mr. Al-Sahaf, the day before. Royal Jordanian Airlines was prepared to arrange for flights from Baghdad to Jeddah and, with its associate, Royal Tours, to offer a package to Iraqi pilgrims which included pocket money. The representatives of Saudi Arabia had indicated that such details as accommodations and pocket money were not the responsibility of their Government but had agreed to consult their capital on the matter. In that connection, he drew attention to the letter dated 10 March 1998 from the Permanent Representative of Iraq to the United Nations (S/AC.25/1998/COMM.43) and the letter dated 9 March 1998 from the Permanent Representative of Saudi Arabia to the United Nations (S/AC.25/1998/COMM.44). The staff of the Iraq Programme and other Secretariat personnel were also willing to provide assistance.

The Minister for Foreign Affairs of Iraq had stressed that the Iraqi authorities would not allow foreign entities to disburse Iraqi money to Iraqi citizens; the Government deemed it an obligation to provide its citizens with allowances for the performance of their religious duty. The Minister had also indicated that, regardless of flight arrangements, more than half the Iraqi pilgrims would travel overland.

He had informed the Minister that the Committee was not in a position to authorize a direct transfer of funds from the escrow account to the Iraqi Central Bank and that, in any case, the blockage of communications and electronic systems imposed as a result of the sanctions would make it impossible to effect such a transfer by 20 March, when the pilgrimage was scheduled to

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begin. Mr. Al-Sahaf had said that, if the funds were deposited in the branch of an Iraqi bank in Amman, Jordan, they could be transferred to the Iraqi Central Bank in 24 hours. The Iraqi authorities were prepared to allow the Secretariat to monitor the handling of those funds.

Mr. AL-DOSARI (Bahrain) stressed that time was of the essence, since Saudi Arabia would be closing its borders to pilgrims in approximately 10 days. Referring to the provisions of Security Council resolution 1153 (1998) on respect for the sovereignty of Iraq and the right of Iraqis to make the Hajj, he urged all Committee members and, in particular, the delegations of the United States of America and the United Kingdom, to show flexibility. He hoped that the difficulty of depositing funds in the Iraqi Central Bank would be considered a purely technical - and not a political - question, since whatever action the Committee took would have implications for the ability of Iraqis to make the pilgrimage in the future.

Mr. CONG Guang (China), stressing the purely humanitarian nature of the request and the time factor involved, appealed to those countries concerned to display the greatest possible flexibility and to avoid politicizing the issue. His delegation hoped that the Chairman would continue his consultations with all sides and make every effort to find a solution.

Mr. SMIRONOV (Russian Federation) supported the remarks made by the representative of China. His delegation, too, appealed to the Chairman to continue his discussions with a view to resolving the situation promptly.

Mr. MWANGI (Kenya) said that it was his delegation's understanding that the expenses of \$44 million were acceptable and that it only remained to determine the modalities of disbursement. He supported the statement made by the representative of Bahrain, noting that it was the Committee's duty to show flexibility and find a way not only to satisfy the Iraqi request, but also to ensure compliance with the conditions set by Iraq, namely, that the funds should be handled exclusively by its authorities, and, if necessary, monitored by the Committee.

Mr. GALEY (France) agreed that the issue should not be politicized and that the Committee had an obligation to act swiftly. His delegation had also met with Mr. Al-Sahaf and was therefore aware that the Iraqi authorities were willing to allow the United Nations to monitor the disbursement of funds. Lastly, he wondered how sums deposited in the bank in Amman would be distributed

in practice: would the Jordanian branch allocate the funds and would they be given only to pilgrims travelling on Royal Jordanian Airlines?

The CHAIRMAN said that it was his understanding that the funds would be sent to Paris and then on to Amman, which would serve as a transfer point. In his discussions with members of the Secretariat, he had been advised that the use of the Jordanian bank branch would be feasible for the transfer of small amounts, but not of such a huge sum, at least not in the time period in question. The Iraqi authorities were willing to allow members of the Secretariat to monitor lists of pilgrims, receipts and visas in order to ensure transparency in the allocation process.

Mr. BROWN (United States of America) maintained that the transfer of funds - whether to Iraqi authorities or an Iraqi bank in Jordan - was prohibited by Security Council resolution 986 (1995). The issue was straightforward and it was therefore pointless to qualify it as either political or technical. Apart from that, his delegation was prepared to show flexibility in order to facilitate the travel of Iraqi pilgrims. The breakdown of expenses seemed reasonable; he noted, however, that almost all expenses were payable in Saudi Arabia, not in Iraq. While he had no objection to the pilgrims' travelling overland he pointed out that resolution 1153 (1998) focused on travel by air.

Mr. McGURGAN (United Kingdom) said that his delegation in no way sought to impede the pilgrimage and had no objection to the amount requested. Nor did it wish to politicize the issue, which it felt deserved to be treated with respect. However, it could not approve the deposit of funds in the Iraqi Central Bank; resolution 986 (1995) was clear on that subject. In any case, it seemed that even the delivery of funds to neighbouring States would entail numerous practical difficulties.

Mr. AL-DOSARI (Bahrain), referring to the statements made by the representatives of the United Kingdom and the United States, proposed that the Secretariat should suggest alternatives that would facilitate the transfer of the funds without contravening the relevant Security Council resolutions. In addition, the opinion of the Legal Counsel should be sought as soon as possible.

Ms. PADOVAN (Brazil) supported the Bahraini proposal. The Committee's failure to find a solution would amount to a breach of its obligations under paragraph 3 of Security Council resolution 1153 (1998).

The CHAIRMAN said that the Secretariat was already exploring alternatives. He would request an opinion from the Legal Counsel in order to determine whether the transfer was permissible under Security Council resolution 986 (1995).

Ms. GOMES (Portugal) stressed the urgency of taking a decision during the week and implementing it the following week. The issue of the money transfer had political implications, since it involved changing the methods of communication currently in use by the international banking system. She joined other delegations in appealing to Committee members to refrain from politicizing the issue and to show the greatest possible flexibility. For practical reasons, the Committee should ensure that the Iraqi authorities were willing to accept whatever solution it ultimately adopted.

Mr. McGURGAN (United Kingdom) said that his delegation was well aware of the content of resolution 1153 (1998) and was prepared to show flexibility wherever possible; however, he stressed the importance of flexibility on the Iraqi side as well.

Mr. GALEY (France) supported the proposal made by the representative of Bahrain; it was incumbent on both Committee members and the Secretariat to implement resolution 1153 (1998). In that connection, he wondered whether the Secretariat and the Iraqi bank could arrange for the transfer to be effected under the accelerated no-objection procedure.

Mr. CONG Guang (China) likewise supported the Bahraini proposal and expressed the hope that the Chairman would continue his efforts to find a solution.

Mr. STEPHANIDES (Deputy Director, Security Council Affairs Division, Chief of the Sanctions Branch) said that he had taken note of the Bahraini proposal and the comments made by Committee members and would act upon them. He would also submit a request to the Legal Counsel for an opinion which, he was certain, would be given to the Committee promptly.

The CHAIRMAN said that he would take the necessary action, while remaining in contact with the Permanent Mission of Iraq, and report back to the Committee. However, if the deadlock persisted, he would have to refer the matter to the Security Council.

The meeting rose at 1 p.m.