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Statement by the Hon. **ISSAM RASHID HWAISH**,  
Governor of the Bank for **IRAQ**,  
at the Joint Annual Discussion



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Governor of the Bank for Iraq,  
at the Joint Annual Discussion**

Mr. Chairman, Governors, ladies and gentlemen, I am honored to greet you on behalf of the Iraqi delegation and to express our wishes for continued success to you, Mr. Chairman, and to the Managing Director of the IMF, the President of the World Bank, and the governors attending this meeting today, in your efforts to achieve the goals pursued by the international community. I would also like to join my colleagues in thanking our Czech hosts for their warm reception, and in congratulating IMF Managing Director Horst Köhler on the confidence he has earned. We hope that his efforts to help developing countries overcome their balance of payments problems will meet with resounding success.

Mr. Chairman, over the past ten years, the Iraqi delegation has affirmed that one of the most important purposes of the IMF, as set forth in Article I, paragraph (iv) of its Articles of Agreement, is to eliminate restrictions that hamper world trade and to strive to achieve economic stability and prosperity. Today I repeat once again that the economic sanctions imposed on Iraq since 1990 are in conflict with the Fund's Articles of Agreement and its philosophy. Iraq participated in the Bretton Woods agreement and is a founding member of the IMF. This gives me the right to ask the Fund to raise its voice against the continuation of these unjust economic sanctions and the freezing of Iraqi assets, which contradict not only the Fund's principles, but also the most basic humanitarian and social values. As the Fund's management is aware, we have tried to settle our obligations to the IMF using our frozen assets in the United States, but the fiscal authorities there have refused to allow this.

Ten years of continued sanctions have caused the Iraqi people unprecedented suffering. Mortality rates have risen among children and the aged, owing to the lack of medical supplies. The international humanitarian organizations acknowledge that the Iraqi people face great danger and that emergency measures must be taken soon. Life has become increasingly difficult as people are deprived of drinking water, sanitary facilities, and electricity in towns and cities across the country, while means of transportation deteriorate and flights in and out of Iraq continue to be banned.

Although what is called the "oil for food and medicine" program has been in effect for nearly five years, it has failed completely—in economic, social, and technical terms—to reduce the suffering of the Iraqi people. It has been transformed from a humanitarian program, as called for by certain groups, to an oil exchange deal used to cover United Nations expenditures and compensation, rather than the needs of the Iraqi people. Large amounts of money are tied up in suspended contracts or are otherwise unusable, owing to the policies of certain countries that claim to defend human rights, but whose actions are actually aimed at increasing suffering and death among the Iraqi

people. In accordance with this program, Iraq has exported oil valued at \$32.9 billion, of which the United Nations has received \$10.1 [billion], while \$10.2 [billion] remains on account as at August 31, 2000. The value of food and humanitarian goods reaching Iraq has not exceeded \$12.6 billion over a period of five years, or an average of \$2.5 billion per year.

The Secretary-General of the United Nations recently stated in a speech before the General Assembly that the program is hindered by the delay in approving the contracts signed for delivering humanitarian goods to Iraq, in addition to 1,151 suspended contracts valued at over \$2 billion, either with no reason for the suspension or for insubstantial and illogical reasons.

Mr. Chairman and Governors, the policy of blocking or suspending contracts for medicine and medical goods has increased the suffering of Iraqi patients and caused the death of hundreds of thousands of them, children in particular, in addition to the spread of various diseases and epidemics. The suffering of the Iraqi people will be reduced not through a memorandum of understanding, but only through the total lifting of sanctions against Iraq and implementation of Article 22 of UN Security Council Resolution 687 of 1991.

The suffering of my people and humanitarian concerns demand that the international community raise its voice to rectify the deteriorating situation in Iraq, which could result in an enormous human disaster if appropriate measures are not taken soon, as Iraq has warned many times in the past.

Mr. Chairman, in view of Iraq's tragic situation and the suffering of its people that I have described, I stand before you today in this respected international forum, asking the IMF and the World Bank, in the spirit of their Articles of Agreement, to call for an end to the economic sanctions against Iraq and the release of its assets. I likewise call on the distinguished governors to spare no effort in urging their governments to help end the suffering of the Iraqi people and restore balance to our relations with the international community. I call for a joint effort to end economic sanctions and airspace restrictions, which are unsupported by any Security Council resolution, international endorsement, or legal justification.

Dr. Issam Rashid Hwaish  
Governor of the Central Bank of Iraq  
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