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

**Statement by the Honorable Issam Rashid Hwaish,
Governor of the Central Bank of Iraq
and Governor of the World Bank for Iraq,
at the Joint Annual Discussion**

Mr. Chairman, Governors, Ladies and Gentlemen:

I am honored to convey the greetings of the Iraqi delegation to the General Manager of the IMF, the President of the World Bank, and the distinguished governors participating in this meeting, along with our hope for the success of the efforts made to achieve the goals sought by the international community as a whole, particularly those aimed at helping the developing countries to overcome their economic difficulties and improve their unfavorable balances of trade.

Mr. Chairman, one year after the tragic events of September 11, I would like to use this forum to express our sincere condolences to the families of the victims. We sympathize with their suffering because we also have suffered tragedies for more than 12 years in Iraq, as a result of the continued sanctions and aggression carried out against our people. The drastic steps taken against Iraq are beyond the scope of peaceful measures and outside the bounds of international law. They work against achieving the peace and stability needed by the people of the world, who must cooperate based on the principles of friendship, justice, and peace.

For more than 10 years, the Iraqi delegation has affirmed before this respected assembly that the most important objective of the IMF, as stated in paragraph 4 of the Articles of Agreement, is to eliminate barriers to trade and international settlements, and to help achieve stability and economic prosperity. Today I reaffirm that the unjust economic sanctions imposed on Iraq since 1990 are in conflict with basic humanitarian and social principles. It is impossible to accept that an entire population be punished and deprived of life's most basic requirements, for such an attitude conflicts with the moral values of the civilized world. The banking boycott imposed on Iraqi institutions that are vital to the lives of our citizens have deprived over 25 million people of the means for achieving a decent life and all opportunities for advancement. This contradicts the Articles of Agreement of the Fund and the philosophy upon which it was established. The fact that Iraq is a founding member of the IMF gives me the right to ask it to stand firmly against the continuation of economic sanctions, the banking boycott, and the freezing of Iraqi assets. In this way the Fund will defend the principles and objectives it has defined for itself, in keeping with the principles of Bretton Woods, to which we all subscribe.

During the past 10 years, my country has faced great challenges in various areas of economic, social, and health concerns. These challenges have become increasingly serious, as exemplified by the severe shortage of medical supplies and requirements, which has caused a sharp rise in mortality rates among children and the elderly, as noted by all the international health and humanitarian organizations. Iraq's basic infrastructure has also

been devastated, including potable water and wastewater networks which are inadequate throughout the country, and there is a severe lack of electric power and communications facilities. All this because of the obstinacy of one country, a permanent member of the United Nations Security Council: the government of the United States, which has disregarded the rights and interests of all other countries and peoples to serve its own interests, even if they are unjust.

Iraq has also faced great difficulties in obtaining spare parts, raw materials, and other requirements for its domestic civil industries, including the production of consumer goods needed by its citizens. As a result, most factories have stopped production, causing a shortage of goods and an increase in the number of workers who cannot find jobs and whose economic, social, and health situation has suffered accordingly.

The education sector has faced great challenges at all levels, as illustrated by the severe shortage of teaching materials and other requirements of our institutes and universities, as well as the lack of buildings with even the minimal requirements to provide an adequate educational environment.

Mr. Chairman and Governors, despite the passage of nearly six years since the "Oil for Food and Medicine Program" was begun, it has failed completely to ease the suffering of the Iraqi people that I have described, for it has turned into a program of oil for United Nations expenses and compensation, instead of meeting the needs of the Iraqi people with their own funds. Large sums from suspended contracts and other unused funds remain unavailable because of the policy adopted by the United States, which claims to defend human rights but in reality increases the suffering of the Iraqi people and causes the death of ever more of its citizens.

From the time this program began to the present, Iraq has exported oil valued at about \$57.3 billion, of which the United Nations has received \$24.6 billion. The value of the food and humanitarian goods that Iraq received as at August 31, 2002 was \$20.7 billion, or an average of \$3.5 billion per year. The average annual per capita share amounts to \$144, or \$12 per month for each Iraqi citizen.

Contracts that have been suspended or canceled for insignificant or illogical reasons or without specifying the reasons amounted to \$4.4 billion as at August 31, 2002.

The policy of encumbering these contracts has resulted in hundreds of thousands of additional deaths and the spread of epidemics, cancer, and other incurable diseases. The only solution for these economic, social, cultural, and health problems is the complete removal of the sanctions imposed on Iraq.

Mr. Chairman and Governors, Iraq's recent decision to allow the unconditional return of UN weapons inspectors is an expression of the Iraqi government's desire to complete the implementation of the relevant UN resolutions, and it is a necessary step in the process of confirming that Iraq does not possess weapons of mass destruction. It is equally important

as a step leading to a comprehensive solution including the removal of the sanctions imposed on Iraq, in addition to implementing the other provisions of the relevant Security Council resolutions, including Resolution No. 687 of 1991. The reported skepticism of the American and British administrations concerning the seriousness of Iraq's decision are nothing more than a continuation of the distrustful and poisonous atmosphere which these administrations have sustained for over a decade.

The Iraqi people will remain threatened by disaster unless rapid measures are taken to improve their condition. I believe that the principles of the IMF and the World Bank require them to take a positive stance by actively participating in this endeavor. In this respected international forum, I once again call upon the IMF and the World Bank, in accordance with the principles of their Articles of Agreement, to call for the urgent removal of the sanctions against Iraq and the freeing of its frozen assets, to end the suffering of an entire population. At the same time, I commend the positive efforts of a large number of governors, and I call upon all governors to explain the situation to their governments and urge them to end the suffering of the Iraqi people and restore balance to trade relations among the members of the international community.

Thank you very much.