

What has been the result of the collective decision to impose economic sanctions?

Sanctions are, unquestionably, having an impact on economic conditions and living standards within Iraq. But there is no reason to believe that sanctions alone are going to bring the economy to its knees or be sufficient in and of themselves to force Saddam Hussein to withdraw from Kuwait. All the available evidence suggests that it would be a considerable time before sanctions had a truly decisive effect on Iraq's economy and military machine.

Iraq's trade links have been severed. Its funds abroad have been frozen. Iraqi and stolen Kuwaiti vessels and aircraft have been denied port and airport facilities. The only authorized exceptions to the sanctions are for the import of medical supplies; and, in humanitarian circumstances, for foodstuffs, delivered through appropriate humanitarian agencies; and the transport of released hostages.

A committee of the Security Council, co-chaired by Finland and Canada, monitors implementation of sanctions. I can make summary records of its deliberations available to the Committee. This Security Council sub-committee, chaired by Canada, considers requests (under Article 50 of the UN Charter) for assistance from countries which have to make serious economic sacrifices in order to implement sanctions. Jordan, Egypt and Bulgaria are examples.

All Iraqi and Kuwait government assets are frozen. The value of Iraqi government funds held by Canadian banks and financial institutions and now frozen, is approximately C\$15 million. The value of Kuwait government assets, frozen to prevent Iraqi pilferage, is considerably more, in excess of C\$4 billion.

Financial transfers are prohibited. Certificates are being issued for transactions with Kuwaitis or approved Kuwait controlled companies, on the clear understanding that the funds will not be used to benefit Iraq. The objective is to facilitate legitimate commerce and transfers to Kuwait citizens living abroad.

Trade with Iraq and occupied Kuwait is banned and all permits to export controlled goods to Iraq or Kuwait remains suspended. Canadian exporters have suffered considerable losses, particularly grain exporters, as Iraq was Canada's fourth largest market for grain.

An air embargo is in place for Iraqi aircraft. Exceptions have been made for humanitarian reasons on several occasions, for example a refuelling of Iraqi aircraft carrying freed hostages.