
Interview: Dr. Mohammed Mehdi Salih

Sanctions have not only hurt Iraq, but also its trading partners

His Excellency Dr. Mohammed Mehdi Salih is the Iraqi minister of trade, who has served in this office for seven years. He made the following remarks during a meeting in Baghdad on May 8.

EIR: Can you illustrate for us the dimensions of the trade losses caused by the United Nations embargo against Iraq?

Dr. Mehdi: The embargo has hurt not only my country, but all our former trade partners. Before the embargo, Iraq was using its annual oil revenues in the order of \$15-20 billion, to purchase goods and services on the international market for its projects. With the embargo, we can neither sell nor buy, nor can other countries participate in projects here. We have calculated that the 44 months of embargo have cost \$55 billion in lost trade. Other countries have lost the opportunity, as a result, to trade in this volume. We had relations with the United States, United Kingdom, Germany, Italy, France, Switzerland, Jordan, the former Soviet Union, China, Romania, Bulgaria, the former Yugoslavia, Brazil, and others.

With the United States alone, the volume of trade was \$5 billion per year. We imported about \$1.1 billion from America in food products—wheat, rice, sugar, and cooking oil. Iraq imported 25% of the total U.S. export of rice; that is, we were America's main rice importer, especially from Louisiana. But it was not only food. In 1987, when we signed a bilateral scientific and economic agreement, we demanded that restrictions be eased to allow our purchase of computers, machines, and electrical components. Some of the agricultural machines, like combines we purchased from John Deere, are in Mosul. Furthermore, the Ministry of Trade bought \$250 million worth of Oldsmobiles and Chevrolets, in three contracts. The quarter of a million dollars, we paid in cash. We agreed with General Motors, to build a factory in Al Iskandariyah for the production of 90,000 units per year. This was functioning until the sanctions started. We had planned a Westinghouse power station as well, but it was not completed.

If you analyze any country dependent on oil exports, and block its trade for three years and eight months, you can evaluate the consequences of the sanctions on Iraq. We used to purchase food worth \$3 billion a year, medicines and medical supplies worth \$750,000, which are basic needs of the population. If you add what we bought for our water system, sewage, electricity, and energy sectors, then it

amounts to \$7-8 billion incurred in these sectors, related directly to the needs of the population. Without these imports now, the population is suffering. This is exemplified by the shortage of food and by the malnutrition prevailing in Iraq, as well as by the rapidly increasing rate of mortality, especially among children under the age of five. The minister of health can tell you that we have lost 1 million lives due to the sanctions. The fact was raised by the first report issued after the aggression, the study done by Atisaari and the Harvard Study Team, which estimated in 1991 that Iraq would lose 170,000 children (see *EIR*, June 14, 1991, p. 18). But the mortality rate has not been constant; it has increased to 13 times what it was before the embargo. This is a greater casualty toll than produced by nuclear weapons; at Hiroshima, 50,000 were killed, here the sanctions have killed 1 million.

It is a gradual kind of killing, different from death by weaponry. If you go to a hospital, you will find patients dying from lack of medicines, from Iraq's being prevented from using its resources—the frozen assets in foreign banks, or the oil it cannot sell—to meet people's requirements. There is continued human suffering caused by the sanctions, continued crime caused by the effect of the sanctions on the population.

EIR: How are you trying to meet the needs of the population?

Dr. Mehdi: The most hard hit are the poor, of course. People used to meet their food requirements, at the beginning of the embargo, through government rations, which covered 50-60% of their needs. Thus the Iraqi people as a mass entity, have been consuming one-half of their daily requirements, over four years. Children have access to only 60% of their milk requirements, and only one-year-olds. Before the embargo, we spent \$300 million a year, purchasing milk from Nestlé in Switzerland, SMA Mark and S-26 from the United States, and from Great Britain. Iraq bought the highest quality milk for its inhabitants before the sanctions. Right now, we have to provide for 1,100 tons a month, which comes out to \$4 million a year. If you look at our statistics for last month, you'll see that we had a total population of 20,434,405, of which 19,878,382 were over the age of one, and 544,023 were under one year old. They are receiving half of what they need. This is a crime. Consider that Iraq

was one of the main partners internationally in the fight to reduce human suffering in the world, it helped poor countries, and cared for its own people very well. In 1987, Iraq received the Unicef international award for the protection of children. This prize was given in recognition of Iraq's achievements in child immunization and general welfare.

EIR: According to the resolutions imposing the sanctions, it is explicitly stated that food and medicine are to be excluded. Are you unable to purchase these items because of the lack of money or credit?

Dr. Mehdi: We tried to arrange credit, but the supplier companies demand cash payment. We were able to buy food between April 1991 (U.N. Resolution 687) and September 1992, but at that point the United States froze our assets abroad. We did receive some unfrozen assets, about \$120 million each from the U.K. and Switzerland, \$3 million from Canada, \$13 million from Greece, and about \$10 million from Spain. But the U.S. administration was carefully following our consumption, even watching to see how we would breathe. I believe that, if they could have, they would have prevented us from having the air to breathe. So when they saw that we were gaining access to food and medicine according to Paragraph 20 of the resolutions, then they imposed Resolution 778, which forbade the use of frozen assets, except through an escrow account.

EIR: If the American farmers now going bankrupt in the states of Louisiana and Arkansas knew this, they would probably demand the release of the frozen assets.

Dr. Mehdi: You have to understand, there are actually *two* embargoes, an internal one and an international one. We contacted single companies in Arkansas and Kansas for rice and other food, and they replied that they would be happy to resume trade with Iraq "when our law permits it." The U.N. would allow it, but the U.S. government prevents it, the last administration, and the current one, which is continuing the policy. We think that this is directed by Israel, not by the American people.

We were in contact with our old partners in the United States and Great Britain, and in the Grain Board, which sells wheat. We used to buy 1 million tons of wheat a year, and 500,000-600,000 tons of rice from the United States. Those farmers were able to influence Ronald Reagan's decision not to sign an executive order against Iraq in 1988 when it passed Congress. After one month, in September 1988, the first resolution to impose sanctions against Iraq was adopted by Congress. Those farmers played an essential role in preventing Reagan from signing. Under the Reagan administration, farmers sent letters to this ministry to say they would do so. In 1989, there was the U.S.-Iraq Trade Forum, which stopped the attempt to impose sanctions.

EIR: How has the embargo affected the internal economy

of the country?

Dr. Mehdi: Iraq has natural resources, human resources, and political leadership which has enhanced the utilization of the first two, under severe conditions, to protect the country as much as it could, and to develop certain areas which we could not have done without the sanctions. First, there is the reconstruction undertaken under President Saddam Hussein, through which we have rebuilt almost all the projects damaged. This experience of reconstruction represents wealth for the nation, working without international companies, which have lost the chance to reconstruct. About \$100 billion might have been spent on reconstruction. But we spent Iraqi dinars, our local currency, and utilized local labor for rebuilding the country. There were 141 warehouses, silos, and mills which were bombed. For the first time in history, this ministry rebuilt 139 projects; two remain to be completed. This has been an enhancement to the population—utilizing its moral potential and resources under the direction of political leadership. We now have electricity and fuel to provide to the people. We are suffering daily, but we are becoming stronger in resisting the sanctions. Pierre Salinger and Mary King came to Iraq after the war in 1991, and Salinger said he thought the sanctions would "change" Iraq. I told him, the sanctions strengthened the people, who say, yes, we are suffering, but we will not accept any outside intervention. The people blame the United States, Great Britain, and Europe.

EIR: What implications does this have for the future?

Dr. Mehdi: Those children who are born weak, and are growing up under abnormal conditions, will be the people who one day will run the public and private sectors in this country. How will they think about the United States? It must be said, that when the sanctions began, President Saddam Hussein ordered the beginning of the rationing system, with the explicit direction that foreigners—Americans, British, and Europeans—be treated equally to the Iraqis. All foreign diplomats and other foreigners received rationing cards. Up until the last American left, American children here were being given rations equal to those given Iraqi children. Even now, any foreigners who come here are given equal treatment.

EIR: Beyond the specific sanctions against Iraq, there is a standing policy to withhold certain technologies from developing countries on the grounds that they have "dual use." What kind of trade in technology are you interested in developing after the embargo?

Dr. Mehdi: Iraq is a rich country, with the potential to pay, if it is allowed to trade. Access to the best technologies is unavoidable, if they are made available; but they will not be, unless the U.S., U.K., and Israel say that Iraq should have them. They have to change their policies; they need Iraq, they need our oil. We have the second largest proven reserves. We are ready to trade with any country.