

**GOVERNMENT
EXHIBIT**

65

05 Cr. 59 (DC) (ID)

MEETING WITH THE SECRETARY GENERAL OF THE U.N.

On March 22, 1993 a Meeting was held with the Secretary General to review the white paper, discuss Tarik Aziz's comments and responses.

The Secretary General expressed the following;

- 1) Disappointed I did not see the President.
- 2) Asked that Tarik come to New York early to mid May 93
- 3) He will pick the negotiating team for the U.N. that will not be hostile.
- 4) Bring up justification why monitoring only at whole sale sites.
- 5) Substantiate whu articles D & H of 706 not applicable any more and any other items if any.
- 6) Has no objections re increase of amount and time.
- 7) Does not think it is a big problem with pipeline.
- 8) Anytime something new is submitted, should take the Security Council into consideration. No irritants.
- 9) He will do all he can to help.
- 10) Negotiations in N.Y. and not Geneva.
- 11) Tell them to think about the big picture (the total lifting of sanctions).
- 12) Almost gurantee that sanctions will be lifted if 706 amended is implementd.

SV 12810

WORKING PAPER SUBMITTED TO THE SECRETARY GENERAL OF THE U.N. ON
MARCH 22, 1993

The Initial Humanatarian plan was simple as envisioned by Prince Saddradin. This plan which was accepted by Iraq was composed of;

- A) sale of certain amount of Oil (\$1.6 to \$3.6) billion Dollars.
- B) set up escrow account for deposit of this sale.
- C) purchase food stuff and medicine from this escrow account.
- D) pay up U.N. special commission costs.
- E) pay up 30% for compensation.

Then Picco got involved and in the ensuing negotiations in Vienna conditions were imparted, which made terms complicated and unacceptable to the Iraqis.

Now if you review resolution 706, which by the way has expired, you will find that some items have already been accomplished: for example (D) and (H).

What is needed is a resolution similar in intent to 706 but with the conditions necessary to commence humanatarian aid.

Iraq has expressed concern and recognizes that some of the monitors would be intelligence people and could possibly write negative or slanted reports which would complicate the process.

Iraq also notes that both Ekeus and Blix are directly responsible to the Security Council and not to the Secretary General. It appears to many unbiased members that both of these parties report what is politically expedient to the influential members of the Security Council. They note also that Ekeus had a private meeting with Tony Lake, National Security Advisor, in Washington recently.

In the last meeting as well as in other previous meetings with Tark Aziz in Baghdad, I believe we have enough substance to formulate the basis for a Humanatarian effort which is very close to 706 in intent but much cleaner politically. The following therefore are some excerpts of those meetings;

1) Iraq accepts the arrangement of selling Oil up to the sum of 4.0 billion Dollars in Oil revenues subject to deductions as prescribed by 706.

2) Iraq has concerns about exporting Oil through Turkey because of the current pipeline security and prefers therefore to use it's southern terminal in Al-Baker. At the same time ,Iraq does not object to the use of the Turkish Terminal if the volume of exported crude Oil makes the operation economical, and when Iraq is assured about the security of the pipeline.

- 3) Iraq accepts transparency. Iraq will agree to the following:
- a) U.N. may monitor the export of up to 4.0 billion Dollars amount of Oil.
 - b) U.N. may monitor the revenues from this sale to ensure amounts are deposited in the proper escrow accounts.
 - c) U.N. may monitor the foodstuffs and medicine bought by these accounts to guarantee adherence to approved items.
 - d) U.N. teams may check the goods purchased through this process and transported to Iraq.
 - e) U.N. monitors can be placed at wholesale sites. Also the different U.N. agencies and the I.C.R.C. already existing in Iraq can report on the distribution of food stuff and medicine. These agencies already have freedom of access and movement.
 - f) all such arrangements should not exceed the period of nine months.

Now if you compare the above with the items of 706, you find that they are in agreement with the majority of the terms, including all of articles 1,2,3,4,5. Article 6 is disputed by Iraq and they have invited other Arab head of states to verify. They also will discuss this with U.N. personnel. Article 7 is acceptable as to funds recieved on this humanatarian aid.

In conclusion, an independent attorney acceptable to the Secretary General will be retained by us to draft a resolution. This resolution will be taken to the proper authority and inform them to consider it very seriously or could suffer sanctions for some time to come.