

Minister Marchuk. As announced by both parties, the terms had been worked out earlier in the month in Moscow between the IMF (during the visit of Camdessus) and the Russian government.

A 'debt for equity' agreement

What were these terms? On the surface they appeared to be very generous for Ukraine. Ukraine was given 12 years to pay off outstanding debts, starting with a grace period of two years in which only interest payments were required. But there was a catch. In return, Ukraine had to grant Gazprom and other Russian business interests, the right to acquire majority shareholdings in 15 choice Ukrainian state enterprises in the energy sector, such as oil refineries, and in the petrochemical sector. These Ukrainian enterprises are scheduled for privatization this year, and it is now clear that many will become Russian holdings. This will probably mean, following the pattern established in Russia's privatization program, that in many cases Russian banks and firms will be, in part, front-men for western financial interests.

In short, the agreements represent a back-door version of what the IMF terms a debt-for-equity arrangement. Furthermore, they set a dangerous precedent. Given the regime's policy course, Ukraine's physical economy will continue to shrink, while its debts, both to Moscow and the IMF, will continue to grow. This will lead to demands from both western and Muscovite creditors for Ukraine to place more and more choice assets up for sale.

The IMF, working hand-in-glove with evil interests in Moscow to assist an economic re-colonization of the nation, has provided a well-needed lesson for Ukrainians. Many have also seen through President Kuchma's attempt to deflect from his sellout policies by staging a show of strength against the pro-Russian separatist government in the autonomous Crimea region of Ukraine. This attempt was launched on March 17 when, after an address by Kuchma, the Ukrainian Parliament suspended Crimea's constitution and deposed its so-called President, Yuri Meshkov. Right after that, Kuchma dispatched 200 crack riot police to the Crimean capital of Simferopol.

The news behind the news was that Kuchma launched the campaign against the Crimean separatists after close consultations with Moscow. He needed a "patriotic" sideshow in Crimea to cover for the first installment in the sellout of Ukraine. Moscow, clearly preferring the opportunity to buy up in stages Ukraine as a whole, to ruining its all-Ukrainian strategy by being provocative in Crimea, more than gladly played along with Kuchma. The Russian government and Duma (Parliament) leaders responded to the Crimea crisis by declaring Crimea to be strictly "an internal affair of Ukraine." The same formulation was repeated by Soskovyets on arrival in Kiev, where he even went so far to say that Crimea would not be "discussed at all" during his talks with the Ukrainian government.

Britain and U.S. renew Iraq embargo

by Hussein Al-Nadeen

On March 13, the U.N. Security Council voted to prolong the sanctions imposed on Iraq since August 1990. The United States and Britain are the only states opposing easing or lifting the embargo, which has no reasonable basis for being prolonged further. The determination to continue this genocidal policy against the Iraqi population leaves in place a dangerous manifestation of the Bush-Thatcher Persian Gulf war policy, a time bomb that will destroy the Clinton administration's effort to secure a greater Mideast peace settlement. The destruction of the once-proud and once-strong nation of Iraq threatens to annihilate millions of innocent Iraqis through starvation and disease.

The Iraqi Foreign Ministry recently forwarded a memorandum to the U.N. and the Arab League accusing Britain and the United States of genocide against the Iraqi people. The memo contained reports by the World Health Organization, International Red Cross, and Harvard University exposing the horrible health and food conditions prevailing throughout the country. Due to lack of efficient health care, clean water, and food, such diseases as cholera, typhoid, scabies, malaria, and blindness are spreading on an epidemic scale. The medicine required to cure these diseases, many of them fatal, is no longer available in sufficient quantities in government hospitals. For the same reasons, cases of severe anemia among pregnant women have risen to 48%, while cases of moderate anemia are at 95%. This has contributed to the increase in the number of premature births from 16% before the embargo, to 30% now, and the rate of congenital deformities is 18%. Cases of malnutrition among Iraqi children, particularly under the age of five, have reached 5,577,000. A Unicef report released in February revealed that 3.5 million Iraqis, of whom 2.5 million are children, are threatened by various infectious diseases in the near future.

What was not hit by the massive bombing of Iraq's cities and infrastructure during the Gulf war is being affected by almost five years of the U.N. economic embargo, a "psychological holocaust" which is destroying the people's will, even for its very survival. The reports assert that mental and psychological illness among women and children is spreading at an unprecedented rate. A research group from Harvard University reported that children are suffering from various mental and emotional problems, and are having severe difficulties concentrating and sleeping. Pregnant women suffer

severe depression and general health collapse during pregnancy, either as a result of lack of proper health care or because of the direct effects of the Gulf war; this usually leads to abortion or premature birth accompanied by congenital deformities. One of the most horrible aspects of this psychological holocaust is the high incidence of suicide among teenagers and young adults.

Who wants the embargo?

Britain and the United States are putting heavy pressure on Security Council members in order to shift the focus away from the growing international disapproval of the U.N. policy. France, Russia, and China have been indicating their intention to support proposals favoring Iraq—although much of this is for commercial and geopolitical reasons. More important is the growing opposition from nations in the Mideast that are directly affected by the sanctions, including several states that were part of the anti-Iraq coalition. Policymakers in the region know that any enduring regional peace must include Iraq. While potentially the biggest oil producer in the region after Saudi Arabia and Iran, its relatively large population and strong industrial base also give it the potential to become an economic powerhouse in the region. The development of a regional infrastructure of ports, roads, and railroads must include Iraq if it is to be viable. Economic experts in the region know that countries such as Jordan and the emerging Palestinian state require the powerful “hinterland” which Iraq represents. The acknowledgment of this reality among leaders in the region has driven them to take action.

Jordan and Turkey, Iraq’s major trading partners before the war, have suffered huge economic losses since 1990. Jordanian Foreign Minister Abdulkarim Al-Kabariti declared in mid-March that his government intends to negotiate with Security Council members the lifting of sanctions. Al-Kabariti pointed out that Article 50 of the U.N. resolution gives Jordan the right to demand direct negotiations with member states because it is directly affected by the sanctions. He also said that Jordan, like many other countries, sees that the suffering in Iraq must not continue, and that destroying Iraq will endanger the security and stability of the whole region. To show Jordan’s support for the Iraqi people, a delegation from the Jordanian Chamber of Commerce visited Iraq on March 19 and brought 500 tons of food and medicine.

Turkey, which had been a member of the anti-Iraq coalition, also intends to use Article 50 in order to relieve the massive economic difficulties resulting partly from the oil embargo on Iraq. Iraqi Foreign Minister Muhammed Said Al-Sahhaf, during a visit to Turkey in February, said that Turkey had sustained losses due to the closure of the Kirkuk-Yumurtalik pipeline, and that it has the right to compensate its losses. The Turkish foreign minister told Al-Sahhaf that Iraq should “take its place in the international arena and [that] a new era of Turkish-Iraqi relations will be beneficial and of

vital importance for the establishment of peace and economic stability in the Middle East.”

Another aspect of Turkey’s concern is the power vacuum left by Iraq’s weak position in northern Iraq. Turkey recently intervened militarily into northern Iraq, penetrating up to 40 km inside Iraqi territory to wipe out Kurdish separatist insurgents of the Kurdish People’s Party (PKK), a result of the power vacuum brought on by the U.N.’s so-called “safe haven” in northern Iraq.

Other countries in the region are showing concern about the continuation of the conditions in Iraq. Most significant has been Egyptian President Hosni Mubarak, who previously had been calling for maintaining the sanctions. Mubarak said that “the time has come to think about stopping the suffering of the Iraqi people and lessening the burden they bear.” Mubarak told German Foreign Minister Klaus Kinkel that the sanctions must be lifted. A delegation representing the Egyptian Al-Ahrar (Liberals) party visited Iraq in an attempt, as chairman of the party Mustafa Kamil Murad said, to bring Iraq back into the Arab political front. He asserted that officials in the Iraqi government had expressed their willingness to “turn a new page in their relationship with rival Arab states.”

Qatar and Oman have presented easing the embargo in the Arab Gulf Cooperation Council, and expressed support for Iraq and opposition to the U.N. resolutions during the Iraqi foreign minister’s visits to each country.

Voices from Israel

Calls have also unexpectedly come from Israel, supposedly Iraq’s number-one enemy, for easing the sanctions. The cover story of the Arabic weekly *Al-Wasat* the week of March 20, on the “Iraqi Lobby in Rabin’s Government,” reported on the ongoing policy debate in the Israeli government on normalizing relations with Iraq. Abdulwahab Darawsha, an Arab member of the Israeli Knesset (parliament), said that he had been lobbying to arrange a visit to Iraq by Knesset members and Israeli ministers of Iraqi origin. Darawsha said that the object of the visit would be to call on the international community to help lift the embargo and to try to bring Iraq within the Mideast peace process, because, he said, without Iraq’s participation, peace in the Mideast will be “impossible.”

Whether the Israelis are geopolitically attempting to balance Iraq off against Iran, or are pressuring Syria to get a better peace agreement, the current Israeli government regards Iraq either as an indispensable partner in peace, or else a fierce enemy. *Al-Wasat*, citing high-level sources, reported that it is only because of U.S. pressure that Israel has not made its own initiative.

The only countries fully supporting the U.S. and British position are Kuwait and Saudi Arabia. This support stems more from fear of Iraq entering the international oil market than any security threat.