

the status of UNSCOM's chemical laboratory, biological room, equipment, and components in the Baghdad Monitoring and Verification Center (BMVC). The Canal Hotel houses UNSCOM offices along with those of other U.N. activities in Iraq, such as the Office of the Iraq Programme, which implements the oil-for-food program. UNSCOM has analytical equipment and materials it would like to see removed in a straightforward technical operation as a precaution. The samples include less than one kilogram of seized Iraqi mustard agent. There are no immediate safety concerns. In June, UNSCOM recommended to the Security Council that UNSCOM send a team of experts to destroy the conventional lab chemicals, chemical standards, and biological samples, and request that Iraq cooperate. In July the U.N. Secretariat, in consultation with UNSCOM, deputized a team of experts to decommission the lab. UNSCOM provided an operations plan for the mission to the Secretariat. UNSCOM and U.S. experts trained the U.N. team in Bahrain. The U.N. team consisted of an UNSCOM administrator, a biologist from a German university, and four experts from the Organization for the Prohibition of Chemical Weapons (OPCW).

Dual-Use Imports

Resolution 1051 established a joint UNSCOM/IAEA unit to monitor Iraq's imports of allowed dual-use items. Iraq must notify the unit before it imports specific items that can be used in both weapons of mass destruction and civilian applications. Similarly, U.N. members must provide timely notification of exports to Iraq of such dual-use items. Since the withdrawal of UNSCOM and IAEA monitors, only some limited monitoring in certain sectors is being conducted by the U.N. Office of the Iraq Programme inspectors. This situation has presented new challenges for the U.N. Sanctions Committee and is a factor in the contract approval process. As a precautionary matter, the United States has placed holds on a number of dual-use contracts that might otherwise have been approved.

The U.N. Oil-for-Food Program

We continue to support the international community's efforts to provide for the humanitarian needs of the Iraqi people through the oil-for-food program. On May 21, the Security Council unanimously adopted Resolution 1242, extending the program for another 180 days. As in phase five, Iraq is again authorized to sell up to \$5.2 billion worth of oil in the coming 180 days. Because of the increase in world oil prices and increased exports, Iraq may reach the ceiling during this phase. As of June 14, U.N. reporting indicates that since the start of the oil-for-food program, 5,375 contracts for humanitarian goods worth over \$7 billion have been approved with 389 contracts worth \$351 million on hold and approximately 1,000 contracts in various stages of processing in the United Nations.

Within the oil-for-food program, Resolution 1242 maintains a separate program for northern Iraq, administered directly by the United Nations in consultation with the local population. This program, which the United States strongly supports, ensures that when Iraq contracts for the purchase of humanitarian goods, 13 to 15 percent of the funds generated under the oil-for-food program are spent on items for northern Iraq. The separate northern program was established because of Baghdad's repression and disregard for the humanitarian needs of the Kurdish, Assyrian, Yezidi, and Turkoman minorities in northern Iraq.

Humanitarian programs such as oil-for-food have steadily improved the life of the average Iraqi living under sanctions while denying Saddam Hussein control over Iraq's oil revenues. Currently, the ration basket provides over 2,000 calories per day per Iraqi. We will continue to work with the U.N. Secretariat, the Security Council, and others in the international community to ensure that the humanitarian needs of the Iraqi people are met while denying political or economic benefits to the Baghdad regime. In addition, we are working with the United Nations and other Security Council members to mitigate the effects of the current drought in Iraq.