

War Reparations

Q & A

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Who Established the War Reparations Claims Process?

In April 1991, the United Nations Security Council passed Resolution 687 which established the legal foundation for Iraq to pay for war reparations claims made against it. These claims arise from the invasion and occupation of Kuwait by Saddam Hussein's regime in August 1990.

Resolution 687 states that:

“Iraq...is liable under international law for any direct loss, damage, including environmental damage and the depletion of natural resources, or injury to foreign governments, nationals and corporations as a result of Iraq's unlawful invasion and occupation of Kuwait.”

Resolution 687 established the foundation for creating a fund out of which to pay for war reparations claims and for creating the United Nations Compensation Commission (U.N.C.C.).

Resolution 687 also established and affirmed the legal foundation to require Iraq to repay all debts incurred by Hussein's regime, stating that:

“...all Iraqi statements made since 2 August 1990 repudiating its foreign debt are null and void, and demands that Iraq adhere scrupulously to all of its obligations concerning servicing and repayment of its foreign debt.”

Therefore, in order to address the related economic issues of war reparations and cancellation of the odious debt incurred by Hussein's regime, Resolution 687 must be rescinded.

What Types of War Reparations Claims Are Filed?

The United Nations Compensation Commission created five main categories of claims. The categories include a broad range of claim types and compensation amounts. It includes, for example, individual claims capped at a maximum award of \$2500; individual claims for losses of over \$100,000; claims from international organizations and governments for expenses incurred while evacuating citizens; multi-billion dollar claims filed by Kuwait's oil-sector for loss of revenue and oil resources; and multi-billion dollar claims for damage to the environment.

The five categories of claims are described on the web site of the United Nations Compensation Commission, from which the following information is quoted (see www2.unog.ch/uncc/theclaims.htm):

“Category A claims are claims submitted by individuals who had to depart from Kuwait or Iraq between the date of Iraq's invasion of Kuwait on 2 August 1990 and the date of the cease-fire, 2 March 1991. Compensation for successful claims in this category was set by the Governing Council at the fixed sum of US\$2,500 for individual claimants and US\$5,000 for families. However, where a claimant who had filed claims in category “A” only, he or she was eligible to receive a maximum category “A” payment of US\$4,000 for individuals and US\$8,000 for families.”

“Category B claims are claims submitted by individuals who suffered serious personal injury or whose spouse, child or parent died as a result of Iraq's invasion and occupation of Kuwait. Compensation for successful claims in this category was set at US\$2,500 for individuals and up to US\$10,000 for families.”

“Category C claims are individual claims for damages up to US\$100,000 each. Category “C” claims can be made for twenty-one different types of losses, including those relating to departure from Kuwait or Iraq; personal injury; mental pain and anguish; loss of personal property; loss of bank accounts, stocks and other securities; loss of income; loss of real property; and individual business losses.”

“Category D claims are individual claims for damages above US\$100,000 each. The types of losses that can be claimed under category “D” are similar to those under category “C”, with the most frequent being the loss of personal property; the loss of real property; the loss of income and business-related losses.”

“Category E claims are claims of corporations, other private legal entities and public sector enterprises. They include claims for: construction or other contract losses; losses from the non-payment for goods or services; losses relating to the destruction or seizure of business assets; loss of profits; and oil sector losses.”

“Category F claims are claims filed by Governments and international organizations for losses incurred in evacuating citizens; providing relief to citizens; damage to diplomatic premises and loss of, and damage to, other government property; and damage to the environment.”

Who Determines What War Reparations Claims to Be Imposed Against Iraq?

The United Nations Compensation Commission was established to receive, study and make final determinations concerning war reparations claims filed against Iraq. The U.N.C.C. Governing Council consists of representatives from the 15 member countries of the U.N. Security Council. Therefore, the United States, Great Britain, France, Russia and China are permanent members of the U.N.C.C.'s Governing Council since each is a permanent member of the U.N. Security Council. The other 10 members of the Governing Council change as the terms and membership of the U.N. Security Council changes.

What War Reparations Have Been Imposed Against Iraq?

As of June 1 2005, the U.N.C.C. has imposed \$52 billion in war reparations charges against Iraq. Iraq has paid \$19 billion of these imposed reparations charges.

Less than 23 percent (\$11.664 billion) of the imposed reparations charges were paid to individuals who suffered losses as a result of the Hussein regime invasion and occupation of Iraq.

The overwhelming majority of imposed reparations charges are going towards Kuwait's oil sector (which is state owned) and to Kuwait's government. The U.N.C.C. has awarded Kuwait's oil sector \$21.5 billion and Kuwait's government \$8.2 billion. The U.N.C.C. has also awarded Kuwait an additional \$3.8 billion for claims arising from environmental damage.

In total, Kuwait is receiving \$37 billion of the \$52 billion in war reparations claims imposed against Iraq for the actions of Hussein's regime.

At its meeting on June 28 to 30, 2005, the U.N.C.C. will determine the amount in pending war reparations claims to impose against Iraq. \$65 billion in claims are yet to be determined, of which \$64 billion arise from environmental damage claims. The other \$1 billion in claims to be determined are individual claims.

Who Has Been Paid War Reparations Claims Payments So Far—And Which Are Yet to Be Paid?

Most individual claims are already paid in full. Of the \$11.6 billion in reparations claims imposed against Iraq, only \$682 million remains to be paid—of which \$665 million is to be paid for claims of over \$100,000. There is merit in these claims being paid as they relate to losses suffered by individuals and their families.

Virtually all of the unpaid war reparations claims are owed to Kuwait and its state owned oil enterprise. Kuwait is scheduled to receive \$31 billion in imposed war reparations claims. Kuwait's state owned oil sector is to receive \$20.7 billion and the Kuwait government is to receive \$6.1 billion in government claims and over \$3 billion in environmental damage claims.

How Were and Are War Reparations Payments Funded?

War reparations payments are funded solely by the revenue from the sale of Iraqi oil and are a requirement of various U.N. Security Council Resolutions. During the era of economic sanctions, 30% of Iraq's oil revenue was deposited into the U.N. Compensation Fund (a percentage reduced to 25% in 2000). In May 2003, the percentage was reduced to 5% of Iraq's oil revenue.

U.N. Security Council Resolution 705 (passed in August 1991) required that 30% of Iraq's oil revenue be placed into the United Nations Compensation Fund for payment of war reparations imposed against Iraq. UN Security Resolution 706 was passed the same day and authorized countries to purchase up to \$1.6 billion in Iraqi oil every 6 months, with the funds to be deposited into an escrow country controlled by the United Nations. Saddam Hussein's regime chose not to participate in this arrangement.

In April 1995, the U.N. Security Council passed Resolution 986, which established the Oil-for-Food Programme. Resolution 986 authorized the sale of \$1 billion in Iraqi oil in every 3 month period of time, with the revenue being controlled by the United Nations. This Programme began operating in December 1996.

30% of the revenue generated by the sale of Iraqi oil under the Oil-for-Food Programme was used to pay war reparations claims imposed by the U.N.C.C. In 2000, the U.N. Security Council reduced this amount to 25%.

In May 2003, U.N. Security Council Resolution 1483 passed which reduced to 5% the percentage of Iraq oil revenue sales required to be placed into the U.N. Compensation Fund. Resolution 1483 specifically states that:

“...unless an internationally recognized, representative government of Iraq and the Governing Council of the United Nations Compensation Commission, in the exercise of its authority over methods of ensuring that payments are made into the Compensation Fund, decide otherwise, this requirement shall be binding on a properly constituted, internationally recognized, representative government of Iraq and any successor thereto;”

Why Shouldn't Iraq Have to Pay for Damage Done by Saddam Hussein's Regime?

The answer lies in the question. The war reparations being paid are for damage inflicted by Saddam Hussein's regime, which no longer exists. The people of Iraq had no choice in whether the invasion and occupation of Kuwait by Hussein's regime took place. Indeed, up until his regime's invasion of Kuwait, Hussein was an ally of the United States, Great Britain and others—despite his repression of the people of Iraq.

We do not take exception to those claims paid to and yet to be paid to individuals who suffered losses at the hands of Hussein's regime. However, we do take exception to the inordinate amounts which are scheduled to be paid to governments, multinational corporations and other international actors. Every dollar sent to another country represents a theft from the people of Iraq—and further delay in their rebuilding of their country.

War reparations are the booty of the victorious in a war and are dispensed without considering the positions of the parties involved. For example, following World War II, Finland was ordered to pay (and did pay) war reparations to the Soviet Union—even though it was the Soviet Union that invaded Finland in 1940.

War reparations will continue to prevent the Iraqi people from rebuilding their country. Virtually all of the funds yet to be paid will go to other governments which are rich in oil resources. At the same time, Iraqis are left to attempt to rebuild their own country after 14 years of brutal economic and military warfare.

Why Do You Say the U.S. Should Pay War Reparations to the People of Iraq?

Unlike the people of Iraq, who had no opportunity to influence the decisions and actions of Saddam Hussein, the people of the United States had the opportunity at any point in time since 1990 to act to change the policies and actions of the U.S. government. Every two years, we had the opportunity to vote to elect new Congressional Representatives; every 4 years the President was up for election; and every 6 years one-third of the Senators were elected. We had the opportunity to lobby our representatives; to pass initiatives at the local level to influence our government's policies and actions; and to engage in other forms of public debate.

Despite this, our government's policies remained unchanged since 1990. Those policies were and are to wage a brutal 15 year siege of economic and military warfare against the Iraqi people. Anyone who wanted to know in this country had the opportunity to learn and act upon the knowledge that several hundred thousand Iraqi children under the age of 5 died because of the economic sanctions; that the U.S. military deliberately targeted and bombed Iraq's water treatment plants during the 1990-91 Gulf War; that the U.S. denied Iraq the opportunity to purchase items necessary to rebuild its water treatment systems; that the U.S. denied Iraq the opportunity to purchase needed medical supplies such as blood bags and needles for syringes; and on and on and on.

Because of the knowledge of what our government was doing in Iraq and because of our ability to change our government's policies and actions, the United States must be required to make war reparations payments to the people of Iraq for these past 15 years of on-going and never-ending economic and military warfare.

Please visit www.vitw.org/econfast for more information about the Fast for Economic Justice in Iraq that is taking place from June 16th-30th, 2005 in Geneva Switzerland.

Also visit www.jubileeiraq.org for more information on war reparations and Iraq's odious debt.