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SIAI

ISSUE PAPER

1996 ARF/PMC: IRAN AND IRAQ

I. BACKGROUND

Most ASEAN countries maintain trade relationships with Iran. Australia, in particular, has voiced strong objections to what it believes are extraterritorial provisions in the proposed U.S. Iran/Libya Sanctions legislation. [redacted] B1

Iraq is not traditionally high on the agenda in our discussions with our ASEAN colleagues. [redacted]

II. TALKING POINTS

Iran

- o By limiting new foreign investment in Iran's oil sector, we hope to drive home the point that pursuing rogue policies is too costly. Without such investment Iran increasingly will be forced to choose between its own economic needs and its unacceptable policies.
- o Iran must be convinced to stop threatening our common interests. We urge our friends to join our effort to apply economic pressure. Multilateral pressure would be most effective, but we will act unilaterally when we must.

Iraq

- o We will insist on Iraqi compliance with all of its Council obligations before there is any consideration of changing sanctions.
- o We support rigorous implementation of UNSCR 986 (oil-for-food). We are pleased that Baghdad has finally accepted this humanitarian offer.
- o We frequently see reports that a number of countries are pursuing barter deals with Iraq under 986. Such arrangements are not permitted under the resolution.

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