

# “Saddam Meeting with His Cabinet to Discuss the 1982 Budget”



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**Key: UM = Unidentified Male Speaker**

**Translator comments, clarifications, and additions are italicized in brackets**

[*Inaudible conversation between Saddam and advisers from 00:01-00:52*]

**Taha:** Mr. President and attending brothers, after the meeting convened on the 27<sup>th</sup>, Mr. President gave instructions to review the budget allocations and to reduce allocations for ministries by 15 percent and to reduce budget allocations for departments not affiliated with any ministry in general.

Allocations that are equal or higher than the 1981 allocations should be directly reduced by 15 percent and the ministries are authorized to distribute and exchange the cuts, and [*there should be*] a 10 percent decrease for the ministries that presented proposals for the 1982 allocation, which was less than 1981. After discussions between the Ministry of Finance and the concerned ministries, this suggestion was implemented and some ministries were thanked for offering additional proposals to correct the budget and allocations in a way that fits the minimum level required.

After the meeting last Thursday in this very location, we discussed the budget again and we offered a suggestion in this meeting that the budget is still high, in addition to the directive, which emphasized increasing the reserves and paying attention and supplying whatever is possible to supply, from the beginning, along with some observations regarding some of the instructions and authorizations. The suggestion was to add an extra 5 percent reduction to all departments and ministries and what was necessary was done by the Ministry of Finance and the suggestions [*were presented*] before the officials. We believe that after the new 5 percent reduction, we should not say that the decisions reached by the establishments and departments represent the minimum level, or a level that cannot be further reduced. But what is more important is the quality of work during the year, and the role of the ministers and department officials not affiliated with a ministry in the expenditure process, even within fixed allocations. Continue to be mindful of the best means and cheapest substitutes, avoiding or passing over any allocation that could be delayed, whether it is for the entire year or for the short term. I believe that this issue should be even more important than the allocations which are set up in the execution process and the flexibility to reconcile any differences as much as possible within the sector of the same ministry through exchange or in establishing priorities that fit the circumstances of the current stage.

I find, Mr. President, the procedures that occurred in the reduction in both phases, which was advised by Your Excellency in the additional Thursday meeting. I believe that there is a more important thing in the execution and it is the role of the ministers. Their oversight begins through meetings; a direct meeting with all of their department heads before execution to give them a clear picture of the phase and the manner of interaction so that there is no inconsistency in the actions of the ministries that execute [*the process*] and the head of the ministry so that there will not be any confusion. And I believe that, in the execution operation, if the oversight was not good, there could be a role in another reduction in the execution operation in a manner that is more precise and important and more functional than what occurred in the previous two meetings. And if Your Excellency would allow it, the Minister of Finance will provide a picture. [*Time Stamp: 05:50*]

**Finance Minister:** Mr. President and attending gentlemen, I am very happy to present the national budget for 1982 after it was reviewed in light of the directives of the President to

impose new financial restrictions on calculating expenditures. The plan had included the following basic indexes. First, calculating expenses on the current budget:

1.) The total amount of expenditures is 8,713 [*million dinars*] compared to 7,173 million dinars from the funds revised for 1981, meaning a growth percentage of 22percent, and when comparing the new estimates with the approved funds for the year of 1981, which reached 5,025 [*million dinars*], then the growth percentage will go up to 73 percent.

2.) The estimates were divided depending on the sectors as follows: Table number 1 from the financial statement, the Sector of General Authorities, which includes the Presidency of the National Council, Financial Monitoring Administration, Ministry of Foreign Affairs, Ministry of the Interior, Local Authority, Justice Department, and the Departments of the Self-Ruled Region. The proposed estimates for this sector reached 829 million dinars, compared to 894 million dinars from approved funds from 1981, meaning a reduction rate of 7.4 percent. If it were to be compared with the approved funds, the percentage would grow by the rate of 4.3percent.

The National Defense sector, the Defense Ministry: The estimates for 1982 are 3,600 [*million dinars*] with a growth rate of 52 percent from the revised funds for 1981, with a growth rate of [*inaudible*] from the approved funds for the same year.

The Education, Higher Education, Scientific Research sector, which includes the Ministry of Education, Higher Education, Scientific Research, Elementary Education, and the Council on Scientific Research: The estimates for 1982 are 540 million dinars with a growth rate of 1 percent from the approved funds for 1981, which was 534 million dinars with a growth rate of 5 percent from the approved funds for the same year.

The Information and Cultural Services sector, which includes the Ministry of Information and Culture: The proposed estimates for 1982 are 61 million dinars with a reduction rate of 13 percent from the revised funds for 1981, and with a reduction rate of 7 percent from the approved funds for the same year.

The Social Services sector, which includes the Ministry of Labor and Social Services, Youth, and Religious Endowments and Religion Affairs: An amount of 70 million dinars for 1982 was estimated, and of course it is according to the revised funds for 1981, with a percentage of 15 percent and a reduction rate of 11 percent from the approved funds.

Health Services sector, which includes the Ministry of Health: The proposed estimates for this sector for 1982 reached 238 million dinars, compared to 246 million dinars from the revised funds for 1981, meaning a reduction rate of 3 percent and a growth rate of 2 percent when compared with the approved funds.

The Economic Affairs sector, which includes the Ministry of Agriculture and Agrarian Reform, Ministry of Industry and Minerals, Ministry of Oil, Ministry of Transportation, Ministry of Communications, Ministry of Housing, Ministry of Irrigation, and Ministry of Trade and Planning: The proposed estimate for this sector is 202 million dinars, with a reduction of 19 percent from the revised funds for 1981, which was 248 million dinars. When compared to the approved funds, the reduction rate will be 3 percent. [*Time Stamp: 10:47*]

The Financial Affairs Sector, which includes the Finance Ministry: The budget for this sector has several components that cover state activity in the field of foreign relations and domestic economic policies. The estimate for the year of 1982 is 3514 million dinars, with a growth rate of 15 percent from the revised funds for 1981, and 55 percent from the approved funds for the same year. The major expenses are: first, Defense Ministry expenses—3,600 million dinars; second, salaries—1,106 [*million dinars*]; and third, price subsidies—500 million dinars.

**Saddam Hussein:** In regard to salaries—you know the Defense Ministry—with regard to all those born [*inaudible*] the Ministry decided to call their salaries part of its personnel budget. So how this is—this is how it is going to show up when the Ministry acts. However, this needs to be sorted out when doing the final math, so that it will not remain recorded in both sections' civilian and personnel budgets. Does anyone have any comments?

**Finance Minister:** Commitments and International Aid: 250 million dinars. The general reserve is 2,225 million dinars. The salaries and retirement bonuses are 280 million dinars. The total is 7,962 million dinars. These expenditures cover 91 percent of the total expenses. The other current expenditures amounted to 673 million dinars which cover the activities for the state departments other than salaries and wages, compared to 915 million dinars in the 1981. So it is a reduction rate of 27 percent.

Table number two from the financial statement explains the distribution of the estimates depending on the ministries. By reviewing the mentioned table, we would like to touch upon the following:

A.) The estimates for the following ministries have recorded the following reductions from the approved funds for 1981. The Presidency of the National Council is minus 15 percent. The Financial Audit Office is minus 6 percent. The Foreign Affairs is minus 12 percent. The Interior is minus 3 percent. Culture and Information is minus 7 percent. Mr. President, the following ministries have a negative growth [*rate*]: Youth, Agriculture, Housing, Irrigation, Trade, and Planning.

B.) The ministries whose estimates tend to be higher than what was approved in 1981 are: Justice [*with a*] growth of 3 percent due to the increase in employee expenditures; Education [*with a*] growth of 8 percent, and the reason for the increase is the amount allocated in the first quarter... [*Other attendees whisper and discuss salaries and wages, but it is inaudible.*] Education, [*rose by*] 8 percent and the reason for the increase is first quarter allocation allowances and the cost of repeating general exams in elementary education, in addition to an increase in salaries and wages.

The Higher Education and the Scientific Research Ministries: 0.2 percent. The reason for this is the increase in expenditures of scholarships abroad.

The Labor and Social Services: Growth of 15 percent. The increase is due to the higher allocations for family care—4 million dinars.

The Endowments and Religious Affairs: The real rate increased for the approved funds for 1981 by 11 percent. There was another budget attached to the Endowments budget the previous year whose funds were approved of 2.5 million dinars. The increase of the

ministry's estimates is attributed to the increase in the wages and salaries and whatever was allocated to the restoration of holy places.

The Health [*Ministry*]: 2 percent. This is because of the approved increase in the work season.

Oil is 11 percent because of the increase in international obligations.

Transportation and Communications is 47 percent, depending on the estimates' conditions because of the grant given to the railroads as a support to their 1982 budget, with 20 million dinars.

The Local Authority is 11 percent. The increased estimate of this ministry is due to whatever was allocated to avoid the cost of [*inaudible*] salaries and wages. Sir, we have entered this as expenses until we receive them, then we will transfer them to the Ministry of Trade, and then we can consider them as income -- [*interrupted*]. [*Time Stamp: 16:29*]

**Saddam Hussein:** You have reduced the amount of machines for the municipality, haven't you? [*Inaudible, several individuals reply.*] Some of these machines will be imported and our comrade the mayor -- [*interrupted*]

**Finance Minister:** He is here.

**Saddam Hussein:** About the machines you need if there are existing machines in the Local Authority that the Authority does not need which would satisfy your needs as far as the type and function are concerned, you need to identify the machines required from the Local Authority so that we can transfer them to your possession.

**Finance Minister:** As for other ministries that registered an increase in their estimates from their approved funds in 1981, they are the Ministries of Defense and Finance. The revenues, Sir, stayed as they were [*inaudible*] or increased.

Mr. President, I hope that the new current budget plan for this year has accomplished our Party's and our Revolution's ambition of building the country and defending its honor and dignity against the Persian aggressor and all the enemies of the nation under your wise command, and God bless you. Thank you.

**Saddam Hussein:** We still have the issue of overtime hours in the state. The issue is going to be reviewed. I asked that it would be reviewed, but since the key figures of the state are gathered here in this hall, I wanted to make a short comment so that they can help with this issue. I do not believe that the overtime allocations are going to be granted according to work that will be done within the decided upon timeframe. And I have a feeling that this chapter is set up for -- [*interrupted*]

**UM1:** Help.

**Saddam Hussein:** Not for help, because even the help is supposed to be fair. Rather, it is set up for the officials to act based on the chain of authority that is designed for the purposes of boasting and to practice an authority that is, in its result, not its intent, unauthorized. And for each ministry, each one of you, any minister, who can tell me no—I can find people in his

ministry who are granted the overtime allocations, but in fact do not deserve these allocations at all. Every minister without exception, every institution president, and every general manager. I do not feel this chapter's importance or value, when we look at the crooked way it is used to acquire resources by illegitimate means. This will be a lesson to those who resort to crooked dealings and do not take work seriously. Because some employees can finish their duties in their entire work hours or the designated eight hours, or suspend their duties sometime in order to fill it up with the designated time, partially or totally, according to something called the Allocations Law for Overtime.

So, God bless you, and let every one of you work his designated hours. Of course, I am not talking about the essential employees, those that do not work according to designated hours but based on whatever is needed at the time. If six hours are needed today, then we will work six hours. If we need 14 hours the next day, then we will work 14 hours. If four hours are needed another day, we will work four hours and after that, we will take the car and get some fresh air. [*Time Stamp: 20:57*]

Let the Iraqis work the entire shift according to the accurate basis set up in the work standards, and God bless you. That is enough. The other thing that I have requested to be studied was the instruction I have suggested, and if there is something wrong with it, tell us.

As far as I am concerned, the mistake goes back to both sides. Just like between the seller and the buyer, we do not get angry with somebody because he told us that some instruction was wrong. Please identify for us the wrong and the right on this subject, and give us your opinions. We have formed a committee from the Finance [*Ministry*] and [*pauses*], I believe, from the Office of Economic Affairs and Administrative Development. A long time ago, I believe it was six years ago, I had asked that this should be studied by different sides. I do not wish to go into details. Regarding the work-time issue and the term "employees" under the Law of the Civil Service and "employees" under the Law of the Institutions, I said, "Son, Mohammad and Mahmud will graduate as engineers from the same college. Then they are separated. Mohammad gets hired by a department under the law of the Civil Service and Mahmud is in a department under a law with another service, which is the Law of Institution Systems. This one gets an increase in his salary by a quarter more than the other one. A quarter is a quarter because his hours are greater by a quarter. And then he goes here to the institutions and transfers to the Civil Service system. Consequently, we issued a law and said that when he transfers, he will get the new salary. But then you face paperwork concerning this person on that, and how he got transferred because of his qualifications, and someone who is requesting to keep the same salary. So sometimes, we will be stubborn and say no, and sometimes be flexible and say yes.

That all graduates are hired according to the new law of the Civil Service is the issue I requested to be studied. The old one [*law*] has a different solution. So, it is for you to figure out what the solution is. But with the new one, if he works overtime in a department, if it is one hour, he will get a seventh more than his friend. If it is two hours, he will get a quarter more than his friend and so on.

The other point that I would like to add now and that needs to be discussed seriously, [*which*] I will also include in the points I asked to be studied, is the equality between the state employees when it comes to the work hours. For example, everybody works seven hours, whether in the institutions or the civil service, seven hours. Seven hours is enough, huh? Did you remember it? I thought you forgot it. Seven hours in the institutions, seven hours in the

states' departments, and the flow of the work should have the same time. I have some paperwork related to a department within an institution with a six hour work shift. But my paperwork gets delayed as long as that guy has left work. These are the channels! Let us study this issue and forget about an extra meal, a vacation, or I don't know what. They went on vacation, he wants to smoke a cigarette and do this and that, and then he gives himself some time off. If you go to him you might need two hours and we have not gotten paid anything. We want to get paid for seven hours of serious work. Serious [*work*] starts at time A and finishes at time B. We should consider the difference in time for the purpose of avoiding the traffic jams when the employees leave their work at one time or come to work at one time. But we need seven hours of work. One will eat at home and then leave to go to work full, and comes back to his house hungry. And forget about this waste of time and those long complicated laws. So, let us also study this issue. I believe we are going to study this issue. The reason of the study is this brief presentation, so that officials can have some kind of comprehension when a law is made, to understand the background of this law, because the law by itself is not important, but the implementation is also a key issue. In order for the law to be applied in a creative way, the ideological background of this law must be known. Okay, let us go back and discuss the budget. Doctor Munther. [*Time Stamp: 27:00*]

**Dr. Munther:** What you have presented is not the budget. I would like to add a suggestion that can possibly be studied by the committee that you have mentioned in regard to the work hours. Mr. President, there is a point that has not been studied, but there were attempts to study it. As you have mentioned, the hours of work can be increased or remain six or seven hours. But the thing that is not studied in Iraq is how to distribute the total hours of work in the daytime. That is not being studied. In the entire world there is no shift where the employee works six or seven hours in a row. I mean, how do we divide that in the daytime? This is a major issue. There was talk about a cafeteria, people working a straight shift, where some departments would spend too much time eating and drinking. In most parts of the world, they work four hour shifts and then they take a break, for example, every three or four hours according to the weather and the seasons. This exists in the entire world. And at that time, there was an attempt by the center of [*inaudible*]. Yes.

**Saddam Hussein:** Even if we came upon its truth and scientific fact, it will still have a lot of requirements: First, the weather here, and second, the transportation. If you had an underground [*transportation system*] and all are running smoothly, and the transportation in Baghdad and other cities are in excellent shape—where one can get to his department in a calculated time—it would be possible for us to go ahead and discuss this subject. But now, why should we spend time on something that we cannot accomplish? So let us invest our time in a case that we want, meaning, as a case that we want to implement. Even if we came up with a solution to this case, we would not be able to implement it. Imagine, for example, the son of the revolution going back to his house. I mean things keep repeating.

**Taha:** Even during the hours [*inaudible*].

**Saddam Hussein:** When he goes he needs an hour, and when he comes back he needs an hour. I mean this will exhaust them. Being shaken in the car around the streets is not nice; he will be exhausted in the last three hours, exhausted. He just wants to sleep, not work. I do not know which one of the brothers [*inaudible*], Yes, Mr. Hasan.

**Hasan:** Mr. President, I am going to skip the technical aspects in consideration of the time of the respected council and I will move to the issues -- [*interrupted*]

**Saddam Hussein:** For example, in the summer, one cannot tolerate it [*possibly "the heat"*] in such departments. When we can organize our departments and supply them with central air conditioning, etc...Maybe not, one might prefer to stay in the department rather than going home. But now, past noon time, one starts getting uncomfortable with the fan turned on above his head and he is sweating. We will see this case. But how can he go home and then come back at five o'clock, when he is exhausted from the heat?

Also, there are many social aspects and complications related to the women, their work, the house, and saving. I mean there are a lot of issues. We have not reached the stage where we make such a decision, we are able to implement it in a healthy and correct way. I mean, benefit from it without getting ourselves into new complications. Yes, Mr. Hasan?

**Hasan:** Mr. President, in fact, I am going to skip the technical aspects to protect the time of the respected council and I will move to the basic issues. According to your instructions, Sir, there were reductions in the budgets, the current budget, the program of import, and the program of investment. But in regard to the current budget, there was a reduction in one aspect of it, which is the central budget. And despite this reduction, it still exceeds what was revised for 1981 in a rate of 22 [*percent*], just like the Finance Minister had mentioned, and what was approved for 1981 with a percentage of 73 percent. The locally financed one was not reduced at all. None of it was reduced or revised. On the other hand, it exceeds that which was revised for 1981. It exceeds what was revised for 1981 with a percentage of 11 percent compared to what was approved and a percentage of 10 and 0.7 percent with regard to what was revised. So the total is [*inaudible*] 16 thousand and 110 million dinars.

If we add to it the budgets that receive grants from the state, the total will be 17 billion, 235 million [*17,235,000,000*] compared to 14 billion, 988 million, which is an approximately 16 percent increase to what was revised for 1981.

If we take that into consideration, then there is going to be normal market cash flow and imports are going to be a part of it. There has to be a balance between the circulation of commodities and the circulation of the currency. At present, it [*the balance*] is more in 1982 than 1981, with a percentage of 16 percent. In 1981, there was an increase of 51 percent compared to previous indications of money issuance, which means there is now going to be an addition to the 51 percent, while the import base was reduced by more than what it was in the previous year. It decreased approximately -- [*interrupted*]

**Finance Minister:** 10.5 percent [*Time Stamp: 32:38*]

**Hasan:** 10.5 percent, which means that there has to be a way to deal with this currency circulation or cash flow, whether by imported commodities or by local production. We have reduced the imported commodities right now by 10 percent and the local production had certainly been effected by the war conditions so this means that the percentage of inflation will escalate, which means that the prices are going to go up, which means that the inflation is going to escalate. Therefore, I recommend that the same reduction percentage of 10 or 15 percent be applied to the budgets that are locally financed, and receive grants from the state, in order to have some kind of real balance. As far as the import program, it has to be also in fact- I do not lean toward reducing the special consumption part because the private part is the consuming sector or the consumption commodities, have been reduced by 11 percent



from what it was in 1981. I prefer keeping it as it is because we have reduced the import program and increased the cash flow, which means -- *[interrupted]*

**Saddam Hussein:** Reduced. It is not going to reduce the consumption, rather it reduced the stock.

**Hasan:** Well *[inaudible]*.

**Saddam Hussein:** The new one got reduced. Oh yes, I know about it. It got reduced. They reduced the stock. I mean he who used to buy four eggs, will still buy four eggs.

**Hasan:** We do not want it to be reduced. On the contrary, I say that it should not be reduced because the budgets have increased. The cash flow has increased for circulation; and I have to address it with commodities, of which I have two types, two channels: imports and local production. Now we have to -- *[interrupted]*.

**Saddam Hussein:** Commodities and investments.

**Hasan:** Commodities, this is normal.

**Saddam Hussein:** Investments.

**Hasan:** Yes, investments. This has been taken care of. I only want to talk about consumption. I would like to talk about the program of import, which is designated for consumption. This has gone down, gone down by 11 percent from what it was in 1981, while the cash flow has increased. I mean, the cash channels that are used for circulation had increased, increased by 16 percent. There must be some kind of balance in order to handle the issue of inflation.

**Saddam Hussein:** That is fine. That is Okay. The picture has become clearer now. Yes, the Finance Minister.

**Finance Minister:** Sir, the first thing is regarding the socialist sector, which is locally financed *[and]* supplied according to Your Excellency's instructions from the previous session. It has been reduced on the same basis as the state budget. The reduction rate was 965 million dinars, making it 6,792 million dinars, which means an increase rate of 3 percent from the revised funds in 1981, which were 6,605. This means that this is going to be less, of course, in regard to the approved funds, Mr. Hasan. So the same basis was applied according to the instructions of Mr. President.

**Saddam Hussein:** Are we done with this?

**Hisham:** Sir.

**Saddam Hussein:** We did not finish?

**Hisham:** No.

**Saddam Hussein:** Okay.

**Hisham:** Sir, I -- *[interrupted]*

**Saddam Hussein:** Before [*inaudible*].

**Hisham:** Now, the ones that are taken from tables submitted by the Finance Ministry, the locally financed budgets, I mean, the [*inaudible*] institutions, 7,697 has been approved so far, and 6,685 has been revised for 1981. There is an 11 percent increase over what has been approved and 10.7 over what has been revised, in addition to the decrease that took place.

**Finance Minister:** [*Inaudible*] budget.

**Hisham:** This is the previous table. However, the decrease appears to be a case or an existing form, as the Minister had explained.

**Finance Minister:** It did not reflect on the distributed tables?

**Hisham:** This is the new table that the Minister had read, stating that the total reduction on the revised part only of the current disbursements is 26 percent and does not include the basic disbursements, for which Your Excellency had given guidance with regard to salaries and some necessary disbursements.

**Finance Minister:** Mr. Hisham, we need to discuss the locally financed part.

**Hisham:** The locally financed -- [*interrupted*].

**Saddam Hussein:** [*Inaudible*] the locally financed projects, they must be included in the same reduction that applied to other projects and institutions.

**Hisham:** 965,000 -- [*interrupted*]

**Saddam Hussein:** So the answer is yes, they were included in the reduction.

**Hisham:** Yes, they were included.

**Saddam Hussein:** He is going to give numbers and say, "These numbers that I have in front of me do not reflect what the Ministry of Finance is stating." So what would the answer be, Ministry of Finance?

**Finance Minister:** [*Inaudible*].

**Hisham:** Sir, the disbursements of the central finance have some production necessities, and not just current disbursements. The reduction process of 965 million that took place, some of it is related to the current disbursements and the import program also. As far as the production requirements, with regard to the factories in particular, the production volume depends on the production plan. Therefore, it may not be [*inaudible*] in general, as the budget of the socialist sector includes the current disbursements as well as the production requirements disbursements. Therefore, in general, and under the reduction of current disbursements guidance, a reduction of 965 million took place from the number mentioned in number 2 of 7,800 approximately, to become 6,792 million. [*Time Stamp: 37:48*]

**Saddam Hussein:** It appears that the discrepancy is here because the title is “the locally financed institutions.” According to this title, you – Mr. Hasan is using this title for comparison. You made the reduction on the local financing for the locally financed institutions. So there are two types of financing for the locally financed institutions. One is the central financing, which is included in the number that Mr. Hasan is going to present and which he is going to use in his argument with you, and therefore, the number in front of Mr. Hasan is going to be the total of adding the locally financed disbursements and the centrally financed disbursements under the title of “the locally financed institutions.” The number you used for implementing this reduction is the financial disbursements for the locally financed projects. This means that the locally financed disbursements are the local disbursements because of a reduction applied to them and not on the total disbursements of the locally financed institutions, including the central financing and the local disbursement financing. Isn’t that so?

**UM:** Mr. Majd.

**Saddam Hussein:** Or what is it? [*Inaudible, whispering in the background*]

**Saddam Hussein:** I want to conclude. Yes, let us hear.

**Majd:** Mr. President, Mr. Hasan, of course, has the previous table in front of him. With regard to the locally financed institutions and according to the guidance we had, most of this is planning budgets that we need to study deeply to implement the required reduction according to the guidance, because any reduction, especially with relation to the commodities requirements, is going to hurt our production plans directly. So what we did last week regarding the locally financed budgets is that we implemented the reduction according to the guidance and after consulting with these institutions. The number we reached in our reduction is the number in front of the Minister, which he read, whereas the number that Mr. Hasan read is the previous number. This is one issue. The other issue that Mr. Hasan mentioned with regard to the budgets -- [*interrupted*]

**Saddam Hussein:** Didn’t Mr. Hasan receive the guidance mentioned in the memorandum that you distributed?

**Majd:** We did not include this table in the memorandum. [*Inaudible, whispering in the background*]

**Saddam Hussein:** You should have told us this to save us all this discussion! You should have said, “These statements in front of you are old. The new statements are the ones adopted [*inaudible*].”

**Majd:** Mr. Hasan, I just wanted to say that the locally financed part is not going to [*inaudible*], like we did with regard to the central budget, when we called them in, discussed the issue with them, and then implemented it [*inaudible*]. So, we implemented the rule that Mr. President had recommended and came out with this amount. We will go back to these institutions to distribute this reduction according to their work conditions, so that the main activity of each institution or industrial project will not be affected. But the reduction taken in general -- [*interrupted*]

**Saddam Hussein:** You mean this is [*inaudible*], the one we are adopting?

**Majd:** It is the one we issued at the ministry, and it is going to be implemented on the locally financed institutions.

**Saddam Hussein:** Yes.

**UM1:** Sir, the numbers we have in front of us will be issued into law. What the Finance Minister mentioned is possible.

**Saddam Hussein:** They do not admit the number that you have proposed. They are going to say that the number you have in front of you is old. The number they are going to [*inaudible, voices overlap*] is the right number, which is going to be adopted in a law.

**Majd:** There was no reduction to it. How is it going to be reduced? Where is it? The number has not changed and no -- [*interrupted*]

**UM1:** Sir, even the reduction applied to the current budget, we came up with this reduction one hour after we left here. We used the quarters we have and implemented a 15 percent reduction. Also, Sir, he instructed a 5 percent reduction at the beginning, but I told him right away the total is going to be 37 [percent]. After that we will let the ministries, each one according to its conditions, start distributing this comprehensive reduction that took place based on the quarters that were included in this reduction. So, Mr. Hasan, originally in the law of -- [*interrupted*]

**Saddam Hussein:** Therefore, it covers the locally financed institutions, and the reduction is what he is talking about, which will be included in the budget law. While implementing this reduction that is in the form of law and order, the ministries are going to look for ways for reduction, so that their activities will not be affected or we will not have to get with them again in all the details, which will take two months. This is the case here.

**UM1:** [*Inaudible*]

**Hasan:** How much is the reduction percentage going to be? I mean, how much of the reduction percentage is going to be applied? What percentage is going to be applied on the locally financed, ten, fifteen percent? We do not know.

**Finance Minister:** The 15 percent plus the 5 percent that the Deputy recommended, making the total of 20 percent.

**Hasan:** Well, why was it not applied then?

**Finance Minister:** It has been applied.

**Hasan:** It has been applied on the investment program, but why wasn't it applied on the locally financed one?

**Finance Minister:** I have read you the number 965. This is the reduction that included the locally financed institutions. [*Time Stamp: 42:53*]

**Hasan:** Sir, the number has to come out in front of us right now because -- [*interrupted*]

**Finance Minister:** The number is in front of you.

**Hasan:** We have in front of us 77 -- *[interrupted]*

**Finance Minister:** The number in front of you is old, Mr. Hasan -- *[interrupted]*

**Hasan:** Yes, it is old. Nothing new was added to it and no discussion about it for reduction took place. It was kept and so did the budgets which -- *[interrupted]*

**Saddam Hussein:** Even the new number, the number you have in front of you, is minus 20 percent.

**Hasan:** Good.

**Saddam Hussein:** That is it.

**Hasan:** The only thing left is the budgets that receive grants from the state. How much was the reduction rate? It was not reduced either.

**Finance Minister:** Mr. Hasan, this is just like what happened with the railroads, *[inaudible]* 20? It was all included in general, including the Presidency of the Republic, and all other departments based on their investment level. So the total reduction was 20 percent and -- *[interrupted]*

**Saddam Hussein:** *[Inaudible]* even the popular organizations.

**Hasan:** Exactly, these are centrally financed. I would like to talk about the locally financed, which you have mentioned now and we are going to deduct from them. But, the ones that are funded by grants from the state, there are budgets funded -- *[interrupted]*

**Saddam Hussein:** They also include a rate of 20 percent.

**Hasan:** Good.

**Saddam Hussein:** Yes.

**Hasan:** So that I -- *[interrupted]*

**Saddam Hussein:** Yes, yes they are included.

**Hasan:** Thank you.

**Saddam Hussein:** The other side of the argument.

**Finance Minister:** The other side. I have explained to brother Hasan in our last meeting the point related to the revised and approved growth. It is clear. The first thing I have mentioned is that the defense gets 3,600. I also mentioned that *[inaudible, someone is clearing his throat]*. So this is not actually growth, but a drop. I mean, it is a sure thing despite the fact that Mr. President had instructed us to implement a reduction of 20 percent. The growth we

had beyond 1981, which you have mentioned, was the result of our military obligations. So it is not 73 [*percent*] for the approved or actual. Nor is it for the revised as it is mentioned about 60 [*percent*]. The increase is in the military expenses and the military budget and at the end, this military budget, Mr. Hasan, will not reflect any prints on the interior situation, because most of it -- [*interrupted*].

**Saddam Hussein:** Because these commodities are not rice, food, chicken [*inaudible*], aircraft or cannons.

**Finance Minister:** [*Inaudible*] is going to go out through you to the outside. Your Excellency knows what the amount is.

**Saddam Hussein:** Is it clear or do you have -- [*interrupted*]

**Hasan:** Just a note.

**Saddam Hussein:** Yes.

**Taha:** Mr. President, Mr. Hasan raised this subject in the Thursday meeting, and I have talked about it. The balance between the general budget and the import program is really needed to prevent the negatives of inflation, because when we pump money to the inside and do not bring commodities, we will have some known problems starting with the prices, to the crises, to some other issues. So, we consider a program. If we considered the main thing to be the investment program, the budget, and the import program for 1981, to have some kind of balance, and there has been a good discussion about it, so we look in 1982 at what had happened, and any reduction in the budget -- [*interrupted*]

**Saddam Hussein:** Mr. Taha.

**Taha:** Yes.

**Saddam Hussein:** If you put the budget of the Defense Ministry aside on a page -- [*interrupted*]

**Taha:** Yes, that is what I am doing.

**Saddam Hussein:** Isolate it and compare the civilian budget to the import program. Would that give you assurance or does the comparison still raise question marks or scary apparitions about possible financial and economic snags?

**Taha:** Mr. President, this is what I am trying to get to. Now if we take the budget, the investment program, and the import program, we will realize that the negative growth of the budget is between 8-10 percent if we considered the growth of the Defense Ministry as the growth of the rest of the ministries. And it would be the same thing if we look at the investment program. But if we took the import program, the reduction would be 10.5 percent. Therefore, there must be a balance between the amounts of money to be pumped in the market and the import program. In addition to that, what is going to assure us more is that the reduction of the import program was in fact as a result of an experience, and the trade institutions are beginning to have experience in the subject of resources. We have an institution that specializes in imports. The amount of -- [*interrupted*]

**Saddam Hussein:** The amount of commodities could definitely be the same, but with lower prices.

**Taha:** With lower prices, we will try to keep the same *[inaudible]* in the market. I mean we are still going to see the same things.

**Saddam Hussein:** Somebody sitting among us has taught me all about it.

**Taha:** Yes. As a result, this is of course -- *[interrupted]*

**Saddam Hussein:** Khalid Al-Janabi.

**Taha:** And this is Mr. President -- *[interrupted]*

**Saddam Hussein:** No, Brigadier General Sadiq Sha'ban for -- *[interrupted]*

**Taha:** Yes.

**Saddam Hussein:** The children's toy program, I wanted to ask him about it, and he said, "We are going to import them and we are going to handle the reduction by buying from other sources. We can bring the same toys of the same quality and the same number but with less money."

**Taha:** Mr. President, we have distinguished between the discussion, from the beginning, four months ago, Your Excellency. *[Audio is blank from 00:47:50-00:49:32]*.

Sometimes we call some consumer products food and other needs. So we differentiate between the food and the car, which is also a necessity, and the television, which is also necessary. I mean we have differentiated in this regard in a way so that the amounts of food do not affect...I believe that 1981 was a comfortable year in terms of *[inaudible]*. Everything, the chicken was more than needed, the meat was easy for the individual to buy, I mean there was plenty of everything. The bread -- *[interrupted]* *[Time Stamp: 50:07]*

**Saddam Hussein:** Mr. Taha *[inaudible]* so that we can make a comment. Mr. Hasan.

**Hasan:** Mr. President -- *[interrupted]*

**Saddam Hussein:** Mr. Hatem, you have some televisions that I have requested to be distributed to villages. They are approximately 70 million dinars, as far as I remember.

**Hatem:** Hmmm.

**Saddam Hussein:** They were distributed.

**Hatem:** *[Inaudible]*

**Saddam Hussein:** The rest of it. Because when I was passing by some farmer houses, I used to see two sets of televisions. So it appears that some of them had bought a television already, and also took another television from what we had. So this is a goal: seize it.

**Taha:** Yes, we did.

**Saddam Hussein:** Seize it and start selling it, because almost all of the farmers' families are in the very far border country villages with no electricity, as some of them work on batteries.

**Taha:** Yes.

**Saddam Hussein:** So seize them. We will still come across exceptional cases as we go around. Once we see them, we will take them away and distribute them.

**Hatem:** [*Inaudible*].

**Taha:** Fifty thousand.

**Hatem:** [*Inaudible*].

**Finance Minister:** Mr. President, the growth rate, whether it was positive or negative between the three budgets, is balanced for this year. Of course, basically, if there is a way to increase the import program to tackle the inflation that has occurred, since this budget, because of the decreased market flow, is not going to fix all the inflation that has occurred over the past three years. So, if there was a possibility to increase the size of the import program, especially in regard to the [*inaudible*] commodities [*inaudible*], it would have been helpful. But this is something impossible this year. I mean, if we can increase the import program with 1 billion worth of machines, cars, and production equipment, this would definitely help to a great extent regarding the inflation issue. However, this is not possible because of our currency issue, which is, Mr. Hasan -- [*interrupted*]

**Saddam Hussein:** Check with the ministries that have machines and equipment, especially two main ministries and other ministries; the Ministry of Irrigation and Agriculture. You may not have been aware or maybe you were, but I have been aware. When we walk, we would see a big reserved place [*and say*]: What is this? These are machines. Who does it belong to? To such and such a party. Why? Well, this is broken or [*it has*] problems, and so forth. So why do you keep it? Put it in the auction for citizens and you will see how they would fix it and use it for an additional five or six years. The state cannot benefit from this state of affairs; this sector or the private sector could. So, you are also pumping energy to serve the country, and at the same time, you are getting rid of these machines and this corrosion. We are going to give you six months. After the six months, and when we find machines, we are going to ask how long it had been there and who is responsible for it. Do we have the right to question the issue or not? This is a democracy. Do we not have the right?

Okay, we will settle it after six months then. All of the people here are the major officials in the state and have heard this instruction. Another point—each minister, institution president, and general manager is responsible for his department. If he asks for 10 machines and realizes that he is only economically able to operate seven machines and not 10, fine, take them down to the local market and sell them. Why keep them to get ruined by the rain and the sun? And in the same sense, he would pull some work energy from the work field, whereas he is not supposed to pull it. Also, the ministers and the main officials in general need to check on their [*the machines*] status. Anything extra that they have but they do not need,



even if it is brand new and not junk, they need to offer it to the citizens. And in this case, we address part of the problem indicated by Mr. Taha. [*Inaudible, discussion in background*]

No, no; it is not one side but several. There are several sides listening and each one takes full responsibility because the idea of having an official authority, add another official to it, and another one, will not end. No, the direct official will be in charge and he will start. Yes, Mr. Amer. [*Time Stamp: 55:25*]

**Amer:** Mr. President, in fact, for the last two years -- [*interrupted*].

**Saddam Hussein:** [*Aside to someone else*] Put it over there, it is fine, this is also good for the discussion. The ideas come sometimes.

**Amer:** For the last two years and constantly, there was a process [*pause*] and processes to sell cars and machines of different types. In fact, the selling processes brought us more money than the amount we paid to purchase these cars. The process is continuous and will not stop until we liquidate everything.

**Saddam Hussein:** This seriously has to continue because it has been going on how many years?

**Amer:** The First Deputy issued guidance -- [*interrupted*]

**Saddam Hussein:** And I am not sitting. I am going to go and look at them with my own eyes. Nobody told me, or came and gave me a report. I do have reports, but I want to check them out.

**Amer:** Yes.

**Saddam Hussein:** I want to go look at them with my own eyes, and check them out. Now, your machines are stacked, and I can indicate to you each and every one of their locations.

**Amer:** They exist, but -- [*interrupted*]

**Saddam Hussein:** The irrigation machines are also stacked, and I can guide you to each one of their locations.

**UM1:** [*Inaudible*].

**Saddam Hussein:** Huh?

**UM1:** We know their location based on their value in the books, unlike [*inaudible*] the security affairs and [*inaudible*].

**Saddam Hussein:** Anyway, it does not matter how much you sell it for, just sell it.

**Amer:** [*Inaudible*] of the stations we give to the farmers.

**Saddam Hussein:** The loss, the loss is not operating them. The loss is to be lazy. The loss is not to be active at work. If you need to get 60,000 from the citizen, but you got 55,000 only,

this is better than to let the 55,000 be eaten by rust, sun, and rain. We are all busy, starting with tourism, summer vacationing, and cars that are [inaudible] and left to the side, to the Ministry of Foreign Affairs which also has a few cars left to the side. Everybody is busy. Everybody will double check to see how many inoperative machines he has, and then he will start pumping them to the citizens, and you will see how they will get repaired in Sheikh Omar and they will bring spare parts for these machines from way inside. What happened, Taha, with [inaudible].

**Taha:** Sir, [inaudible] that the relative growth, whether it is a negative or a positive in the three budgets, is the same growth, and it is not right for us to say that the general budget has increased by 74 percent or that the import program has dropped by 15 percent. This is going to create new inflation because more than 80 percent out of the 74 percent [inaudible] is for the imports of the Ministry of Defense from abroad. No commission or purchasing power will be pumped in the market. Therefore, we should not apply the rule of the 74 percent related to the budget increase on the decrease of the import program and the investment program, which is around 10 percent more than 1981. In fact, we can say that the budget had also dropped 7 to 10 percent according to the circles that are going to affect the local market. But as a reality, it has actually increased by 80 percent and not 74 percent, but because of other effects, it will not have any impact inside the market. Inflation still exists in the Iraqi market. Yes, it would be better if the import program expands; however, our external resources do not enable us to expand the import program. So, we had no other choice but to reduce the import program, even with a greater rate than the one Your Excellency had advised, because it is connected to the hard currency. Thank you.

**Saddam Hussein:** As for old and new items on sale, the new when it exceeds the need, more than the need and the old is the organized one that includes even the tourism boats, the broken water pumps of the Ministry of Agricultural, such as Ristum, Blockee, and others, many others. Mr. Hikmat.

**Hikmat:** Sir, some aspects of the Central Bank Governor's speech were clarified. However, I wanted to highlight some points. Sir, I must say that when the committee acted in light of your instructions, it did not comprehend all of the instructions that could possibly be taken in details and accuracy, which the committee aims to throughout the accurate guidance. And the reason is that we had a limited time and perhaps the conditions... you may even notice that it took us two or three days more. So the efforts focused on the treasury and what could affect it directly.

The other thing is that the efforts focused on the import program that reflects the handling of hard currencies, which is a part of our reserve in our victory. Regarding what the governor mentioned, I would like to say that he is being technical in his aspect, although he tried to bypass the technical issues. However, he had fallen into the purely technical aspect. In my opinion, his responsibility is bigger than this technical aspect. [Time Stamp 01:00:56] The technical aspect, of course, and with regard to every economic case, we must deal with the demand's arm with its equivalent from the supply arm. The demand's arm was discussed in the current budget, and so did the investment program and whatever it includes, and this was reflected one way or another in the import program.

Regarding this aspect, Sir, and based on my expertise and my specialty, I say that the Central Bank should have been the first to set off the alarm regarding other issues related to our fate, our strength, and our victory. The foreign currencies should not reflect only on the import

program that reflects to us is one part of its number 1150 million, as imports reflected from the investment program. I have to mention a fact that is felt by every one of the attending officials, which is that none of the projects mentioned in the investment program and the plan include an amount or a random percentage, I would say no less than 70 percent, from the external transfers. And if it reflects 1150 into the import program, it will be reflecting the commodity aspect of the investment program and it does not reflect the services or the commission, of which a huge chunk is also transferred.

Therefore, I believe that he was supposed to complete the suggestion with whatever puts pressure on the demand side and its growth, and the major reasons for the clear failure that Your Excellency talked about and said that we should not take 1981 as an ideal year, because I believe 1981, in fact, is a year of excess. Let us go back to 1979 and see how much more growth 1980 and 1981 had compared to 1979, and how the growth of 1982 compares to 1979. 1979 was not a year of austerity or one that was financially tight. So, the aspect that makes us constantly wonder is that, if we are a little bit more forgiving toward the pure internal status, then we must maintain the current level of our relationship with the external side, especially since the external side is now the main supplier in regard to our battle in terms of ammunition, weapons, and direct needs to achieve victory.

This is one side. If we had an easier picture by developing the import program as one of the demand's methods, then why don't we go back to the other methods as pure economists, where the local production is a main aspect of improving the demand method? So why don't we suggest the other things, which improve the demand proportionally with the circumstances? Sir, I have to say that until now and despite all the cuts, we have not moved to living a war economy phase or feeling that we are in wartime conditions. On the contrary, this budget with its existing numbers and the discussions that I hear does not comprehend the main instructions that you have presented, and it does not comprehend the fate that we are facing with absolute faith that we have to protect this victory with whatever we can, even if, at times, we have to suffer harm from our people or pain from our flesh and blood. I never felt this aspect. Sir, I am saying that numbers, yes, they are according to the instructions and the period of time. We have cut down whatever is possible, but they included one aspect of the instructions that is related to the instructions of the budget, the treasury, and the import program. As for the details that you have presented, which is that each minister must go back to his ministry in order to provide us with a program associated with... Sir, you are presenting these issues now while we, as technicians, should be presenting them, and as ministers and officials should be presenting them before you give instructions about them. Mr. President, let us go back to the allocations and many other issues that the numbers of these budgets are loaded with in a way that does not lead to any result or achieve its goals. It is not just the allocations, or the difference in salaries, or the difference in the service systems. There are many issues sensed here, Sir. That is why I say that we -- *[interrupted]* *[Time Stamp: 01:05:53]*

**Saddam Hussein:** What we need to do now is come up with a program, come up with the defense program, as well as the budget, and then we will continue on our journey and wherever we find something we shall cut it.

**Hikmat:** This, Sir, is what I am trying to understand and this is what I consider a part of my main responsibility as a technician before being a part of my organization or my institution. But as a technician, I say that the technique that is a part of being an economist must demand from me many procedures according to the instructions that you have presented.

**Saddam Hussein:** Look, right now if we do not have pure noble people [*patriots*], there will never be authenticity later. For all of this generation, for all of this generation, men and women, old and young, he who does not show his nobility in showing his love for Iraq at this stage, he will never have the chance to redeem himself and confirm his authenticity like this chance would, period. Any chance like this to defend the country to confirm his authenticity will be an isolated case. You do not have to worry about who is going to rule. This is my country and I have to defend it. Right now, brains, even the ones that do not work with the energy [*or strength*] they are supposed to work with, now it is necessary for them to be working using the “afterburner” of the Iraqi air weapon. Whoever does not work using the additional energy would not be a true Iraqi, because being an Iraqi is not about the certificate of citizenship, but it is about the manner of behavior wherever it is required, in terms of time, place, and type.

So, whoever does not act with the sense of honor now will not have a place to do so later. Acting with the sense of honor is not only when someone carries his rifle and fights, although it is the finest form of acting with honor, but he also needs to take responsibility for making the decision to be accurate in his behavior, and the daily struggle in order to come out with a new situation that will confirm the victory. If the minds work they will be capable of changing one situation to another, and be capable of changing the black picture into a white one, and changing the unhealthy reality into a complete healthy one. And they can also change the trembling souls into steadfastness that has no limits. This is for sure. This is for sure: when somebody goes back to himself, victory will be in the self and not in the operational field in its technical aspect. Any one of you my brothers can come up with something new. So, if you want to see something new this time, let the ministers come up with something new. Let them come up with laws and suggestions, not only come to us saying, we want, we want, we want. Let them tell us how much we can give. Excuse me, you contribute when you give, but I mean in this aspect. In that aspect, one would say, “I believe that from this table, I can keep up the same production with the same quality, yet with an increase of 5 percent, I can save the state 2 million dinars.” This is a contribution in this aspect. The other one says, “That issue, that issue, and that issue.”

I mean this is not proper. It is not proper, my brothers, because at a certain stage we have to come and pressure you to squeeze out some ideas. But this is a permanent situation and we cannot call it a healthy one if it continues. The correct situation is when the minister takes the central case, comprehends it, discusses it, rejects and accepts it, but after that, once he gets the instruction he will go on his own like Saddam Hussein when he has a discussion with the presidents of the institutions and the general managers. The institution’s president, the general manager, and the official are just like the Regional Command and just like the Revolutionary Command Council, exactly with the same spirit when he comprehends the situation. Each one of us from his position is a leader, and in his position is a leader, and then he must be in a high level—humanistic, patriotic role, a leader. [*Time Stamp 01:10:52*]

So, the technical problem does not show here. He who does not dance in this war will not have the chance to do so later on. Whoever has the energy to dance, let him dance, and whoever has some skills in dancing, let him bring them out, because this is the ultimate honor when we talk about victory and its spirit, this would be an absolute case with God’s help; it cannot be defeated. However, we say that those participating in it are not allowed. No, no one shall be excluded from participating in it. Making it and feeling it laid its own brick [*played a role*] in achieving victory. The brick is evident and has a stamp on it, his name and his

picture. He must feel it inside him before putting it up on the wall. And he who does not feel it inside him cannot place a pebble on the wall. Also, the spirit you have will reflect on those who are around you.

Wherever you find a coward, there will be a bunch of cowards around him, except for that brave person who says, "Even if the entire world, the entire world weakens, I will fight by myself to defend the thing that I believe in. I will carry the rifle by myself and go." Carrying a rifle is a metaphor. As you see, bravery is not only about carrying the rifle. Although to be clear, when the situation requires the men to carry their rifles and they hesitate for any reason whatsoever, whether it is illness, old age, cutting off limbs [*amputations*], this will be considered hesitation and cowardliness. However, carrying the rifle is not the only way to express faithfulness for the country when the duty does not call for all of us to carry the gun. But when we are general managers we must fight to build Iraq with the same spirit as that person fighting on the outskirts of Dezful.

The same spirit, since this entire war is to destroy the construction or at least to stop it. So those who fight on the outskirts of Dezful, Al-Muhammara, Somar, and on the outskirts of Gilan, in Mehran, such and such a place, and Al-Huwayza, and others, those people are going to fight to accomplish two goals: One, the enemy will not step with his boots in your land and your honor. The other thing is that they can give you the chance to build at your ease. May God reward them for they have provided you with a chance to build comfortably and prevented the enemy from stepping on the land of Iraq with his boots for the last year and a half. Each one of us sitting in the back is needed twice as an Iraqi to build in the same spirit, and as an Iraqi who is not in the front but sitting in the back, he is required an additional task to make up for him the situation he was supposed to be in while at the front. The people you lead, they need to see the faith and the loyalty shining out of your eyes, so it will transfer to their hearts.

As a case of action and energy, I believe that any person who once has a true faith and knows how to act according to his faith, and lets faith run the vital joints of life and its spirit, and with live expressions, he will be capable of...nothing is impossible, except for creating God, period. This is the only thing a human being cannot make. Other than that, he can do everything. And even a human being can change him from an ill person to a healthy one. So run in order for you to separate those ill people, because we do not want to leave any ill person, not in the state, or the party, or among the people. We will follow two lines. The line of the new Iraq and the line of ill people, which should be swept away with no mercy, period, because mercy is for Iraq, its honor, its beliefs, its history, its land, its sky, and its water. [Time Stamp 01:15:45] Even the person with a heart illness [*an individual who is not viewed in a good way; not a medical condition*] needs to get a push and beat on his chest until he crashes his head into the wall. But in order to draw this fair line between illness and health, the commanders must be active in order to isolate shadow from the sun with no interaction. You can tell a person is sick by looking into his eyes. I know the sick people by looking into their eyes, even if 5,000 of them line up, I can discover his heart illness by looking in his eyes, except when he wears black glasses, and then I would ask him to take his glasses off so that I can see his eyes really well. Work hard. Work hard. Work hard. Work hard! You know, it is like the neck of a bottle and they do not want us to get out of it. This is clear. Now, take a look at Israel. It came twice this week. Why? It cannot tolerate [*seeing*] Iraq walking out victorious. This is clear. Once Iraq walks out victorious, there will not be any Israel. As much as we talk diplomacy, the reality is this, and the Israeli strategic planners know better than anyone the meaning that Iraq is building and Iraq is winning militarily. Technically, they are

right in all of their attempts to harm Iraq. I do not rule out that they might even hit Iraq with the atomic bomb someday when they reach a certain stage and we are prepared for it, and God willing, we will be ready to face it. [*Time Stamp: 01:17:32*] This is the bottleneck, and whenever anyone from the third world countries tries to stick his head out, they will slap him on the face to fall back again in the bottle, except for us. They are striking but now our neck is free and shortly after this our chest will be out. Only a small push and we will be on the outside of it. After that, it is not going to be a problem. Even if some weak people rule Iraq, Iraq will move and rule because of the old effort, reach its goals and take its place in the historic, patriotic, national, and human development.

As you see, we are on the edge of confirming complete victory with God's help. Work hard. Your enemy is weakened by wounds, so we need to come up with a strong push against him in the final months, in building the psychological status in the operational field. Once we launch a strong hit against the enemy, he will fall. Once he falls, it will be the end. He will take what he deserves, and we will take what we deserve, and everybody will stay in their own country. It is necessary for all of you to be strong and in order to be strong you have to have strong hearts. Let us go back to our discussion. Mr. Samir.

**Samir:** Excuse me, Sir. In regard to the work hours that were discussed a while ago, a decision was issued from the Revolutionary Command Council that forces the specialized department to give up one working hour for the benefit of the worker, so that he can join the anti-illiteracy program. With the anti-illiteracy [program], the state adds a new advantage to the citizen by teaching him reading and writing, and makes the employees exploit certain capabilities for this purpose. Practically, it is going to be two hours and not only one hour for these projects, Sir. Not only one hour. The way I see it, we should look for methods that will force the worker to attend the anti-illiteracy program without cutting any part of the working hours. I mean outside the working hours, so that we tell him that if he does not pass a certain class, we will not give him a bonus or promotion, and so forth.

**Saddam Hussein:** Like setting up the class in the factory?

**Samir:** Yes, Sir, in the factory and outside the work time.

**Saddam Hussein:** Instead of being at school, we can set up the class in some education department. Instead of being at school, we can set up the class in some ministry. Instead of being at school, and so on.

**Samir:** Yes Sir. When he misses two of the working hours, the worker must say in advance that he is going to the anti-illiteracy program.

**Saddam Hussein:** When you discuss the additional work hours, I would like you to link two cases. The case of group work, I mean the factory is required to operate for two additional hours, the entire factory. And these are the individual cases, no matter how you look at those cases, they are not necessary. For instance, in a ministry we need five additional workers. Besides, what is this case all about? When somebody is involved in war, work, building, and he is an official, he is a general manager, unique among his group, and we want to give him additional work, why? It is like giving Saddam Hussein a salary for his additional work. Isn't that a shame? It is a shame and the same thing applies to such and such minister, such and such a deputy ministry, such and such a general manager, and such and such an advisor. He became an advisor because he is outstanding among his group. Those additional work hours

are unique because of the title and the position. Then we say we want the additional work hours because he worked two more hours. Fine, let him work two hours! He would work two hours, but then one day he would leave work two hours earlier. He would tell the minister, "Now my mood can no longer tolerate paper work." So the minister tells him to go home. We need to reach an Iraqi situation like this one. Mr. Abd-al-Jabbar. [Time Stamp: 01:22:14]

**Abd-al-Jabbar:** Thank you, Mr. President. In fact, a lot of manpower was withdrawn from the table. However, the tightening that happened was not on the required level. This is what happened, which means there is a huge excess in manpower in the state's departments.

**Saddam Hussein:** Alright. Whoever wants to smoke, go ahead and feel free to smoke. I do not feel like smoking today, or I would smoke [inaudible] unless it is [inaudible]. Son, bring the cigar for Mr. Taha and the brothers who smoke. We are going to give you something bourgeois but it is from a socialist country.

**Abd-al-Jabbar:** Excuse me, Sir. So the tightening that happened was less than the size of manpower that is left. This means there is an excess of manpower in the state's departments. We notice that there are improvements every year in each one of the state's departments. Is there an improvement in the nature of work or are there new duties given to this department that will require new manpower, or not? In most cases, it is not, and yet the number is increasing. What I am noticing is that most of the time, the fake demand for the manpower leads to a real demand. I mean when we hire two clerks that we need, you are going to need a janitor for those clerks. We will also need someone to be their boss, a driver for their transportation, and so forth. It is like a series that does not end. I find this phenomenon, which our economist colleagues call masked unemployment, I find that, once again, we need to sift the state's system and place the excess where we need it. I also see that all new hirings must be done according to a central method, as it is now in certain specialties. The central distribution method is going to give us two things. First, it is going to allow each individual to go in the direction of his specialty, and it will also allow him to fill in the actual open position, while the self-hiring method is going to allow us the chance to empty the system without a need for it. So I hope we can stop the hiring in the state's departments, keep the method of central distribution to hire the new graduates, and give an opportunity to the private sector that took advantage of the excess in labor that became available. After that, if the central system for distribution wants to hire x or y people in a certain place, it can create the position and the financial fund for him in that case. Thank you, Mr. President.

**Saddam Hussein:** Mr. Taha.

**Taha:** Mr. President, as you said, there are a lot of issues that I believe we do not think about just because of our current circumstances. However, Your Excellency kept mentioning them in consecutive meetings. And part of them was subject to some procedures, but not to their fullest extent because the psychological aspect plays its role in how a decision is applied to the fullest until it comes full circle. Whether it is in regards... for example Mr. President, I have to be honest with you, the issue of the masked unemployment, two years ago, Your Excellency advised about it at the beginning of the Council of Ministers activity. We worked on it, but regardless of how far it went, boredom had reached you and there is some influence on certain departments or others. We have made some progress there but then we stopped. As for the current situation, there are a few aspects that we can possibly treat. I believe that if Your Excellency instructs the committee to continue for some time, in order to revise some issues after issuing the curriculum [plan] and the budgets, after a week or two -- [interrupted]

**Saddam Hussein:** It will continue for four months.

**Taha:** No, its work has begun. After the budgets are sent out, the committee will have some meetings with the ministers, so that it can also listen to their suggestions. Some of the paragraphs mentioned -- *[interrupted]*

**Saddam Hussein:** No, one month – one month as a chance for the brothers, the ministers, and the officials, the budget, and the curriculum.

**Taha:** Because, Mr. President -- *[interrupted]*

**Saddam Hussein:** The import curriculum and the plan are going to be issued according to the decision made.

**Taha:** Yes.

**Saddam Hussein:** But once again, I want everybody to go back to his ministry and each minister to study all of the cases of illness, or the cases that can be delayed, or the cases that have waste and can be condensed according to the discussion that took place here. After a month, a meeting will take place between the committee and the concerned ministers as well as a serious and detailed discussion about the issues of each ministry in this direction. After that, suggestions shall be presented and perhaps we will meet just like now to look into some cases if the situation requires a meeting. *[Time Stamp: 01:27:35]*

**Taha:** Mr. President, suggestions take two parallel lines for this work. One line is normal that is supposed to be as the feature of our journey during the process of development, modernization, and eliminating the bureaucracy and masked unemployment. This starts from the subject of describing the work, and ends in the good exploitation of the worker and the flow of the paperwork. And this – also, the modernization of work in order to eliminate many aspects that have small experiences here and there, and this is essential. This is a permanent line, not only because of the war, and has to be a constant feature. We are a country that inherited departments and a work method. It is true that it has been 14 years since the revolution, but it has not truly been with the same energy during these 14 years. These 14 years are not a lot if we compare them to the age of revolutions in terms of the journey of many years to establish an ideology and a certain work method. The second line is anything that can *[pauses]* because I consider, Mr. President, the subject of allocations, and we have talked about it as you remember, but now the current suggestion that was decided by the Council of Ministers and *[inaudible]* is much better than how it was a year ago. Because the hours were open. The work hours were 8, and they would allocate him 8 hours. How can a person work 16 hours? He would be getting *[inaudible]* his salary. This aspect was modified in the suggestions. So I see that we should consider the war conditions with regard to the allocations issue, but in fact, it is not a temporary phase; it has to be -- *[interrupted]*

**Saddam Hussein:** No, no, we will even look at it as -- *[interrupted]*

**Taha:** Permanent, permanent -- *[interrupted]*

**Saddam Hussein:** *[Inaudible]* consider it a case of illness -- *[interrupted]*



**Taha:** A case of illness that requires us to revise.

**Saddam Hussein:** We must ask to adjust it.

**Taha:** The line of issues that we need to address and the atmosphere helps in applying the methods that we reach in an accurate way, better than the previous conditions. The second line is that of those required issues, but they can be delayed for this year or for more than a year. So, our suggestions will be of two types. One is permanent and developmental that also leads to a market, but improves performance. The other one, although in demand, we must however use it as little as possible, delay some of it, or all [*of it*]. Within these two frameworks, Sir, I believe in one or two meetings, or even five, we shall continue meeting once a week or once every two weeks, and whatever form of decision we reach, whether for one decision or two, we shall send it. I believe this will create an atmosphere – I mean common understanding for everyone, so that if we sometimes need, in addition to the ministers, some deputies or heads of institutions who have experience in this regard, I believe we can reach a very good form in this case. Thank you, Sir.

**Saddam Hussein:** Dr. Munther.

**Dr. Munther:** Mr. President, the points that you have presented, which are in fact, always referring to the state's system. We started truly with the additional allocations issue that must be given just like you mentioned, in a fair way and in return for actual work. These are among the issues... [*Pauses as Saddam whispers something to someone*]

**Saddam Hussein:** Yeah.

**Dr. Munther:** These are among the indisputable issues, as well as those necessary in terms of law, justice, and fairness. However, and also as you emphasize in many of your instructions, the matter should be taken in a comprehensive framework, because the state's system is a system under monitoring, a system that is close to us, we must also look at the other side of the issue and look at the community as a whole. In other words, it is true that there is masked unemployment, there is laziness, and some people are enjoying privileges that are not limited by law, morals, or patriotism. We admit all of this as it exists. However, the position of this employee with whom we try to be strict or ask him to sacrifice -- [*interrupted*]

**Saddam Hussein:** Dr. Munther.

**Dr. Munther:** Yes.

**Saddam Hussein:** Let us suggest implementing the increase of his salary by 20 percent and making it a part of his salary instead of doing it in this crooked way. I do not want socialism in Iraq like the socialism of others where you fill up their stomachs, but you strip them of their human side. The [*inaudible*] of the Central Committee becomes a taxi for 2 or 3 dollars. The driver is transporting and you all have heard about cases like this. And when he comes to the hotel, he needs to walk in with some dollars in his passport. I mean, this is impossible. I can accept capitalism, but will not accept such a situation. An improved capitalism where the human being is respected and the majority is not corrupted, but rather the minority, which is the profiteer, this is better than a situation that fills up our stomachs but ruins us all. So, I do not like any crooked way. We look after our people, laborers, and employees, to see if they

need an increase of 20 percent for the extra work hours, and all the going back and forth, I would say give them 20 percent [*increase in their*] salaries. I know what you are talking about -- [*interrupted*] [*Time Stamp: 01:33:11*]

**Dr. Munther:** No [*mumbling*].

**Saddam Hussein:** No, because of the situation of the employee and the worker compared to the general situation of Iraqi people.

**Dr. Munther:** Yes.

**Saddam Hussein:** Exactly, I know this.

**Dr. Munther:** Yes, that is what it is.

**Saddam Hussein:** I know that the employee is different than the secondary contractor. Our employee, our worker, is different than the private sector worker. I know that, but I want a fair way for it and not a crooked one. The crooked way corrupts the souls. That is it.

**Dr. Munther:** Yes.

**Saddam Hussein:** Yes, Mr. — Are you done, Doctor?

**Dr. Munther:** What I am trying to say is not, as Your Excellency just said, not through a crooked way. But, in reality, placing him in a situation where he can truly feel he has dignity, we can judge him, and he can perform his duty. I mean not by a crooked way or allocations.

**Saddam Hussein:** In the general framework of society.

**Dr. Munther:** Yes, in the general framework of society.

**Saddam Hussein:** To look at his position in the general framework of the society and not as independent from society.

**Dr. Munther:** Yes, of course, definitely within the basic confines [*of society*].

**Saddam Hussein:** Mr. [*inaudible*].

**UMI:** Pardon me, Sir. In regard to the workers' allocations issue, the worker works for eight hours according to the Labor Law. This is in both the service and manufacturing institutions. But in the service institutions, our worker now works six hours instead of eight hours. And the overtime allocations are going to be decided based on six hours and not eight hours. In this case -- [*interrupted*]

**Saddam Hussein:** This is legally wrong. I mean even the person who is in charge of applying it, the Finance Ministry, is supposed to turn it over to the courts considering him -- [*interrupted*]

**UMI:** Sir, this is going on in the entire state, Sir. I mean, we have discussed it in regard to the procedures.

**Saddam Hussein:** I am saying this as a general situation.

**UM1:** Yes, so it would be good if this issue is addressed, since it affects, to a great extent, the workers' allocations issue. [*Inaudible, some individuals are whispering in the background.*]

**Saddam Hussein:** We shall study it. So let us go back to the statements presented by the Finance Minister. Is there any discussion about it? Okay then, it is approved.

**Taha:** Mr. President, regarding the second point, the investment curriculum, Your Excellency advised in the first meeting to emphasize the permanent basis for the subject of reviewing the curriculum that was taken into consideration, and the possibility of extending the payments in regard to the projects of foreign contracts. These paragraphs can be removed because they do not affect the contracts. In regard to the immediate carry out, stopping the work in projects that do not get affected -- [*audio cuts off mid-sentence*].

[*End of Recording*]