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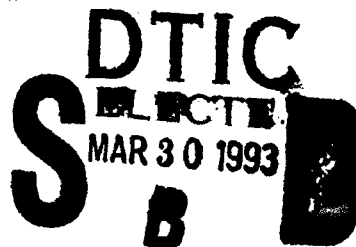
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ECONOMIC SANCTIONS--A FAILING
INSTRUMENT OF UNITED STATES FOREIGN POLICY

by

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Economic sanctions have been used in the conduct of foreign affairs for centuries. This paper will examine the value and utility of sanctions as an instrument of United States foreign policy in the post-Cold War era. More specifically, it will take a look at the success of economic sanctions as a means of achieving U.S. foreign policy objectives. The paper will focus on the economic embargo imposed against Saddam Hussein's Iraq in response to its invasion of Kuwait on 2 August 1990. It will discuss the chronological sequence of events of the Persian Gulf crisis and how President Bush's strategy evolved--moving from deterrence to "sanctions-first" to coalition conventional war and back to sanctions. Most importantly, the paper will show how the outcome of the sanctions episode with Saddam Hussein fits in with the trend of other economic sanctions cases in recent history. The paper will conclude with a few observations and recommendations for future policymakers to consider before using sanctions to resolve complex foreign policy problems.

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Economic Sanctions-- A Failing Instrument of United States Foreign Policy

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. Economic Sanctions--No Substitute For War.....	1
II. "Fighting Fire With Fire"--An International Strategy Evolves.....	3
III. Building A Team And Tightening The Screws On Saddam	6
IV. No Return To The Status Quo Ante	11
V. Spelling Out The Conditions For Saddam.....	16
VI. The President Publicly Ups The Ante On Saddam	19
VII. Sanctions--Just A Matter Of Time?.....	25
VIII. Sanctions--A Questionable Track Record.....	34
IX. Sanctions--Once Again A Political Loser.....	49
X. Applying The Pressure--A Technical Winner.....	51
XI. The Outcome (So Far): Observations And Suggestions.....	63

APPENDICES

Appendix A--U.S. Interests--"Oil, Aggression And Nukes"

Appendix B--Saddam's Pretext For Naked Aggression

Appendix C--Economic Sanctions And War Chronology

Appendix D--Saddam's Major Miscalculation--Playing "Chicken
With The World

Appendix E--Diplomacy, Not Negotiations

Appendix F--U.N. Resolutions

Appendix G--The Costs Of Waiting--Economic And Military Factors

Appendix H--Works Worth Reading In The Study Of Economic
Sanctions

Appendix I--"Kurdistan In The Time Of Saddam Hussein"

I. ECONOMIC SANCTIONS--NO SUBSTITUTE FOR WAR

On 16 January 1991, the Persian Gulf War began and economic sanctions failed once again. The first test of economic warfare in the post-Cold War era missed the target, ushering in a new era of dangerous and unpredictable regional military conflicts. Despite skillfully implementing an internationally supported "sanctions-first" strategy, which isolated Saddam Hussein politically, surrounded and sealed off Iraq militarily, and punished the Iraqi people economically, the Iraqi army occupying Kuwait didn't budge an inch, much less abide by United Nations (U.N.) resolutions.

Repudiating every diplomatic overture and withstanding the most stringent sanctions ever adopted against any nation, Saddam Hussein elected to go to war. In quick order, he led his country from unprovoked and naked aggression against a helpless Arab neighbor to a costly and enormously destructive war with a powerful and determined world coalition.

After months of intense diplomatic, military and economic activity, President Bush and the international community abandoned all hopes that the crisis could be resolved peacefully through diplomacy and economic pressure. The United States (U.S.) and U.N. acted decisively and with unprecedented solidarity and resolve, but reason and restraint failed. Irrationality prevailed. War couldn't be averted. Offensive military operations in the form of aerial bombardments, naval gunfire, cruise missiles and armored division assaults did what shuttle diplomacy, naval blockades and trade sanctions couldn't accomplish--liberate Kuwait from the scourge of Saddam Hussein and his military.

Like so many other cases in recent history, sanctions would once again fail to achieve our foreign policy objectives. True to history, sanctions inflicted incredible pain and suffering on the people of Iraq, but not on the leaders of aggression and lawlessness. As is so often the case, the sanctions scored a

direct hit on the wrong target in the right country. And once again, some of the same old questions greet the policy analysts and experts.

How could economic sanctions have failed in such a scenario? Were the sanctions really working? Did the U.S. and U.N. give them enough time to work? Why did they abandon them and go to war? What did the sanctions cost Iraq? Who else did the sanctions hurt? And if economic sanctions failed to succeed under these very favorable conditions, will there ever be another case when they can be used with success?

I contend that the use of economic sanctions as an instrument of foreign policy continues to have very limited utility and value. In fact, the user or "sender" of sanctions may actually suffer more than the target.

This paper will address the questions posed above. And, though the Iraqi case is far from over, I will discuss President Bush's strategy in dealing with the Gulf crisis. And I will chronologically outline the flow of events to show how the strategy moved from deterrence to sanctions-first to large-scale conventional war and back to sanctions. I will conclude with a few observations and suggestions for future policymakers to consider.

To put the crisis in the proper perspective, I believe it would be instructive for the reader to take a brief look at U.S. interests and why Iraq invaded Kuwait. This will help lay the groundwork for the rest of the paper. Appendix A, U.S. Interests--"Oil, Aggression and Nukes", and Appendix B, Saddam's Pretext for Naked Aggression, discuss these two important facets of the crisis. Now I'd like to take a much closer look at the historical chronology. How did the strategy take shape? What decisions and actions brought the crisis to a head?

II. "FIGHTING FIRE WITH FIRE"—AN INTERNATIONAL STRATEGY EVOLVES

In response to Iraq's invasion of Kuwait on 2 August 1990, President Bush's immediate concern was protecting Saudi Arabia and securing U.S. interests in the Persian Gulf. Because the U.S. and the Arab community badly miscalculated Saddam's militaristic intentions regarding Kuwait, the President wanted to make crystal clear that the U.S. wouldn't tolerate an invasion of Saudi Arabia. The U.S. didn't need another surprise, especially one that put control of Saudi Arabia's oil reserves and resources in the hands of Saddam. And from a military standpoint, the President didn't want the Iraqi army to close the door on a U.S. deployment to Saudi Arabia. This would have been a strategic disaster.

Accordingly, the President initially developed and applied a two-pronged strategy to deal with the crisis:

- * first, use the presence of American military forces to deter an Iraqi attack on Saudi Arabia; and
- * second, mount a diplomatic and economic offensive against Saddam Hussein to force Iraq's total and unconditional withdrawal from Kuwait.

In essence, a sanctions-only policy was effectively ruled out by the U.S. at the outset of the crisis. In fact, even a sanctions-first policy would have to wait until the U.S. gained a defensive military foothold in the region to deter further aggression.

Based on Saddam's military disposition in Kuwait, his paranoid and power-hungry mentality, his total disregard for the world's condemnation of his unprovoked invasion, and his past criminal record of terrorism and military aggression, few believed that sanctions would stop him at the Saudi border. Therefore, military force necessarily undergirded the U.S. and U.N. strategy from

the beginning and served to hold the international coalition together throughout the crisis.

The deployment of U.S. military forces to the Gulf was central to the President's strategy. The military component was the dominant feature of the strategy and the singular underlying imperative on which all else depended. All key players in the crisis knew that military power was the only thing that Saddam understood. Diplomacy and economic pressure weren't his major considerations. As such, they couldn't be the cornerstone of U.S. strategy.

History shows that sanctions won't work against a military onslaught. (1:75) Saddam understood this better than anyone. He knew that sanctions alone wouldn't dislodge his tanks and troops. He also calculated that there would be little reaction from the U.S.--certainly no military action. In fact, on 25 July 1990, April Glaspie, the U.S. Ambassador to Iraq, inadvertently gave him the green light when she told him that the U.S. wouldn't take sides in his dispute with Kuwait. In retrospect, it also seems clear that Saddam didn't expect his Arab neighbors to challenge the legitimacy of his invasion--at least not so vehemently. After all, the Emir of Kuwait didn't command that much political respect in the Arab world.

To Saddam, the time was right for using his massive military arsenal to expand his power and economic wealth. This was his chance to take center stage in the Arab world. Using swift and powerful military action, he could at once fix Iraq's economic problems and settle his dispute with Kuwait once and for all. He knew that the regional military balance of power had shifted his way. It was time to take by force what his failed economic policies and negotiations couldn't achieve--a controlling share of the world's oil market.

Saddam's military machine was fundamental to his quest to gain and hold power, to include economic and political power. His Arab brothers knew this and pandered to his constant provocations. They only had to look at his track record with Iran, Kuwait, Israel, the Kurds and terrorism to grasp the essence of his power and influence. To Clausewitz, "war is merely the continuation of policy by other means." To Saddam, war is foreign policy. In Saddam's world, all things worth having can and must be attained by war or the threat of war. Kuwait was worth having, and he used his foreign policy (war) to get it.

On the other hand, those who watched U.S. foreign policy over the last 25 years had two very compelling and legitimate questions. Does the U.S. have the guts and staying power to back up sanctions with force? More importantly, does it have the will to use its military might in a lengthy war that could cost thousands of American lives?

Saddam calculated that the answer was no for both questions. He believed that the U.S. wasn't psychologically ready to make such a commitment--regardless of U.S. military capabilities and operational readiness. He didn't think the U.S. had the stomach for such a confrontation. Indeed, at his meeting with Ambassador Glaspie on 25 July 1990, he said, "Yours is a society which cannot accept 10,000 dead in one battle."

Beyond the inherent problems of divided government and the constant foreign policy debate between the President and Congress, there was good reason for doubting U.S. resolve. The U.S. track record was clearly suspect. We enjoyed military successes in Libya, Grenada and Panama, but many believed that the U.S. was still haunted by its political, military and psychological defeat in Vietnam. What's more, the U.S. was the subject of scorn and ridicule after the tragic hostage debacle in Iran, to include the failed rescue mission--Desert One. And

our hasty retreat from Lebanon after a terrorist car bomb killed 243 Marines led many to predict that the U.S. would never risk getting involved in a military crisis in the Middle East--a region where governments rule by force and military confrontation is a way of life. Even the U.S. Congress and highly respected U.S. public figures warned repeatedly of "another Vietnam."

Clearly, Saddam wasn't the only doubter of U.S. nerve, but he did his best to wage psychological warfare on the U.S. electorate. He not only banked on the "Vietnam Syndrome" and the lack of U.S. resolve, but he felt certain that he could capitalize on it by publicly promising the same results--a costly protracted war with thousands of dead Americans. He would immerse the U.S. in a "holy war" that could never be won. Without question, the political, economic and military dimensions and ramifications of a war in the Gulf transcended the small-scale military operations leveled against Noreiga and Quaddafi.

III. BUILDING A TEAM AND TIGHTENING THE SCREWS ON SADDAM

President Bush understood the Vietnam War frame of reference. He knew that if opponents of his policy were able to paint the Gulf crisis as another Vietnam, the impact on the development of a coherent and winning strategy would be adverse and profound. He wanted to ensure that such a fear did not grip the Nation and cause a divisive public debate that would sap the U.S. will and play into the hands of Saddam. As the world's only superpower and the one nation that could mobilize the resources to stop Iraq, it was imperative that the country stick together and show determination and resolve.

In this regard, President Bush wanted the Saudis and the coalition to know that the U.S. was in this crisis for the long haul--even if it meant going to war. The credibility of the U.S. was at stake and so was the shape and agenda

of the New World Order--President Bush's clarion call to the international community and the Nation.

As the crisis unfolded, President Bush's personal resolve stiffened. He not only garnered international support for sanctions and an allied military coalition to back them up--a coalition which included 12 of 21 countries of the Arab League--but he also made it clear to Iraq that the U.S. would use force to protect and defend the Saudi oil fields. On 3 August, he warned that "the integrity of Saudi Arabia" was a U.S. vital interest. And just 24 hours later, he tightened the psychological screws on Saddam even more by looking beyond deterrence and sanctions. He threatened war.

At a mini-press conference on the afternoon of 4 August, President Bush upped the ante and expressly introduced the prospect of war for the first time. He signaled his intent to use "all necessary means" to drive Saddam from Kuwait. When asked if he would use force, the President said with barely subdued anger:

"I will not discuss with you what my options are or might be, but they're wide open. I can assure you of that. Iraq lied once again. They have said they were going to start moving out today, and we have no evidence of their moving out...I view very seriously our determination to reverse this aggression. It will not stand. It will not stand, this aggression against Kuwait." (2:260)

The thrust and implication of this particular statement even surprised his own advisors. General Colin Powell, the Chairman of the Joint Chiefs of Staff, was reportedly "stunned" by the President's statement in that he articulated a new goal that "had not been set in stone" to this point in the crisis--"to reverse" the invasion of Kuwait with force. (2:260) The strategy now included offensive military action.

Beyond sending a message to Saddam Hussein, President Bush also wanted to reassure Saudi Arabia, primarily King Fahd. This was a major strategic concern. At a meeting with his advisors at Camp David on 4 August, the President expressed

his doubts about Saudi intentions. He said in part, "My worry about the Saudis is that they're going to be the ones who are going to bug out at the last minute and accept a puppet regime in Kuwait. We should be asking them how committed they are." (2:251)

Even at this early stage, the President recognized the political difficulty of holding an ad hoc coalition together. General Scowcroft, the President's National Security Advisor, reminded the President that the Saudis were just as worried about the dependability of the U.S. In his response to the President's concern he said, "It's a chicken-and-egg problem. They (the Saudis) can't go out front until they know whether we can be counted on." The President replied, "But this is like if your homeland is about to be invaded, you grab a pitchfork and go to the border." Scowcroft replied, "But this is the Middle East." (2:252) Even with his expertise in foreign affairs, the President was learning the ropes about building a team in a region that was devoid of teamwork and cooperation.

Clearly, President Bush was genuinely troubled about CIA reports which indicated that the Saudis were losing their nerve. Intelligence reports said that they might be willing to buy their way out of the crisis "by offering billions of dollars" to Saddam to prevent an invasion of their oil fields. "The Saudis had been willing to pay blackmail before." (2:253)

The President knew that showing a weakness at this point in the crisis could be fatal to the integrity of the coalition and the very survival of Saudi Arabia itself. Considering the dismal military situation in the Gulf (Saddam's forces definitely had the upper hand), this was no time for Saudi Arabia or any other country to be making (or even discussing) political concessions to a hegemonic dictator.

On 6 August, CIA Director Webster reported that there were over 100,000 Iraqi soldiers in Kuwait and many were massing along the Saudi border. (2:247) They had been moving along the border at an accelerated rate since 3 August--even as Saddam promised to withdraw. By the third day of the crisis, nothing stood between Saddam and Dhahran, Saudi Arabia except a small contingent of Saudi and Gulf Cooperation Council forces--estimated to be battalion-brigade size. (3:531)

To keep King Fahd from getting cold feet and to give Saddam something to think about, the President talked tough at home, while Secretary Cheney headed to Jeddah, Saudi Arabia for a crucial visit with King Fahd. At this point, everything depended on the King's approval for the U.S. and other allied nations to deploy forces on Saudi soil.

This was a pivotal point in the crisis because the President's strategy depended on the King's cooperation. Allowing U.S. troops to deploy to the region to confront another Arab state was an enormously risky and unprecedented decision for the King to make. It could easily backfire on the King and ignite a new wave of anti-Americanism. The approval itself could throw the whole region into turmoil.

At this juncture, everyone knew that Saddam wasn't threatened by mere sanctions. And the sanctions were of little consequence to the King; he knew that Saddam wouldn't withdraw unless his political survival was directly threatened by military force. Military aggression was the name of the game and fighting fire with fire was the only strategy that would work against Saddam--not diplomacy or the threat of economic pressure.

Secretary Cheney's marching orders from the President were clear and unambiguous. He was to meet with the King and accomplish two tasks: first, gain approval to use Saudi Arabia as the key operational and logistics base for the

U.S. and coalition forces; and second, commit the U.S. to defending Saudi Arabia and reversing Saddam's aggression against Kuwait. (2:259) Secretary Cheney summarized his historic visit in these words:

"When I met with King Fahd in Jeddah on August 6, I assured him of four things: we would move quickly; we would deploy enough force to get the job done, not merely a token force; we would stay as long as necessary; and we would leave when the Saudi government asked us to go. In turn, the King explained to me the longstanding confidence he had in the U.S. government, a trust built up over decades of association between our two countries in political, economic, and military affairs." (3:530)

What's important to understand about Cheney's visit is that it set the stage for another strategic decision that the President would announce later in the crisis--increasing the U.S. troop strength in the Gulf from 230,000 to over 450,000. Indeed, Secretary Cheney astutely committed the U.S. to deploying "enough force to get the job done." He and the President knew from the very beginning that to "reverse the aggression", the U.S. would need an offensive capability on the ground. This meant sending many more troops than the President initially deployed. This translated to mobilizing a substantial portion of the Reserve Component. And doubling the force would spark a heated and emotional debate in Congress right after the November elections. I will address this issue in greater depth later in the paper.

In any event, by 6 August, the President had already declared a national emergency; ordered an economic embargo of all trade with Iraq; froze all Iraqi assets in the U.S.; gained Congressional and U.N. support for sanctions; convinced King Fahd to accept U.S. ground forces on Saudi soil; and started the largest mobilization of American military forces since the Vietnam War. Most importantly, he set out to rally American public opinion behind U.S. objectives and U.N. resolutions. President Bush intended to use every arrow in his

strategic quiver to bring Saddam Hussein to his senses, including diplomacy, the threat and use of military force and economic pressure.

IV. NO RETURN TO THE STATUS QUO ANTE

On 8 August, the same day that Iraq announced the annexation of Kuwait, President Bush spelled out U.S. policy to the public in a televised address to the Nation. He said that "a line has been drawn in the sand." In a subtle but calculating way, he let it be known that reverting back to the status quo ante was impossible. It would no longer be enough for the Iraqi military to simply withdraw. It was now beyond that. Saddam's massive arsenal posed too great a threat to regional security and stability to let it stand unaltered. Here's an excerpt from the President's speech:

"... A puppet regime imposed from outside Kuwait is unacceptable. The acquisition of territory by force is unacceptable. No one, friend or foe, should doubt our desire for peace and no one should underestimate our determination to confront aggression. Four principles guide our policy. First, we seek the immediate, unconditional and complete withdrawal of all Iraqi forces from Kuwait. Second, Kuwait's legitimate government must be restored to replace the puppet regime. Third, my administration, as has been the case with every president from President (Franklin D.) Roosevelt to President (Ronald) Reagan, is committed to the security and stability of the Persian Gulf. And Fourth, I am determined to protect the lives of American citizens abroad."

The interpretation of these principles or objectives would be the subject of continuous debate throughout the crisis, but the principles themselves never changed. Regional "security and stability" was now an important component of the President's strategy--perhaps the most important. The President put Saddam on notice and U.S. prestige on the line. The world community now realized the gravity of the crisis. An unconditional and complete withdrawal wouldn't satisfy the U.S. or the coalition.

The President couldn't be pinned down on what he meant precisely by security and stability. But he let it be known that it could never be business as before. It was the U.S. view, a view shared by Egypt, Saudi Arabia, Syria and other Arab countries, that the military balance in the Gulf had to change. Saddam's military couldn't be allowed to emerge from this crisis intact.

Even at this early stage, crisis termination was an important issue. The U.S. and U.N. had to assess the ramifications of a voluntary Iraqi withdrawal or partial withdrawal. What would be the U.N. response if Saddam peacefully withdraws with his military intact? Could the U.S. permit this type of outcome to prevail? How much coalition support would there be to continue economic sanctions? Would the coalition stay deployed and uphold the sanctions until reparations were paid? What about Saddam's war crimes? Would there be support to reduce Saddam's arsenal until it no longer posed a threat to regional stability? The U.S. carefully analyzed these and many other issues throughout the pre-war period.

Of course, no one believed that Saddam would change his ways as a result of diplomacy and sanctions alone. Even if he withdrew from Kuwait, he would continue to be a very serious threat to his neighbors and U.S. interests. True to form, he would endeavor to acquire "nukes" and other weapons, and eventually use them to avenge the loss of Kuwait. As long as he retained his ability to intimidate, blackmail and wage war, the crisis would never be over. Something had to be done about Iraq's aggression and Saddam's nuclear, biological and chemical weapons. These issues went to the very heart of regional stability and security--a pillar of the President's strategy.

On 9 August, the U.N. adopted Resolution 662 which declared the annexation of Kuwait "null and void." In response, on 10 August, Saddam called for a "holy

war" against all who opposed him and accelerated his deployments along the Saudi border. On 12 August, the U.S. adopted a policy of "interdiction", including the use of force to stop those attempting to circumvent the U.N. embargo. The next day, Saddam "detained" 13,000 Westerners. He said they would be used as "human shields" against a potential U.S.-led coalition attack. He promised that they would be the first casualties of war.

Just five days later, President Bush authorized the first mobilization of reserves in some 20 years, placing over 48,000 American reservists on active by 1 September. On 18 August, Saddam declared the U.S.-led naval blockade "an act of war", while the U.N. unanimously adopted Resolution 664, which demanded the release of all hostages (foreign nationals) held in Iraq and Kuwait. On 25 August, the President ordered the activation of the reservists--the first actual call-up since Vietnam. And on the same day, the U.N. adopted Resolution 665, authorizing the use of force to halt all maritime shipping into and out of Iraq and Kuwait.

To anyone who followed the Gulf crisis, it was clear that the world and Iraq were on a collision course. From 2 August 1990 to 15 January 1991, the sequence of events took on a depressing but rather predictable pattern. Despite unrelenting efforts to resolve the crisis peacefully, Saddam wouldn't cooperate. Every diplomatic initiative was met by Iraqi recalcitrance. Diplomacy failed. Sanctions failed. Ultimatums failed. Deadlines failed. Saddam was engaged in a dangerous game of Russian roulette. But he cleverly pointed the barrel of the gun at his own population.

Saddam's strategic gamble was simple and predictable: stall for time until the coalition tires of enforcing the blockade and paying its cost; chip away at the coalition; continue to dismember Kuwait; reinforce and dig in the military;

and call America's bluff. Unconcerned about the suffering of his own people, he knew he could outlast the sanctions and would exterminate any internal opposition to his policies.

If he could stall long enough, the morale of the U.S. military and public would gradually erode. This could force a compromise solution and an Iraqi moral victory. He might even get away with all or part of Kuwait. If war ensued, Saddam was confident that he could engage the U.S. in another protracted war. This would ultimately divide the coalition, and the American people would force President Bush to sue for peace. To see this strategy through, Saddam was prepared to sacrifice a major portion of his military and country.

I won't continue to discuss the chronology of events as they took place before the war. The general scenario is well known to all who lived through the crisis. However, I do believe it's important for the student of economic warfare to study the sequence of events to better understand why the sanctions failed.

Appendix C, Economic Sanctions and War Chronology, is a detailed chronology of the key events as they took place on a day-to-day basis. It provides a fairly reliable timetable to facilitate studying the crisis in much greater depth. Although the chronology isn't all inclusive and doesn't address important classified materials, it follows a rapid-fire sequence of events and the decisions which ultimately brought the crisis to a head. It also helps explain why we once again substituted war for sanctions and diplomacy.

As I review the chronology, two points stand out. First, diplomatic pressure and economic sanctions were the preferred means of achieving U.S.-U.N. strategic objectives. And second, a credible military force, with an offensive capability, was absolutely essential to the President's strategy. In retrospect, military force proved to be the only instrument of our collective foreign policy

that worked effectively and quickly to achieve international strategic objectives.

I won't discuss them in the body of this paper, but there are three important aspects of this sanctions case that the reader should understand:

- * first, how Saddam's response caused the world community to opt for war;
- * second, how his own military incompetence and indecisiveness facilitated the success of the first-prong of the President's strategy--a major strategic blunder which ultimately assured an easy victory in the Gulf War; and
- * third, the exhaustive but unsuccessful diplomatic efforts that were tried by the U.S. and other nations to resolve the crisis peacefully.

Appendix D, Saddam's Major Miscalculation--Playing "Chicken" with the World, discusses the first two aspects. Appendix E, Diplomacy, Not Negotiations, addresses the third. These appendices, coupled with Appendix C, should give the reader a much clearer idea of how the strategy and crisis evolved. Indeed, diplomacy was one of the pillars of the second-prong of the President's strategy.

Now let me turn to the economic offensive--the sanctions. It was this pillar on which the President focused most of his time, energy and resources. The next three sections will discuss the President's sanctions-first tactic. First, I'll get to the meat of the sanctions package--Spelling out the Conditions for Saddam. I will then address two key questions. Did the President change his strategy on 8 November when he doubled the troop strength? And were the sanctions given enough time to work? Historians, policymakers and Congress will probably debate these two questions for years to come.

V. SPELLING OUT THE CONDITIONS FOR SADDAM

President Bush worked feverishly to resolve the crisis without war. Like diplomacy (see Appendix E), economic sanctions and the threat of military force were important to the President's strategy. Led by the U.S., the U.N. passed a wide range of U.N. resolutions before, during and after the Gulf War. After the war ended, the Security Council elected to continue the full range of sanctions. To date, the focus continues to be on stopping military items, highly-sensitive industrial and manufactured goods, and all technology related to the manufacture of nuclear, biological and chemical weapons or any type of ballistic or cruise missile.

Food and medicine don't fall under the international sanctions. But since the cease-fire, Iraq has refused to sell oil to buy foodstuffs and medicine under the strict conditions set up by the U.N. Security Council in September 1991. Instead, Iraq has appealed to the West to unlock Iraq's money so it can feed its people.

Iraq's Trade Minister Mohammed Mehidi Saleh said that U.S. raids during the Gulf War destroyed nine huge food warehouses containing \$850 million worth of chicken, meat, flour, sugar, cooking oil and canned baby milk. As a matter of principle and national pride, Iraq refuses to make deals with the U.N. on humanitarian issues. Iraqi officials regard U.N. terms as violations of Iraq's sovereignty.

Appendix F outlines the 12 pre-war resolutions and provides a complete text of the 23 separate resolutions that were adopted overwhelmingly by the international community between 2 August 1990 and 11 October 1991. Naturally, I will focus on the resolutions that were adopted before the war--the ones Saddam needed to comply with to avoid economic strangulation and war.

Resolution 661, adopted on 6 August 1990, is the nucleus of the sanctions package. It prohibits all trade and financial transactions with Iraq and Kuwait, and establishes a U.N. Sanctions Committee "to examine the implementation of sanctions." The Committee reports to the U.N. Secretary-General.

Based on findings by the Sanctions Committee, actions can be taken by the Security Council to punish "sanctions-busters"--including states supporting or permitting violations. For example, Secretary Baker warned Jordan before and after the war that the U.S. would take unilateral action against Jordan if it continued to violate the U.N. resolutions. The U.N. also formally warned Jordan. For political reasons, however, no actions have been taken against any country to date.

Resolutions 665 and 670 authorize the international community to enforce the trade sanctions. Information provided to me by the Sanctions Committee and the Center for Strategic and International Studies (CSIS) indicates that the enforcement of the naval blockade has been "exceptionally stringent" but not full-proof. Since August 1990, the international contingent has vigilantly policed the Persian Gulf, conducting interceptions, boardings, seizures and diversions.

According to an information paper provided to me by the CSIS, as of 17 April 1991, there were a total of 8,961 intercepts, 1,185 boardings and 62 diversions. The U.S. conducted 603 of the boardings, while allied ships conducted 553. On 29 other occasions, U.S. and allied vessels executed combined boardings. Many more intercepts, boardings and diversions have been conducted since April 1991.

Beyond the naval blockade, U.S. and allied ground forces have also worked continuously to stop illegal commerce from crossing Iraq's land borders--

including diverting aircraft. This entire land and sea effort has been supported by a sophisticated intelligence network and state-of-the-art aerial reconnaissance and detection assets. Because much of the information is still classified, I can't provide specific descriptions or percentages of the embargoed items. But I can report that a high percentage of the commerce that was intercepted violated the spirit, if not the letter of U.N. resolutions.

What's most important about the enforcement effort is what it says about sanctions as a stand-alone policy. Without military enforcement, sanctions just aren't effective. Even at the height of this particular crisis, countless attempts were made to circumvent the sanctions. Indeed, many sanctions-busters exhibited absolutely no fear of the blockade. They repeatedly tempted military retaliation to make a profit. In many cases, their gambles paid off.

Of course, the blockade still requires a monumental military effort--thousands of troops, vast amounts of equipment and weaponry, intelligence resources and billions of dollars. For the most part, the U.S. orchestrates the mission, but 10 of 16 NATO nations have sent forces to enforce the land and naval blockades. Although I will have more to say about the enforcement of the embargo later in the paper, it's important for the reader to understand the significant human, monetary and resource costs associated with enforcing economic sanctions. Moreover, the costs aren't easily recovered, though the U.N. adopted a resolution to cover this base too.

Under Resolution 674, adopted on 29 October 1990, U.N. members are authorized to pursue damage claims against Iraq. It holds Iraq "liable for any loss, damage or injury arising in regard to Kuwait and third states, and their nationals and corporations, as a result of the invasion and illegal occupation of Kuwait by Iraq." Resolution 674 also initiated a procedure for gathering

information regarding claims of states and "those of their nations and corporations, for restitution or financial compensation by Iraq."

Since most Iraqi financial assets outside Iraq were frozen by national governments in August 1990, legal procedures could be established to make claims against the frozen assets. However, this could take years and may involve "the creation of a special U.N.-Iraq claims tribunal." (4:6) Such an "unprecedented exercise" could engage the U.N. in a "complex and controversial undertaking stretching far into the future." In all likelihood, once Saddam is gone, all liabilities will probably be forgiven.

In any case, the international response to the Iraqi invasion of Kuwait and the efforts to enforce the Security Council resolutions were absolutely unprecedented. By any comparison, the sanctions were carefully crafted, stringent and comprehensive. The conditions were spelled out in black and white, placed on the table for Saddam to read (see Appendix F), and backed up by a massive military coalition to keep the pressure on. In historic fashion, the international community waged economic warfare in all its dimensions.

Now I'd like to turn to the two questions related to troops and time.

VI. THE PRESIDENT PUBLICLY UPS THE ANTE ON SADDAM

On 8 November, the President announced that he would double the troop strength in the Persian Gulf and "set aside the question of rotating troops." (3:532) In a phrase, the troops would stay until the mission was accomplished. The President also worked with the U.N. to develop a resolution that would authorize the coalition to use military force should sanctions and diplomacy fail. On 29 November, the U.N. Security Council adopted Resolution 678, which

authorized the coalition to "use all necessary means to uphold previous resolutions unless Iraq withdraws by 15 January 1991."

The increase in troops and Resolution 678 created a firestorm of debate, particularly in the Congress. Were we now moving precipitously toward war? Had we abandoned a peaceful approach to resolving the crisis? Did the President change his strategy when he doubled the troop strength? Were the sanctions given enough time to work?

Although President Bush was accused of changing his policy on 8 November, the President's strategy stayed consistent throughout the crisis. He understood the weakness of a strategy which relied solely on waiting for sanctions to work. Saddam had to be made to understand that delaying his withdrawal would cost him dearly. He had to know that the threat of force was real and potentially imminent. Secretary Baker endorsed this thesis when he testified before the Senate Foreign Relations Committee on 5 December 1990. He said in part:

"From the outset, our strategy to achieve these objectives has been to make Saddam Hussein pay such a high price for his aggression that he would quit Kuwait. We have aimed to impose costs on Saddam for his aggression by taking increasingly harsh steps on a continuum of pressure and pain--politically, economically, and militarily. On this continuum, economic sanctions and military preparations are not alternatives, but reinforcing and escalating steps of the same strategy. Notwithstanding our desire for peace, from the outset we have proceeded with the full realization that if these objectives can not be achieved peacefully, we must be prepared to use force given the vital interests at stake." (5:111)

As discussed in Appendix D, Saddam showed no sign that he intended to comply with the U.N. resolutions. Indeed, quite the opposite was true. Instead of withdrawing, he prepared for war. According to General Powell, by 5 December 1990, Iraq had over "500,000 soldiers" in and around Kuwait, including "4,000 tanks, 2,500 armored personnel carriers\infantry fighting vehicles (APC'S\IFV'S)

and 2,700 artillery pieces." (6:554) About 50% of Saddam's forces were in Kuwait, while the rest of his army took up battle positions in southern Iraq.

According to James Blackwell of the Center for Strategic and International Studies, Saddam's forces were "formidable", consisting of at least "28 high-quality divisions organized into four corps." (7:465) The four corps were arrayed in depth in three separate echelons, with the Republican Guards Corps in the third echelon as a counterattack force. Heavily armored and mechanized, the Iraqi military had the force capabilities and disposition to defend, delay or counterattack "in response to an allied attack." They were also capable of "launching an offensive of their own into Saudi Arabia at any time." (7:467)

In addition, Saddam's forces constructed a massive series of man-made obstacles to thwart any military action against their dug in troops. These obstacles included barbed wire, mine fields, anti-tank trenches and highly sophisticated infantry fortifications and bunker complexes. In essence, well before the President publicly announced his decision to double U.S. troop strength, Saddam was busy tripling his.

As soon as the President announced his decision to deploy additional forces to the Gulf, ensuring that the coalition had a credible offensive capability on the ground, Saddam accelerated the pace of his deployments to Kuwait. He immediately announced an increase in troop strength in Kuwait of 250,000 troops.

From a military standpoint, it was folly for the U.S. to waste valuable time sitting in a defensive posture as the enemy sent in massive reinforcements. The longer the U.S. waited for diplomacy and sanctions to work, the more time Saddam had to dig in and hunker-down.

With intelligence reports indicating that Iraq's military was involved in very extensive military preparations, the President knew that Saddam couldn't be

bluffed into withdrawal. He had the fourth largest army in the world and, as the Iran-Iraq War attested, he wasn't timid about using it in a protracted war.

Clearly, the U.S. had to have enough forces and logistics to conduct and sustain offensive operations. To get Saddam's attention, the threat had to be real and highly visible. Most importantly, the U.S. had to have enough on the ground to accomplish the mission. As Secretary Baker put it, "Our aim is to ensure that if force must be used, it will be used suddenly, massively, and decisively." (5:112) Unlike Vietnam, we were in this to win.

To anyone who understood modern warfare, it was clear that 230,000 troops wouldn't be enough to dislodge Saddam's dug-in infantry and armored forces, unless the coalition was willing to risk massive casualties, a lengthy conflict, and the prospect of losing. Regarding the President's military strategy, Secretary of Defense Cheney made this statement to the House Armed Services Committee on 14 December 1990:

"We have not put any upper limit on deployments and we are basing our strength in the region on the advice of the commanders on the scene and the ever increasing size of Iraq's forces in Kuwait. And to achieve our required buildup, we for now set aside the question of troop rotation. The President's decision in early November was not a fundamental change in administration policy. It is a logical development from the principles he has established at the outset of the crisis." (3:532)

In separate testimony before the Senate in early December 1990, Secretary Baker warned that failing to continue military preparations (building-up an offensive capability) would have very dangerous consequences. He said it would hurt our strategy, because it would undercut both the sanctions and diplomacy. Like Cheney, he believed it would also tend to reaffirm the status quo and inadvertently legitimize Saddam's illegal occupation of Kuwait--possession being 99% of the law in Saddam's mind.(5:113)

With Saddam knowing that the coalition couldn't engage in offensive operations, the President had to increase troop strength. Otherwise, Saddam would continue to play for time--a key component of his strategy to divide the U.N. coalition and break the embargo. Unless the President upped the ante, Saddam would consider U.S. words and U.N. resolutions as hollow, thereby reinforcing the notion that the U.S. didn't really mean business and had no stomach for war.

General Schwarzkopf also advised the President as early as 4 August 1990 that it would take up to "250,000" troops (Army, Navy, Air Force and Marines) just to effectively deter Iraq from further aggression. (2:249) Moreover, he warned that conducting offensive operations would entail something much different and more massive in scale and scope.

Indeed, General Schwarzkopf painted a rather gloomy picture by indicating that it would take from "8 to 12 months" to deploy the force needed "to kick Saddam out of Kuwait" militarily. (2:249) Notwithstanding U.S. technological superiority, he estimated that there would have to be a very substantial increase in troops--well above 250,000. And deployments would have to begin immediately if the President wanted to have an offensive capability on the ground before spring.

Strategic estimates of the situation indicated that after 10 March, weather conditions would make air and ground combat operations extremely difficult to conduct. (8:433) Poor weather could throw the advantage to the defender and lengthen the conflict. Casualties could also be expected to increase significantly in such a scenario. The holy month of Ramadan also started on 19 March and ended on 17 April. This was certainly a political consideration that could complicate the prosecution of war.

Of course, the most important and compelling reason for preparing adequately for war was to save lives and assure victory. The consequences of not putting troops on the ground to accomplish the mission would be to recklessly risk many more casualties and military defeat. From the outset, this was totally unacceptable to the President and to the American people.

CIA Director Webster, Secretary Cheney, General Schwarzkopf and the rest of the President's advisors all agreed that sanctions had no chance of succeeding without a credible military force in place. And countless others testified the same before Congress. Even those who wanted to give sanctions more time to work realized the need to keep troops in the Gulf. The question was how many.

Director Webster, far from being regarded as a "hawk", was extremely pessimistic about the viability of sanctions. In an interview with the Washington Post on 14 December 1990, Judge Webster said that intelligence reports indicated that Saddam wouldn't withdraw unless convinced that "he is in peril of imminent military attack." He went on to add that Saddam would probably believe he can succeed "until the first shell is lobbed over him." Clearly, the CIA Director had little confidence in sanctions or diplomacy. To him, only the threat or use of force would do the job.

Another factor that played a part in the President's decision to double the troop strength was military logistics. Two-thirds of U.S. logistical capabilities were (and are) in the Reserve Component. The President knew early in the crisis that he would have to mobilize at least some of the Reserves and National Guard. He also knew that such a decision would have domestic implications, since many of those called up would have to deploy to the Gulf. It was a tough political call but a decision that was essential to his two-pronged strategy.

In summary, within 48 hours of the invasion, plans were underway to put an offensive capability on the ground. The fact that the President announced the increase in troops just two days after the elections doesn't mean that he changed his strategy or policy. He didn't.

Phase 1 of the deployment was complete on 6 November; deterrence had been established and a defensive capability was on the ground in the Gulf. The timing of the decision simply underscores the President's understanding of the political, military and psychological dimensions of the crisis. Certainly, he knew the impact of such a major decision on the people at home, especially the Congress. The President also knew that there was absolutely no way that he could make the threat of military force real and believable to Saddam Hussein without having an offensive capability on the ground. This meant that the President also had to make the possibility of war real to the American people as well.

VII. SANCTIONS--JUST A MATTER OF TIME?

Were the sanctions given enough time to work? This question is still the subject of intense debate and will probably never be resolved. There is no easy answer. We still don't have a clear picture of the pre-war impact of sanctions. And the U.N. resolutions are still in place over a year after military victory.

I would argue, however, that the simple answer is yes. We definitely waited long enough, perhaps too long. Even without the added benefit of knowing the real status of Saddam's nuclear weapons program and the positive outcome of Desert Storm, I firmly believe that the sequence of events in this crisis mitigated against waiting for sanctions to work much beyond 16 January 1991. In my considered view, the costs of waiting far outweighed any benefit that could

have been derived. I alluded to some of the costs earlier in the paper. But let me hone in on the most important ones.

In terms of time and results, both are important. Clearly, a policy must be given enough time to work. However, when it comes to sanctions, the length of time isn't what counts. It's how the time is used. For example, Professor Gary Hufbauer, a leading sanctions expert, says that sanctions shouldn't be imposed "incrementally." He says that this will "simply strengthen the target government at home as it marshalls the forces of nationalism." He also says that there is an "inverse relationship between success and the duration of sanctions." The longer the episode lasts, the less likely it is that sanctions will succeed. In other words, time is definitely on the side of the target. According to Hufbauer and his colleagues:

"Sanctions generally are regarded as a short-term policy, with the anticipation that normal commercial relations will be established after the resolution of the crisis. Thus, even though popular opinion in the sender country may welcome the introduction of sanctions, the longer the episode drags on, the more public opinion for sanctions dissipates...The impact of sanctions may be less than expected either because the sanctions take too long to bite or because their bite loosens too soon."

"However, it is not the passage of time alone that undermines economic sanctions. Other factors are correlated with the length of an episode. Episodes between erstwhile allies are generally short, to the point, and often successful. Further, the target country is more likely to receive assistance from another major power if the episode continues for a number of years...Time affords the target the opportunity to adjust: to find alternative suppliers, to build new alliances, and to mobilize domestic opinion in support of its policies." (10:101)

The policymaker must constantly factor in the costs of sticking with sanctions versus the costs of taking a different course of action. When it comes to attaining strategic objectives, inflicting economic pain to attain results matters. But so do the costs of waiting and suffering, especially to those who pay the costs and do the suffering.

Those who support open-ended sanctions sometimes forget that armed intervention (war) isn't the only killer of people. When innocent people are dying needlessly and an entire country is being dismantled, time and patience aren't virtues. They're vices. Advocates of sanctions must learn to look at time through the eyes of the innocent people who suffer the day-to-day, hour-to-hour, minute-to-minute brutality of a human butcher.

Other compelling questions of morality must also be considered by the proponents of economic warfare. Are there only certain types of naked aggression and human rights violations that require a decisive response? How much human suffering must the world witness before it says we've waited long enough? How many times must we be reminded in blood and death that the world has a new generation of Stalins and Hitlers?

Although a last resort in foreign policy, war can actually save lives and immediately protect and secure the things people value most--survival, security, freedom and quality of life. Arguably, war is more forgiving, discriminating and moral than a murderous dictator who has no moral code or sense of humanity. I doubt that the world will ever see Saddam Hussein embrace the Kurds or Shiites the way that American troops embraced and cared for surrendering Iraqi soldiers--right after engaging them in battle.

In a similar vein, video tapes indicate that coalition bombs and cruise missiles hit their targets much more often and more precisely than economic sanctions hit theirs--a point I'll discuss in some detail later. In any case, it would serve the proponents of sanctions well if they would more carefully evaluate all of the costs of waiting and hoping. There are no short cuts to the moral high ground or real policy successes.

When it comes to economic warfare, there is no escaping history either. Though sometimes we try. Many of the critics of the President's strategy warned repeatedly of "another Vietnam." Many cautioned him not to rush to war because American lives were at stake. In a classic exercise of situational ethics and morality, non-American lives were inadvertently (or perhaps intentionally) discounted in the moral argument to stay with sanctions.

In typical demagogic politics, the President was constantly reminded of U.S. sins in Southeast Asia. Regrettably, these moral historians conveniently forgot about the sickening slaughter of millions of innocent people that took place in Vietnam and Cambodia after the American troops pulled out. As post-Vietnam War events prove, Hitler had no historical monopoly on genocide. So much for the moral high ground and sanctity of human life. To some, the stench of death smells much sweeter when it's not American.

Yes, even though it was extremely difficult to draw any legitimate parallels between Vietnam and Kuwait, many tried hard to make the connection. But, thanks to the good sense of the American people, they failed to make their case. In a country founded on the Judeo-Christian ethic, Americans have always believed that there are some values worth defending and causes worth fighting for--even in the world of "realpolitik."

For five months, the world watched and waited for sanctions to work. During this period, Saddam literally dismembered another sovereign country and orchestrated his own special brand of genocide against the Kuwaitis, the Kurds, the Shiites and countless others who got in his way. What price sanctions?

No matter how you slice it, the Gulf War helped stop the crimes of a mass murderer and his brain-dead accomplices. War accomplished in 43 days what sanctions and waiting couldn't accomplish in 166. With an air campaign that

lasted less than 6 weeks and a ground war that took only 100 hours, resulting in miraculously low casualties, the U.S.-led military coalition defeated Saddam, destroyed most of his arsenal and liberated Kuwait. As part of Operation Provide Comfort, coalition troops still stand guard over helpless victims of Saddam's aggression. And allied forces must oversee the safety and welfare of international inspectors as they search for and dispose of Saddam's weapons of mass destruction.

It's hard to argue against a foreign policy instrument that attains such results. Unfortunately, we're still hoping that sanctions will force Saddam to cooperate and give up on "nukes" and gas. Regrettably, sanctions and waiting are getting a second chance in the same crisis and failing once again. Assuming that sanctions fail to change Iraq's behavior, war may soon get its second chance.

But let me go beyond being a Monday morning quarterback in my criticism of economic sanctions. Let me forget for a moment that the U.S. is now engaging in yet another sanctions failure against Haiti. Let's take a closer look at who, besides Saddam and his Baathist henchmen, actually suffered the costs and pain of waiting for the success of a sanctions policy-- before and after the Persian Gulf War.

As I'll discuss in detail in the next section, Sanctions--A Questionable Track Record, history indicates that sanctions rarely (if ever) succeed when the sender is trying to change the target's policy in a "major way." (10:93) In terms of waiting time, successful cases have lasted a little less than three years, while failures have dragged on for an average of eight. (9:63) Experts universally agree that it takes a lot of time and vigilance for economic pressure to have an impact on the target country.

Participants in a sanctions regime must voluntarily discontinue trade and finance with the target and bear the costs of the policy decision. The economic impact on businesses, farmers, financial institutions and entrepreneurs is routinely immediate, enduring and negative. Knowing this, countries are much less enthusiastic about supporting sanctions when they stand to lose as much as the target and perhaps gain nothing from the exercise in the process.

Before instituting sanctions, it's important to know who will have to suffer the consequences of the policy--besides the target. This knowledge must be factored into the policymaking process. If sanctions are to have any chance of success, the primary sender must know who will bear the costs and what can be done to offset the costs over the long term. Some countries will require economic assistance or they won't participate. Gaining and keeping the support of other countries is a constant battle for the primary sender. And it's a built-in advantage for the target, especially when the costs are high and there's no prospect that the crisis will be resolved quickly.

Professor Hufbauer testified to the Senate Foreign Relations Committee on 5 December 1990 that sanctions had a better chance of succeeding in the Iraqi case, but warned that it could take as long as two years. (9:63) Although he indicated that the sanctions would hurt Iraq much more than any other case in history, he cautioned that success in the use of sanctions has been much "more elusive" in the last 20 years. (9:67) Hufbauer said in part:

"Policymakers often have inflated expectations of what sanctions can accomplish. Sanctions are seldom effective in impairing the military potential of an important power, or in bringing about major changes in the policies of the target country. Of the 30 cases involving these high policy goals (since World War I), success was achieved in only 7 (23%), and 4 of the 7 involved military conflict; 2 world wars and 2 civil wars (between India and Hyderabad in 1948, and Nigeria and Biafra in the late 1960's)." (9:65)

His own studies indicate that the imposition of sanctions is a very blunt policy instrument. In fact, his latest work says that sanctions are of "limited utility in achieving foreign policy goals that depend on compelling the target country to take actions it stoutly resists." (10:92)

What's more, Professor Hufbauer and his colleagues found that "there is a weak correlation between economic deprivation and the political willingness of the target country to change" based on the edict of the sender countries. (10:94) They conclude that the economic impact of sanctions may be tremendously effective "but other factors in the situational context almost always overshadow the impact of sanctions in determining the political outcome." In other words, the economic impact on Iraq probably had little or nothing to do with Saddam's political decisionmaking as it pertained to leaving Kuwait. This unpredictability is why it's so difficult to garner international support for a sanctions policy. Why disrupt trade, finance and markets when there is a good chance that sanctions won't work?

There is no doubt that the U.S. could have waited much longer for the sanctions to work against Iraq. But who were the sanctions really hurting in this case? Clearly, the pain wasn't being felt by Saddam or his henchmen, at least not to the degree that it influenced his behavior or policies.

Numerous reports show that Saddam had the power to decide who in Iraq would be punished by the sanctions. He said early in the crisis that his country could and would endure the sacrifices necessitated by the embargo. What he did not say was that the Kurds, the Shiites and the poverty stricken people on the fringes of the Iraqi capital would make the social and economic sacrifices -not the elite in Baghdad or his ruthless regime.

Beyond the suffering of the Iraqi people, others outside Iraq also paid a very heavy price for backing the sanctions. At this point, it's impossible to calculate precisely what the crisis actually cost the U.S. But Richard Darman, Director of the Office of Management and Budget, testified to Congress that the total budgetary costs to the U.S. of stopping Iraq exceeded \$61 billion. This, of course, includes most of the monetary costs of the war. Even if the U.S. treasury receives the \$54 billion pledged by coalition partners, the Gulf crisis will still prove to be a very expensive proposition. And the U.S. is still investing very substantial amounts in bringing the situation to a conclusion.

In addition, the economic embargo stopped "4.5 million barrels per day" of combined Iraqi-Kuwaiti oil exports--14% of world exports. (11:124) What's more, the continuing uncertainty caused by the invasion and the prospect of war kept the price of oil extremely high, hurting all nations.

After the invasion, oil prices skyrocketed from \$18 to \$40 per barrel by the fall of 1990. In the U.S., this hurt consumer confidence and slowed business investment in new plant and equipment. The oil shock wasn't as severe as the shocks of the 1970's, but some industries were hit extremely hard. For example, the airlines suffered significantly when the cost of jet fuel increased from 60 cents a gallon prior to the invasion to \$1.40 a gallon by October.

The rapid increase in oil prices also proved particularly devastating to the countries of Eastern Europe, the Third World and many of Iraq's neighbors--especially Egypt, Jordan, Turkey and, to a lesser extent, Iran. The European Community (EC), Japan, Brazil and other South American countries were also hurt economically by the crisis.

Many economists believe that the disruption in the flow of oil accelerated and worsened the recession in the U.S. and other countries worldwide as well.

Some economists contend that the U.S. economy is still suffering from the costs of the sanctions and Desert Shield\Desert Storm. Certainly, the crisis worsened the economic woes of countless countries. And many are still hurting from aggression, sanctions and war.

To offset the negative consequences, Gulf oil producers, benefiting by the additional security provided by Desert Shield forces, increased their oil production by over 3.5 million barrels per day. Coupled with supplies already on hand, most of the void was filled. Oil prices came down but not to pre-crisis levels. Since the cease-fire, prices have generally stabilized, but there is still some nervousness and the marketplace reflects this. (11:124) Of course, oil producers like Saudi Arabia, Venezuela and the United Arab Emirates (UAE) emerged from the crisis as big winners.

Recognizing the profound and negative impact of resorting to economic warfare, one of the U.N. resolutions made specific provisions for assisting those countries most hurt by the sanctions. The U.S. also unilaterally assisted some countries by forgiving debts and supporting International Monetary Fund and the World Bank loans. Wealthy countries like Japan and Saudi Arabia also assisted countries in need.

It's impossible to accurately calculate the economic costs to the world community, but the impact on many countries will be felt into the next century. The human deprivation and suffering are also incalculable and represent the most hideous costs of all.

It's beyond the scope of this paper to present a complete cost-benefit analysis. But I believe it's important to show why sanctions are bad policy and counterproductive. Appendix G, The Cost of Waiting--Economic and Military Factors, provides some telling statistics on a few of the countries or regions

mentioned above. The examples go beyond the costs of shutting down Iraq's economy with air, land and sea blockades. However, as mentioned earlier, the U.S. and other coalition countries are currently spending billions of dollars on enforcing the sanctions. Appendix G also discusses the impact of waiting for sanctions to work on such things as morale, readiness and the President's strategy.

In summary, it can be argued, albeit not very effectively, that the U.S.-led coalition should have waited 12 to 18 months or longer as recommended by the proponents of sanctions. But the President stuck to his strategy, carefully weighing the costs of sanctions against going to war. He never wavered or changed his focus. And, in the final analysis, it was Saddam who opted for war. In my view, the U.S.-led coalition properly analyzed the costs of waiting and made the proper decision to use another policy option that was a key pillar to the President's strategy.

But what about the history of sanctions? Are there lessons to be learned? Shouldn't we be reluctant to use a foreign policy instrument that fails repeatedly to achieve our objectives or protect our vital interests? Don't the lessons of history apply to sanctions as well?

VIII. SANCTIONS-A QUESTIONABLE TRACK RECORD

To better understand why the imposition of sanctions has limited value and utility in achieving foreign policy objectives, I think it would be instructive to briefly summarize the history of sanctions in general. I will also use this section to develop a framework or guide by which to examine the Iraqi case. Although I will cite other sanctions cases to support my thesis, I won't discuss the nitty-gritty details of other cases. For those readers interested in

studying the use of sanctions in the conduct of foreign policy, I have listed six works at Appendix H which proved especially educational to me in my research.

Economic sanctions as an instrument of foreign policy is as old as warfare itself. Pericles' Megarian decree, enacted in 432 BC, is one of the oldest and most famous cases of economic coercion. In his book, The Peloponnesian War, Thucydides implies that the decree played a role, albeit very minor, in starting the war between Sparta and Athens. In discussing Sparta's ultimatum to Athens, Thucydides writes:

"But the chief point and the one that they made most clear was that war could be avoided if Athens would revoke the Megarian decree which excluded the Megarians from all ports in the Athenian Empire and from the market in Attica itself." (12:118)

Pericles later described the decree as a "trifle" not worth going to war over.

In contemporary history, sanctions came into vogue after World War I. Perhaps the most comprehensive study of this period was written by Gary Hufbauer, Jeffrey Schott and Kimberly Ann Elliott in their book, Economic Sanctions Reconsidered--History and Current Policy. They define economic sanctions as "the deliberate government-inspired withdrawal, or threat of withdrawal, of customary trade or financial relations." In most of the cases they studied, the stoppage of trade and finance "was accompanied by some type of armed conflict" or open warfare. Only after World War I did they find that policymakers actually began to accept the idea that sanctions might be used to "substitute for armed hostilities as stand-alone policy." (10:5)

Following World War II, sanctions were imposed for a variety of reasons but were still used extensively "to force the target country to withdraw its troops from border skirmishes, to abandon plans of territorial acquisition, or desist from other military adventures." (10:5) Hufbauer, Schott and Elliott found that

sanctions were most ineffective when used to stop "the exercise of military power."

Although the U.S. enjoyed some earlier successes in the use of economic pressure to stop militarism, the most recent cases have been total failures.

Hufbauer and his colleagues made these observations:

"For example, in 1948-49, the United States was able to coerce the Netherlands into backing away from its military efforts to forestall Indonesian independence; in 1956, the United States pressed the French and the British into withdrawing their troops from the Suez region; and in the early 1960's, the United States persuaded Egypt to withdraw from Yemen and the Congo by withholding development and PL 480 food aid. More recent attempts haven't been as successful. Turkish troops remain in Cyprus more than 15 years after their invasion and in spite of U.S. economic pressure in the mid-1970's. The Carter grain embargo and boycott of the 1980 Moscow Olympics didn't discourage the Soviet occupation of Afghanistan. Indeed, aside from the 1956 Suez incident, major powers have never been able to deter the military adventures of other major powers simply through the use of economic sanctions." (10:5)

There are three ways in which the sender attempts to inflict costs on the target country: first, by limiting exports; second, by restricting imports; and third, by impeding finance, including the reduction of aid. Hufbauer said, in testimony before the Senate Foreign Relations Committee on 4 December 1990, that in the 115 cases of economic sanctions since World War I, it's his judgement that 34% achieved at least partial success. (9:64) However, he qualified this statistic by saying that the "success rate importantly depends on the type of policy or governmental change sought." It also depends on the context in which the sanctions are applied. In essence, this is a euphemism for saying that sanctions don't work at all as a "stand-alone" policy instrument and infrequently achieve any success unless certain conditions exist.

What's more, Hufbauer somewhat subjectively assigns success to sanctions even when "companion policies" may actually be responsible for the so-called

success. Indeed, Hufbauer's one-third success rate is highly optimistic and bears much closer scrutiny.

In his testimony, he defined "success" as causing the target country to "change its behavior or change its policy." In comparing the economic and political circumstances across all the cases that he studied, he found that sanctions tend to be most effective under the following circumstances:

- * The goal is relatively modest.

- * The target is much smaller, economically weak and politically unstable.

Hufbauer said that the average sender's economy was "187 times larger" than the average target's.

- * The sender and target are friends and conduct much trade with each other.

In success cases, the sender had 28% of the targets trade. In failure cases, it averaged 19%.

- * The sanctions are imposed quickly and decisively to achieve maximum impact.

In success cases, Hufbauer said that the average cost to the target was 2.4% of GNP; in failures it was 1%. Successes took an average of 2.9 years; failures lasted 8 years or more.

- * The sender avoids high costs to itself.

According to Hufbauer, economic sanctions proved far more useful in contributing to the attainment of foreign policy goals prior to 1973, when they had a 44% success rate. Of the 59 cases initiated since 1973, only 14 (24%) resulted in at least partial success, even though the number of cases involving "modest policy goals" soared.

Since World War I, the U.S. has been the most frequent user of economic sanctions by a wide margin--77 of the 115 cases. Most importantly, during this period, the U.S. failure rate is far greater than any other country. Moreover, in almost all the cases in which the U.S. has been involved since 1973, the outcome has been failure. (9:63)

In his testimony, Hufbauer indicated that success has two parts: "the extent to which the foreign policy outcome sought by the sender was in fact achieved; and the contribution made by the sanctions to a positive outcome." I won't get into the technical details of his formula for calculating the success

or failure of past sanctions cases. It's in his book for all to read. (10:120) But I have used the basic framework of his model to analyze and discuss the sanctions imposed against Iraq and their success--technical as well as political.

In evaluating the success of economic sanctions, the first step is to determine what type of foreign policy objectives the sender hopes to achieve by the imposition of sanctions. Indeed, the nature of the objectives is the most important variable of all, because it's against the specific objectives that success must be measured. All too often, this point gets lost when discussing the viability of sanctions as a foreign policy tool. Some forget that changing the target's policy or behavior is the name of the game, not just inflicting economic pain.

Frequently, objectives are changed or modified as the sanctions case evolves. Through negotiations, the sender and target agree upon a compromise solution. For example, as Appendix E indicates, some countries favored and worked for a negotiated settlement with Saddam. Others even supported "negotiating down" from the U.N. resolutions. Of course, the President wouldn't accept such compromises. But standing firm against compromise is the exception, not the rule in sanctions cases.

In other cases, the objectives achieved in the final outcome of the case bear little resemblance to the original objectives. As empirical evidence shows, backsliding is a fact of life in economic warfare and always benefits the target in some way. Notwithstanding the negotiated compromise, political success is often proclaimed by the sender even though the original objectives weren't achieved. In fact, the sender may actually agree to pay a negotiated cost to the target country--a cost that totally contradicts the original intent of imposing the sanctions in the first place. All too often, the costs are borne by the

sender's private sector, not the government.

Hufbauer and his colleagues classified their case histories in five broad categories--according to the foreign policy objectives sought by the sender country:

*** Change the target's policies in a modest way.**

This includes such issues as human rights violations, combating terrorism and halting the proliferation of nuclear, biological or chemical weapons.

*** Destabilize the target's government.**

Our ongoing embargo against Fidel Castro's Cuba is an example of this category. The sanctions against Cuba started in October 1960. Over 30 years later, we are still waiting for success. Our policy toward Manuel Noriega is another example. Sanctions had little impact on Noriega. He held out defiantly until U.S. troops executed "Operation Just Cause" to liberate Panama and bring Noriega to justice.

In the same sense, sanctions had little to do with persuading Daniel Ortega and the Sandinistas to hold elections. In Hufbauer's own assessment of this episode he says: "Nicaragua's economic collapse was caused primarily by the cost and disruption of the contra war; U.S. economic sanctions, the effects of which were partially offset by assistance from the Soviet block and Western Europe, played only a minor role in the outcome." (10:191) Ultimately, the Soviet Union changed its policy toward Nicaragua (reducing aid and political support), while the U.S. continued to support the Contras with both military and humanitarian aid. These and other political factors forced the democratic elections in Nicaragua--not sanctions.

In the Iraqi case, the President encouraged the people of Iraq to overthrow Saddam. However, the actual strategic objectives made no mention of destabilizing Saddam and the coalition stopped short of marching to Baghdad after decisively defeating Saddam's army in southern Iraq and Kuwait. Of course, the U.S. and other allied countries sent troops to Kurdistan to protect the Kurds and other refugees from Saddam's tanks and helicopters--Operation Provide Comfort. In fact, a "security zone" had to be set up in northern Iraq above the 36th parallel to stabilize the situation.

To weaken dissent, Saddam set up his own economic embargo of Kurdistan, stopping all humanitarian aid from reaching the beleaguered and starving refugees. In the meantime, his tanks, troops, artillery and helicopters are positioned just outside the Kurdish "security zone", waiting for the June 1992 departure of the allied security forces.

The U.N. countered Saddam's embargo by passing Resolution 688, which established international procedures for protecting the Kurds. The U.N. is also funnelling foodstuffs and medicine through separate channels to the Kurdish people. And the Security Council is now considering leaving security forces in northern Iraq indefinitely to thwart Saddam's planned aggression.

Currently, the President is also considering additional military action, both overt and covert, to bring down Saddam's regime. He is also reportedly backing a Saudi plan "to supply arms and intelligence to Kurdish rebels in northern Iraq, Shiite Muslim fighters in the south and Sunni Muslim opposition in central Iraq" to facilitate Saddam's demise. (13:1)

*** Disrupt a minor military adventure.**

*** Impair the military potential of the target.**

In the context of regional stability and security, this is certainly an objective in the Iraqi case. Only the war had a major impact on Saddam's military machine--not sanctions. Of course, Saddam continues to defy the Gulf War cease-fire agreement by refusing to declare the location of Scud ballistic missiles and other weapons material. Based on intelligence reports, Iraq has apparently constructed underground storage sites which can't be detected by satellites or spy planes. Needless to say, inspectors can't locate them either.

*** Change the target's policies in a major way.**

China has steadfastly refused to bow to economic pressure to change its policies on human rights and individual freedoms. Even after the world condemned the massacre of Tiananmen Square, the "old guard" defiantly holds firm to its communist and repressive ideals. True to form, the U.S. is backing away from sanctions (without attaining stated policy objectives) to advance other more compelling and important U.S. interests--non-proliferation and trade. In fact, the U.S. recently conducted talks with Chinese officials to pave the way for better relations.

In spite of China's totalitarian regime, the Bush Administration believes it must engage the Chinese leadership in a more positive fashion. The U.S. expects to gain China's cooperation in stopping the proliferation of ballistic missile technology to such countries as Iran.

In essence, continued economic pressure over human rights issues could prove counterproductive to achieving other important policy goals. Also, pressing China on its human rights record could further strain relations, hurt trade and disrupt potentially lucrative markets. This isn't in U.S. interests.

In the Iraqi case, sanctions worked technically, but failed to influence a change in Saddam's policies or behavior. I will discuss this in more detail in the next two sections: Sanctions--Once Again, A Political Loser; and Applying the Pressure--A Technical Winner.

In his testimony before the Senate, Hufbauer pointed out that, like the Iraqi case, most sanctions cases have more than one objective. He classifies the cases according to the most difficult objective to achieve. For example, of the four strategic objectives in the Iraqi case, getting Saddam out of Kuwait took priority and the most effort. Realizing security and stability also proved important but elusive.

Hufbauer also delineates several political and economic factors which could have an impact on the outcome of each sanctions case. The political variables include:

*** Companion policies used by the sender.**

This could include covert military actions, special operations, naval blockades, massing troops on the target's border or a combination of such actions. President Bush's strategy against Iraq is a perfect case in point.

* The number of years economic sanctions were in force.

As indicated earlier, we have had sanctions against Cuba for over 30 years but to no avail. Our sanctions against the Soviet Union for the invasion of Afghanistan lasted for years but also proved fruitless. Because President Carter stopped all grain shipments to the Soviet Union, our farmers lost the market to European countries that didn't support the trade embargo. In the end, our farmers paid the highest price for a failed policy, not the Soviet Union. In the final analysis, it was U.S. military support of the Afghan rebels that caused the Soviets to withdraw--not sanctions.

* The extent of international cooperation.

This extends from no cooperation to significant international participation in the embargo. Obviously, the U.S. enjoyed unprecedented cooperation from the world community in the imposition of sanctions against Iraq. Unfortunately, sanctions-busting has enabled Saddam to survive. But more on this later.

* International assistance to the target country.

The U.N. has authorized humanitarian aid (food and medicine) to be shipped to Iraq. But Saddam will not engage in any deals to gain additional international support for his people. For example, U.N. Resolution 706, adopted on 15 August 1991, was totally rejected by Saddam. The resolution allows Iraq to export \$1.6 billion in petroleum products over a 6 month period to finance the purchase of foodstuffs, medicines and other materials and supplies to meet essential civilian needs. It also stipulates that 30% of the proceeds from the exports must be used for repayment of war damage. The costs of U.N. supervision of exports and imports must also be deducted. Saddam refused to even discuss taking part in the plan. (14:1)

Even though malnutrition, infant mortality and infectious diseases are on the rise throughout Iraq, Saddam will not relent. Iraq's Minister of Trade vowed that the Iraqi people "would eat dates and barley and anything we have to defend our sovereignty and freedom." In a speech on 12 October 1991, Saddam said that "Iraq can live under siege for 20 years without asking anybody for anything." (14:1)

Beyond food and medicine, Iraq has received almost no support or assistance. Even countries like Iran, Jordan and Libya have reluctantly agreed to adhere to U.N. resolutions, though their record is very spotty at best. In addition, there has been considerable cheating (smuggling and illegal financial deals), but much of it has been stopped by the sanctions--before and after the war. More on this issue later.

* The political stability and economic health of the target country.

This ranges from a distressed country like Haiti to a relatively strong and stable country like South Africa. Iraq falls somewhere in between. Appendix B, Saddam's Pretext for Naked Aggression, gives a summary of Iraq's economic health. In a later section, Applying the Pressure--A Technical Winner, I'll also discuss Iraq's economy and its vulnerability to the embargo. I don't think there is any doubt that Saddam is the political establishment in Iraq. He rules with an iron fist and most believe that only force will topple his regime.

* The warmth of relations before the sanctions were imposed.

This could range from antagonistic to cordial relations. Just before the invasion, the U.S. and Iraq were beginning to experience very serious problems. But the U.S. and other Western countries generously supported Saddam and his regime for years, particularly during the Iran-Iraq War. Indeed, the West and the Soviet Union were largely responsible for the size and sophistication of his massive military arsenal.

Regionally, Saddam was regarded as a bully and a threat to regional stability. Iraq's invasion of Kuwait propelled Saddam to the top spot on the list of international outlaws. It's safe to say that Saddam's neighbors have no use for him or his henchmen. They are eager to see him overthrown.

Hufbauer's economic variables include:

- * The cost imposed on the target country. This is measured as a percent of GNP and expressed in per capita and absolute terms.
- * Commercial relations between the sender and target countries. This is measured by determining the percentage of two-way trade between the target and the sender countries.
- * The economic size of the sender and target countries. This is simply a ratio of the target and sender GNP's.
- * The type of sanctions used. Sanctions could be on imports, exports, financial transactions or a combination of the three. In the case of Iraq, the sanctions include all three types.
- * The cost to the sender country. Simply stated, this ranges from a net gain for the target to a major loss. The cost to Iraq will be discussed in another section.

All of the economic factors will be discussed in much greater detail later. Suffice it to say, the embargo against Iraq inflicted unprecedented pain and must be considered a technical success. Now let's take a look at the overall record.

In reviewing the results of the 115 case histories he studied, Hufbauer presented some intriguing empirical data. In those cases which involved "destabilization", 52% were categorized as successes. In almost all of these cases, the targets were small countries with weak economies. In those cases involving "modest goals" and cases "involving attempts to disrupt military adventures", approximately 33% proved successful. In cases which involved "efforts to impair a foreign adversary's military potential or to otherwise change it's policies in a major way", the success rate was about 23%. (9:64)

When discussing the prospects for using sanctions in the future, Hufbauer said the success rate of sanctions since 1973 has been particularly poor. In his study, he split the cases roughly in half--those initiated before 1973 and those after 1973. As he put it, "a striking difference emerges." (9:67) Figure 1 graphically depicts the sanctions record before and after 1973.

THE SANCTIONS RECORD

Policy goal	Overall Record		Pre-1973		1973-80	
	No. of successes	No. of failures	No. of successes	No. of failures	No. of successes	No. of failures
Modest policy change _____	17	34	8	3	8	28
Destabilization _____	11	10	8	6	2	4
Change of military situation _____	6	22	5	6	1	4
Military equipment _____	2	8	2	6	0	2
Other major policy change _____	5	15	2	11	3	4
All cases _____	41	79	27	34	14	46

* The figures include five instances of cases under two different policy goals. Since these cases are generally failures, double counting them adds a small negative bias to the success ratio.

Source: Estimated from the Congressional testimony of Professor G. Hufbauer, Georgetown University, made before the Senate Foreign Relations Committee on 4 December 1980.

Figure 1

As Figure 1 indicates, the sanctions episodes prior to 1973 succeeded 44% of the time, while the success rate after 1973 was under 25%. It's important to add, however, that since most of the cases had "companion policies", there's no way to know with certainty how much sanctions actually contributed to attaining policy success.

What's more interesting about the statistics in Figure 1 is that the effectiveness of sanctions imposed in pursuit of "modest goals" suffered an even more radical decline--from 75% before 1973 to 21% after 1973. This decline is very bad news for the proponents of sanctions, because sanctions are supposed to be most effective when pursuing modest policy goals.

In discussing why success has declined so precipitously in the last 20 years, Hufbauer made these important observations, focusing primarily on the very poor record of the U.S.:

"These trends need to be qualified: the increasing use of sanctions, despite declining effectiveness, can be attributed entirely to U.S. experience. Other senders, including multilateral coalitions in which the United States played a relatively minor role, both reduced

their reliance on sanctions and improved their record: from 10 successes in 28 attempts prior to 1973, to 6 out of 13 since 1973. In contrast, after posting a better than a .500 average in the earlier period, the U.S. has batted under .200 since 1973." (9:67)

Hufbauer and his colleagues attributed this radical decline in the U.S. success rate to its relative decline in the world economy. This isn't to say that America is in decline as a nation. Empirical data proves it isn't. Despite the recent downturn in some sectors, the U.S. still retains a dominant global position. It has the highest overall productivity (though the relative rate of increase has slowed), has the strongest scientific and technological base and ranks near the top in per capita income. And the U.S. share of the world's GNP is steady at 25%. This is about the same proportion as before World War II.

What Hufbauer correctly implies is that the U.S. faces stiff competition in the world marketplace. "Unlike the early post-war era, the U.S. is no longer the major supplier of many goods and services, nor is it the only source of economic assistance for developing countries." (9:67) In addition, trade and finance patterns have changed radically in the last 20 years. The U.S. share of the world market is declining in many industries. And we are losing our lead in many of the emerging technologies.

What's more, global economics is becoming a reality and profit-making businesses and corporations no longer owe their total economic allegiance to any one country. Also, countries like Japan and Germany, economic superpowers in their own right, are much more reluctant to disrupt trade and financial arrangements to accommodate U.S. interests or foreign policy initiatives. Indeed, the interests of the U.S. and countries around-the-world aren't always compatible and often diverge.

Today, our friends and those who depended on us in the past no longer march in lock step to the beat of the U.S. drum. Hufbauer calls this reality the

"declining hegemony" of the U.S. (10:107) In fact, as far as sanctions are concerned, global economic development and interdependence in general have effectively reduced the pool of vulnerable targets. As countries grow stronger economically and expand their trade with other nations (besides the U.S.), the U.S. has less influence over the direction of their foreign policy.

All of these trends have had a major impact on U.S. trade with other countries and the success of sanctions. Hufbauer made these comments in his testimony to the Senate:

"The trends are starkly illustrated by the declining average trade linkage between the United States and its targets (from 24% prior to 1973 to only 17% since), the lower cost imposed on targets (1.7% of GNP versus .9% of GNP), and the fading utility of manipulating aid flows. For example, the success rate for financial sanctions used alone (cases involving reduced aid to developing countries) declined from nearly 80% before 1973 to less than 20% since then." (9:67)

Our economic competitors understand that sanctions can only succeed in today's global marketplace when there is significant international cooperation. Going it alone with sanctions is bad policy, because other countries are happy to fill the trade and finance void left by the sender of sanctions. The U.S. has yet to learn this lesson.

Empirical evidence shows that the U.S. turns to sanctions much more often than any other country, and it fails almost everytime. On the other side of the ledger, other countries use sanctions much less, but they succeed most of the time when they do. (10:106)

It's unclear why the U.S. sticks to a losing policy instrument. It could be that sanctions are used to simply stall for time until other policy alternatives can be developed. For example, initiating sanctions against Iraq was a good way of sending a message to Saddam and providing time to marshal political and military support. They also temporarily satisfied those who cried

for immediate action. Clearly, sanctions do serve a ceremonial purpose and are useful in the diplomatic realm as a way of upping the ante.

Perhaps sanctions are used because of a moral requirement to take some type of action, even if it's not successful. One economist and sanctions expert called sanctions "the weapon of the weak." In other words, when you're powerless to do anything else, economic pressure is a way of expressing displeasure with the policies or behavior of the target.

As the leader of the free world and vicar of democratic values, the U.S. must be perceived as taking the moral high ground. In this regard, sanctions provide a way of expressing moral outrage. But why continue to use a policy instrument that makes U.S. policy look impotent? The U.S. would be better served to resist the tendency to use economic coercion every time it faces a foreign policy crisis of any magnitude. It's particularly bad policy when we don't enforce the sanctions and have little or no international support to boot.

Resorting to sanctions also goes to the heart of being viewed by other countries (markets) as a reliable trading partner. For a country that preaches free and fair trade, the record shows that the U.S. is much more inclined to deliberately interrupt trade and finance to attain its political objectives. Constantly resorting to economic warfare to resolve political disputes isn't popular in countries that are interested in building lasting markets and trade partnerships.

Additionally, it's hard to sell moral outrage and economic sanctions to other governments that don't completely share our ethics, values or moral codes. This is especially true when the costs to their countries could be business failures, the loss of jobs and revenues at home, or even recession.

What's more, outcries on the homefront may actually cause the sender to reverse course, especially when the sanctions are pinching the sender more than the target. This happens frequently and usually occurs when the sender fails to conduct a comprehensive assessment of the impact of the sanctions policy. The grain embargo imposed on the Soviet Union by President Carter is an example. The former President moved ahead with sanctions without garnering international support. And he didn't adequately assess the impact on the U.S. economy in the short or long term. In the end, U.S. farmers were the big losers and the Europeans, who increased their shipments of grain to the Soviets, were the big winners. President Reagan later lifted the embargo to win back the market for the U.S.

Of course, it's important for the U.S. to provide moral leadership and to take the tough stands in line with democratic values, beliefs and ideals. But as former President Richard Nixon put it, "Idealism without realism is impotent." It's more important today than ever before to look after our own interests, including our economic security. President Nixon prescribes "practical idealism, with limited objectives and measured commitments." Like others leaders experienced in "realpolitik", he believes that we should use "diplomacy, foreign aid, hardheaded negotiations and sanctions" as the "principal instruments to advance our lower-priority values." (15:35) Clearly, the U.S. must do a better job of defining its interests and determining how best to realize them. In President Nixon's words, "The level of response must be balanced against the costs, risks and the possibility of success." (15:37)

There are, of course, other reasons for the decline in the success of economic sanctions. Until its demise, the Soviet Union consistently worked counter to U.S. foreign policy.

Some argue that Congress has contributed to the poor track record. Divided government often inhibits the development of a comprehensive and coherent foreign policy, including economic policy. I don't think there's much doubt that the Congress has played an increasingly adversarial role in foreign policy over the last 25 years. The Congress has frequently opposed the President in using economic pressure, particularly when the pressure being applied is in the form of cutbacks in aid or financial assistance.

The recent policy debate over providing billion of dollars in aid to Israel is a good example. The U.S. is clearly trying to influence Israel to change its policy on the construction of additional settlements in the occupied territories. The Bush Administration believes that Israel's intransigence is seriously inhibiting the Middle East peace process, particularly progress on the question of a Palestinian homeland. Accordingly, the U.S. line is getting much tougher, if not uncompromising. In recent testimony before the Congress, Secretary of State Baker said that if Israel expects aid guarantees in the future, it must stop constructing the settlements. In all likelihood, however, Israel will get the aid it has requested, despite the not-so-subtle sanctions of the Bush Administration.

In summary, the track record of economic sanctions is poor and getting worse. However, despite their declining success rate, the U.S. continues to use sanctions more than any other country in the world. And it's leading the pack in failures by a wide margin. Our policymakers should lower expectations, abandon wishful thinking and take a closer look at the lessons of contemporary history.

But what about the Iraqi case? Were the sanctions working before the war? Politically, the answer is no. The sanctions didn't induce Saddam to get out of

Kuwait or force him to comply with the other U.N. resolutions.

Technically, the sanctions did succeed. They effectively shutdown Iraq's trade, dealt a serious blow to the Iraqi economy and isolated Saddam from the world community. The next two sections will address these two important aspects of the Iraqi case in a little more detail.

IX. SANCTIONS—ONCE AGAIN, A POLITICAL LOSER

The imposition of sanctions against Iraq was a policy failure. The only strategic objective attained before the war was the release of the Western hostages. But their release had little, if anything, to do with economic pressure. Saddam miscalculated the world's response to taking the hostages and had to cut his losses. When the Arab community joined the rest of the world in condemning his act of terrorism, Saddam ordered their release. Holding them worked counter to his strategy of dividing the coalition.

With regard to achieving the other strategic objectives, the sanctions were an abject failure. It took war to evict Saddam and restore the legitimate government of Kuwait. It took war to destroy his army and weapons of mass destruction. And it took war to restore some measure of regional security and stability. Unfortunately, armed intervention couldn't achieve all of the goals. Saddam is still at large and continues to defy U.N. resolutions.

Though every factor in Hufbauer's framework clearly indicated that the sanctions should have succeeded, they didn't. And they're still failing. What's most disturbing is that the U.S. government (primarily Congress) applied wishful thinking and theoretical constructs as the basis for believing that sanctions would work. The Congress ignored the historical track record of sanctions, Saddam's minor susceptibility to pressure, and numerous intelligence reports.

All of these clearly indicated that he and his regime wouldn't succumb to economic warfare--no change in behavior or policy. Despite knowing that sanctions had little chance of success, our policymakers, experts and Congress continued to push hard for a sanctions policy--wishful thinking par excellence.

In open hearings on 4 December 1990, CIA Director Webster reminded the House Armed Services Committee that the Iran-Iraq War was clear and convincing evidence that the Iraqi people could withstand extended periods of terrible deprivation. He said that throughout eight years of war they endured:

"the combinations of economic distress, high casualty rates and repeated missile and air attacks without a single significant public disturbance, even though casualties hit 2.3% of the total Iraqi population--about the same as the percentage of casualties during the U.S. Civil War." (16:18)

In assessing Saddam's political vulnerability to sanctions, Director Webster went on to say:

"Despite mounting disruptions and hardships resulting from sanctions, Saddam apparently believes that he can outlast international resolve to maintain sanctions. We see no indication that Saddam is concerned, at this point, that domestic discontent is growing to levels that may threaten his regime or that problems from the sanctions are causing him to rethink his policy on Kuwait. The Iraqi people have experienced considerable deprivation in the past. Given the brutal nature of the Iraqi security services, the population is not likely to oppose Saddam openly. Our judgment has been, and continues to be, that there is no assurance or guarantee that economic hardships will compel Saddam to change his policies or lead to internal unrest that would threaten his regime." (17:113)

In the same hearings, Dr. Jerrold Post, Professor of Psychiatry, Political Psychology and International Affairs at George Washington University, also testified that sanctions wouldn't work. Dr. Post, former Director of the CIA's Office of Psychological Profiles, made this assessment:

"The only language Saddam Hussein understands is the language of power. Without this demonstrable willingness to use force, even if the sanctions are biting deeply, Saddam is quite capable of putting his population through a sustained period of hardship, as he has in

the past. It is crucial to demonstrate that unless he withdraws, his career as a world class political actor will be ended." (16:22)

To predict that sanctions would work defied all logic and empirical evidence. To his credit, Representative Les Aspin, Chairman of the House Armed Services Committee, agreed. After hearing countless witnesses and pouring over weeks of expert testimony, he concluded:

"Technical success does not mean that sanctions will work politically by persuading Iraq to withdraw from Kuwait. Pain to the Iraqi people is not the same as pain to Saddam Hussein...Those experts who believe that sanctions will work politically overtime nevertheless conclude that it will take one to two years...I believe our coalition is too vulnerable, both economically and politically, to remain cohesive over the time it will take sanctions to work. Keeping up the requisite political, military and psychological pressure to make sanctions work is the stumbling block. Can we keep the alliance together and focused long enough for sanctions to work? I judge the probability of that to be very low." (16:32)

Proponents of the sanctions policy insisted that by shutting down Iraq's trade, strangling its economy and imposing hardship on the Iraqi people, Saddam would either withdraw or be overthrown. Hufbauer, an avid proponent of using sanctions as a policy instrument, asserted that "since the sanctions against Iraq were imposed so swiftly, decisively and comprehensively, there is a high probability that--combined with a military threat--they can contribute to Iraq's compliance in a year or two." (16:26) He apparently forgot his own conclusion that "there is a weak correlation between economic deprivation and political willingness to change." (10:94)

X. APPLYING THE PRESSURE--A TECHNICAL WINNER

Since the sanctions are still in force, the full story about their technical success can't be told. But what's the situation to date? I'll touch on the post-Gulf War record, but focus most of my analysis in this section on the

economic impact before the air campaign commenced on 16 January 1991--the day the U.S. and U.N. opted for war.

By any measure, the sanctions were the most technically effective in history. The reason is simple. All of the political, economic and military factors in this case were exactly right for success:

- * clear and unambiguous strategic objectives;
- * domestic and international unity of purpose;
- * Iraq's geographic vulnerability to the trade embargo and military blockade; and
- * Iraq's almost total reliance on oil exports and other supplies for economic survival.

For the most part, the embargo stopped imports, exports and finance. As discussed earlier, only limited quantities of humanitarian aid and medical supplies were excluded from the sanctions. U.N. Resolution 666, adopted on 13 September 1990, said that circumstances could arise "in which there is an urgent humanitarian need to supply foodstuffs to Iraq or Kuwait." In such cases, supplies could be provided "to relieve human suffering" but only through the U.N. in coordination with the Red Cross and other "appropriate agencies." This provision was meant to ensure that the aid reached the right people. The resolution also said that U.N. Resolution 661 didn't apply to the shipment of supplies "intended strictly for medical purposes."

As so often occurs when applying sanctions, the humanitarian aid that was shipped to Iraq either went to the wrong people or was confiscated by Saddam to exploit human suffering for his own political purposes. Tab 1 of Appendix B, "Winning the War and Losing the Peace in Saddam Hussein's Iraq", gives a depressing rundown of the failure of Resolution 666 and Saddam's criminal behavior (see pages 15 to 17 of the tab). And I already discussed Saddam's recent refusal to sell his oil for emergency assistance.

Though the sanctions were backed by a massive land and sea blockade, smuggling kept Saddam and his regime alive. The paragraphs that follow give some details on Iraq's imports, exports and finances, plus some information on the impact of the embargo and sanctions-busting.

IRAQ: AGRICULTURE TRADE AND CONSUMPTION, 1987-89									
Commodity	Major suppliers (% of total Iraqi imports)						Thousands of metric tons		Imports as % of consumption
	US	EC	Australia	Thailand	Brazil	Canada	Imports	Consumption	
Refined oil	98.0	-	-	-	1.0	-	200	200	100.0
Vegetable oil	27.0	4.0	-	-	-	-	202	210	95.0
Sugar	20.0	13.0	-	-	40.0	-	600	600	100.0
Corn	97.0	-	-	2.0	-	-	644	725	88.0
Wheat	31.0	-	40.0	-	-	29.0	2225	2800	80.0
Rice	92.0	-	-	3.0	-	-	571	600	95.0
Beef	-	61.0	-	-	32.0	-	94	130	72.0
Poultry	44.0	12.0	-	-	-	40.0	200	1200	16.0
Pork	80.0	4.0	-	-	14.0	-	22	200	10.0
Note: Statistics are averages for the three years. Source: US Department of Agriculture.									

Figure 2

IMPORTS. Figure 2 graphically depicts Iraq's reliance on imports. As shown, the U.S. was Iraq's major supplier by a wide margin, followed by the EC, Canada and Brazil.

Historically, Iraq's imports accounted for 30% of its GNP. (16:14) Its standard of living, industry and military are all import-dependent. In terms of

subsistence, the Iraqis spend "\$3 billion a year on food imports"--25% of total imports. (18:5)

As Figure 3 indicates, in 1990, Iraq was scheduled to import at about the same levels for most commodities. The invasion brought the flow of these supplies to a halt.

On the other hand, estimates indicated that Iraq could have survived for almost

PROJECTED AGRICULTURAL IMPORTS FOR 1990	
COMMODITIES	APPROXIMATE METRIC TONS/%
* Wheat	3 million/70%
* Rice	600,000/80%
* Sugar	650,000/85%
* Corn	300,000/50%
* Vegetable Oil	300,000/90%

Source: Statistics extracted from the Heritage Foundation Background No. 779 entitled "Can the Embargo on Iraq Survive?", page 6

Figure 3

a year without significantly lowering ration levels. Indeed, even with little humanitarian aid in the form of foodstuffs, Iraq would have had to resort to very

IRAQI PLUS KUWAIT FOOD BALANCE, POST-INVASION (Estimated tons per month)					
	Stocks July 1990	Domestic Output	Needed for Ration	Smuggling Needed Through May 1991	Smuggling Needed June 91 - Dec 91
Rice	110	100	85	5	85
Flour	422	600	117	0	28
Oil	50	10	12	5	10
Sugar	100	10	25	12	22
Total	-	-	157	25	60

Source: Estimates based primarily on Economic Research Service, U.S. Department of Agriculture; plus Iraq, "Annual Abstract of Statistics 1989"; also U.S. Agricultural Attache Baghdad July 12, 1990 report and Food and Agriculture Organization (FAO) Yearbook 1989.

Notes:
 • Flour is 50% wheat, 50% barley.
 • Flour assumes 50% losses in milling wheat and barley.
 • No sugar is assumed to be available from dates.
 • Stocks are not of good condition.
 • Needs are calculated from the ratio times the population, plus 50% for the oil's extra rations and the inefficiencies of the rationing system.

Figure 4

little smuggling until mid-year 1991--harvest season. Figure 4 shows the level of stocks in July 1990; the domestic output based on the harvest statistics; and the amount of food needed to meet the ration levels called for by Saddam on 2 September 1990--what Iraq called the "rationalization of consumption", not

rationing. Column four of the table depicts the monthly smuggling needed to fulfill the ration requirements through May 1991--the start of the harvest season. For all commodities combined, Iraq needed to smuggle 26,000 tons per month or about 900 tons a day. (18:4) It's very doubtful that the blockade could have stopped this level of sanctions-busting.

In addition, according to data compiled by the Institute for International Economics, the Iraqi army also seized Kuwaiti food warehouses which had enough canned goods to feed two million people for 4 to 6 months. (10:293) As indicated earlier, Iraq claims that U.S. air strikes destroyed several food warehouses throughout the country.

In any event, Patrick Clawson, a scholar at the Foreign Policy Research Institute, said that Iraq was perfectly capable of dramatically increasing food production levels. Iraq has "rich agricultural resources" and only terrible policies have caused it to have one of the "worst agricultural records in the world." (19:4) For example, Clawson said that "cereal output was higher 33 years ago, before the 1958 land reform, than in 1990." He went on to say:

"Saddam has shown that he is prepared to be flexible on farm policy when necessary, i.e., when cash runs short. Three times in the last twenty years (1968, 1972 and 1985), cereal output has doubled in one year compared to the next. He knows what has to be done and he is doing it now: increasing prices paid to farmers (40% on average for 1990/91), providing inputs at low cost, and turning a blind eye to farmers who go around the official marketing channels. Iraq has demonstrated that it has breath-taking potential to increase food output." (19:4)

Because of the war, Iraq's agricultural production never came close to Clawson's expectations. For example, Iraq's Agriculture Minister, Abdul-Wahah Mahmond Sabbagh said that the March-April harvest would be only 30% of normal--about one-tenth of what Iraq needed in staples in an average year. He said that while the sanctions allow Iraq to import certain foods, they prohibit the import

of spare parts and farming needs, such as pesticides and animal vaccines. He also said that "it's ridiculous not to be allowed to import machinery and spare parts." (22:A8) He claims that Iraq's agriculture had been "wrecked" by the Gulf War bombing, which he said hit roads, bridges, dams, pumping stations, and water regulation plants in land reclamation projects. He said that the bombing of dams forced Iraq to run off million of gallons of fresh water as a preventative measure against floods. (22:A8)

IRAQ: FOOD BALANCE, PRE-CRISIS (calories per person per day)			
	Total	Imported	Domestic
Cereals	1627	1292	335
Vegetables & Fruit	416	81	335
Oil & Sugar	685	667	18
Meat, Dairy, Fish	496	226	270
TOTAL	3165	2217	948
Percent	100	70	30

Source: Estimate based primarily on Economic Research Service, U.S. Department of Agriculture; plus Iraq, "Annual Abstract of Statistics 1988"; also U.S. Agricultural Attache Baghdad July 12, 1990 report; and FAO Yearbook 1988.

Figure 5

In terms of diet and nutrition, food imports fulfilled about 75% of Iraq's nutritional needs. Figure 5 shows that prior to the invasion, the average per person daily caloric intake in Iraq was about 3165 calories. Figure 6 on the next page depicts the significant drop after the invasion. Once again, this doesn't factor in humanitarian aid and the fact that Saddam made sure his armed forces had more than sufficient rations to maintain their readiness. It's important to point out that by falling "below 2000 calories" per person, Iraq is now on a par "with the poorest countries on earth." (19:5) In fact, as a direct

IRAQ AND KUWAIT: FOOD BALANCE, POST-INVASION
(calories per person per day)

	Rations as of Sept 1	Non-rationed Domestic Output
Cereals	1918	-
Vegetables & Fruit	-	885
Oil & Sugar	280	-
Meat, Dairy, Fish	-	108
TOTAL	1200	408

Source: Estimate based primarily on Economic Research Service, U.S. Department of Agriculture plus Iraq, "Annual Abstract of Statistics 1988"; also U.S. Agricultural Attache Baghdad July 12, 1990 report and FAO Yearbook 1988.

Notes:

- * Kuwait's agriculture output post-1990 is assumed to be zero.
- * Ration per month is 6kg flour, 1.5 rice, 1 sugar, .5 oil.

Figure 6

result of the embargo, the calorie intake per capita fell by about 40%. Coupled with Saddam's tight control of food distribution, this tremendous reduction in intake is exacting a very heavy toll of human suffering on the Iraqi people.

Iraq's industry also depends on imports to function. The industrial output accounts for a little less than "10% of GNP." (19:5) Without imports of machinery and spare parts, electric power stations, water treatment plants and telephone/communications equipment would grind to a halt. Although Iraq's industry isn't vital to its economy, the quality of life would decline significantly with a shutdown of industry.

With respect to the military, Saddam's forces could survive for a longtime without spare parts and other supplies. In testimony given before the Gulf War, CIA Director Webster said that the sanctions "are affecting the Iraqi military only at the margins." (17:115) He testified that the sanctions could weaken the military in the long term but the impact wouldn't be felt for many months.

Generals Powell and Schwarzkopf agreed, saying that Saddam's army could go into "hibernation" for a considerable period without feeling significant pain.

Director Webster summed it up this way:

"Iraq's fairly static, defensive posture will reduce wear and tear on military equipment and, as a result, extend the life of its inventory of spare parts and maintenance items. Under non-combat conditions, Iraqi ground and air forces can probably maintain near-current levels of readiness for as long as nine months."

"We expect the Iraqi air force to feel the effects of the sanctions more quickly and to a greater degree than the Iraqi ground forces because of its greater reliance on high technology and foreign equipment and technicians. Major repairs to sophisticated aircraft like the (Mirage) F-1 will be achieved with significant difficulty, if at all, because of the exodus of foreign technicians. Iraqi technicians, however, should be able to maintain current levels of aircraft sorties for three to six months."

"The Iraqi ground forces are more immune to sanctions. Before the invasion, Baghdad maintained large inventories of basic military supplies, such as ammunition, and supplies probably remain adequate. The embargo will eventually hurt Iraqi armor by preventing the replacement of old fire-control systems and creating shortages of additives for various critical lubricants. Shortages will also affect Iraqi cargo trucks over time." (17:115)

EXPORTS. Iraq's long term survival depends on the export of one commodity--oil. Indeed, oil accounts for over 90% of Iraq's export revenues--50% of the national income. (18:3) Before the invasion, Saddam enjoyed foreign exchange earnings of \$1.5 billion a month--mostly from oil exports. (17:113) By shutting down the oil pipelines running through Turkey and Saudi Arabia, Saddam is deprived of \$18 billion a year. (18:3)

FINANCES. Compared to its Arab neighbors, Iraq is a poor country. But this is due primarily to misguided and wasteful socialist economic policies. (19:2) However, my research indicates that Iraq's financial situation before the crisis wasn't quite as bad as some economists portrayed it.

Appendix B indicates that Iraq enjoyed better economic times in 1990 than it had in several years. The Heritage Foundation estimates that Iraq's foreign debt was over \$80 billion, while the Institute for International Economics placed it between "\$50 and \$70 billion, with an annual shortfall in hard currency" of about \$7 billion. (10:293) Of course, Iraq's debt burden was academic, since Saddam wasn't paying much of it anyway—particularly to his Arab neighbors. In fact, Iraq's refusal to pay its debts to Kuwait was at the center of their dispute before the invasion. Patrick Clawson made these comments about Iraq's debt:

"Iraq's debt burden is not that large, if the debts to Arab states are excluded--debts that no one expects Iraq to repay. The standard measure of a debt burden is the ratio of debt to exports. Before the invasion, Iraq's real debt was no more than \$40 billion; the numbers are imprecise because we do not know about all of its unpaid interest and short-term debt. Iraq's annual exports were \$15 billion, including non-oil goods (\$.5 billion) and services (\$1 billion). The debt-to-exports ratio was therefore 2.7. This is far below the level for heavily indebted Third World nations. For example, Mexico's debt is five times its annual exports; Argentina's, nine times." (18:2)

As a result of the sanctions, about \$4 billion in international assets were frozen. Saddam had about "\$6.5 billion in gold and currency reserves." It's estimated that he "looted" another \$3 billion in gold and currency from Kuwait's Central Bank. (18:4) And Saddam possibly had access to an additional \$30 billion stashed away in a secret "slush fund." (20:A4)

Clearly, Iraq's finances were hard hit. But Baghdad made the necessary adjustments to beat the embargo. As one scholar put it in October 1990, "Iraq has good prospects of surviving sanctions through the end of 1991 by a combination of tightening consumers belts, plus loosening the socialist tourniquet now tied around the Iraqi private sector." (18:1)

OVERALL TECHNICAL IMPACT. By any calculus, Iraq was severely hurt by the sanctions. The embargo shutdown 90% of its imports and 97% of its exports. (17:113) Compared to all other sanctions cases in history, the impact was staggering. Figure 7 tells

some of the story in numbers. According to Professor Hufbauer, in all of the previous successful sanctions episodes that he studied, the average cost to the target was only a 2.4% reduction in GNP. The most stringent case on the books "reached as high as 16% of GNP." (9:82) Iraq suffered an astounding 48% reduction in GNP. He also said that there were very few

RELATIVE MAGNITUDE OF SANCTIONS		
• GROSS INDICATORS OF IRAQ'S ECONOMY		
• IRAQI GNP (1980)		\$45 BILLION
• IRAQI POPULATION (1980)		17.2 MILLION
• AVERAGE EFFECT OF SANCTIONS RELATED TO INDICATORS		
• PERCENT GNP REDUCTION		48.6
• PER CAPITA LOSS		\$1,285.01
• IRAQ'S TRADE WITH U.S. AS PERCENTAGE TOTAL TRADE		
• EXPORTS (1980)		100
• IMPORTS (1980)		100
• RATIO OF U.S. GNP (1980: \$10,877 BILLION) TO IRAQ'S GNP		242
SOURCE: EXTRACTED FROM THE BOOK BY GARY C. HUFBAUER, JEFFREY J. SCHOTT AND ROBERTY ANN ELSON EMBEDDED ECONOMIC SANCTIONS RECONSIDERED - HISTORY AND CURRENT POLICY FORUMS OF THE INSTITUTE FOR INTERNATIONAL ECONOMICS, PAGE 27.		

Figure 7

cases "where the amount of trade coverage was as much as 30% of the target country's trade." In terms of technical magnitude, the Iraqi case shattered all of the old records. Accordingly, Hufbauer predicted that the embargo would bring Iraq's industry and economy to a grinding halt and force Saddam to give up Kuwait. Most other experts agreed with his assessment. But Saddam defied all the odds. His domestic economy adjusted, and he found ways to circumvent the embargo. Saddam proved the experts wrong.

SANCTIONS-BUSTING. Notwithstanding the impressive technical success of the embargo, sanctions violations are quite literally keeping Saddam in power. He gets much of what he needs to survive and rebuild his military machine through illegal sources. Indeed, since the crisis began, he has been busy selling off his own internal infrastructure for the funds he needs to trade on the black market. (21:10)

Without question, the black market is alive and well and getting better. The smugglers know the ropes and, like Saddam, they have the patience and resources to outlast the coalition. To the frustration of the U.S. and the world community, Saddam has the money and the connections he needs to do business. Reports indicate that Saddam pays (or promises) big profits to anyone willing to wait for the right moment to squeeze the supplies he needs through the widening pipeline.

And arms merchants aren't the only villains. Countries like Jordan, Libya, Iran and Turkey haven't fully enforced the international sanctions. (21:9) One representative of the Sanctions Committee told me that he receives several reports each week, indicating that these and other countries are involved in significant violations. In fact, he said that the number of incidents are on the increase and many other violations go unreported. My source said that it's physically impossible to seal off Iraq; there are just too many cheaters and not enough policemen. Despite the pronouncements that the embargo is working, he said the blockade is just too porous and most major violations are occurring at night.

The allied naval forces, including the U.S. Navy and Coast Guard, are unable to meet the growing demands of the embargo. They are simply incapable of establishing a blockade solid enough to stop the growing number of vessels now

constantly testing the effectiveness of the sanctions. What's more, the inland cross-border violations are even worse and much more numerous. Appendix I, "Kurdistan in the Time of Saddam Hussein", provides a first-hand account of the extent of sanctions violations (see pages 9 to 11 of the report).

Sanctions-busting is a very profitable business and relatively low risk as well. Too many people (or countries) are looking the other way for a profit. And, when terrible human suffering is a consequence of sanctions, such as the starvation and slaughter of the Kurds and the Shiites, survival is often the rationale for disregarding U.N. resolutions.

Sanctions-busting is a way of life for countless arms merchants and smugglers who aren't burdened by such things as moral or ethical considerations. But sanctions-busting is also a way of surviving for tens of thousands of refugees who have been driven from their homes to escape the brutality of Saddam Hussein and the terror of war. For example, since Saddam has placed an economic embargo on the Kurdish people in northern Iraq, the Kurds have had no choice but to violate sanctions to survive. And sanctions-busting is a way of surviving for thousands more who are left behind in Iraq and find themselves being oppressed and punished by both the sanctions and Saddam's reign of terror. In an environment like the Middle East, it shouldn't surprise anyone that U.N. mandates take a back seat to lying, cheating and stealing--not to mention surviving.

The situation which now exists in Iraq does much to explain why further military actions against Saddam are being threatened--even hoped for by the true victims of the embargo. It looks like business as usual in Iraq--the people on the street struggle to survive, while a ruthless dictator holds the reins of power by force, fear and intimidation.

Indeed, the "old world order" is still flourishing in Iraq. Saddam carefully funnels supplies to his supporters and military, while simultaneously preventing lifesaving food and medicine from reaching the Iraqi people. In a report published in December 1991 (Tab 1, Appendix B), Representative Les Aspin made these disclosures among others:

"There is considerable evidence suggesting that Saddam Hussein is cynically exploiting the suffering of Iraqi children. U.N. inspectors checking pharmaceutical plants for possible biological agents report finding large stocks of medicine. Where Baghdad says its medical warehouses are only 10 percent full, the inspectors report finding warehouses 50 to 75 percent full. At one warehouse, they found 400,000 doses of diphtheria\pertussis\tetanus vaccine that UNICEF had supplied for child health care. According to press reports, eyewitnesses have told U.S. diplomats that Baath troops guard the medicine dispensaries of Baghdad hospitals, presumably to control their distribution."

"U.N. officials report that food worth about \$4 million, including infant formula and high-protein food packages especially prepared for children under 5, has been sitting in warehouses in Baghdad and Jordan for weeks. Most of this belongs to the U.N.'s Children's Fund which proposed last August to set up special nutrition centers across the country."

With a twisted and demented logic, Saddam defiantly carries out this criminal activity to convince the world to lift the sanctions because of the pain they are inflicting on innocent Iraqis. Once again, the world watches and asks, how could this situation exist more than a year after a smashing military victory brought Saddam's military to its knees? And the torture goes on.

XI. THE OUTCOME (SO FAR): SOME OBSERVATIONS AND SUGGESTIONS

The U.S. and U.N. versus Iraq was one case where economic sanctions should have been effectively substituted for armed hostilities. And why not? According to the "experts", the scope and severity of this embargo would definitely succeed in forcing Saddam to withdraw from Kuwait-- sooner or later. All the political, economic, geographic and military factors were right for success.

What's more, Congress backed the President from day one and imposed the most sweeping and stringent economic sanctions in contemporary U.S. history. And, with unparalleled cohesion, the U.N. followed suit with a series of Security Council resolutions specifically designed to strangle Iraq's economy and force a full and unconditional Iraqi retreat from Kuwait.

Following the skillful leadership and determination of President Bush, most of the global community fully supported and honored the sanctions, including most of the Arab world and all of the major industrialized nations. No other economic sanctions case in history was so right to achieve the desired foreign policy goals. The scenario couldn't have been better if it had been scripted for a movie depicting good over evil. It was (is) the world community versus Saddam Hussein--the rule of law versus the rule of the jungle.

This case was a defining moment in contemporary U.S. history and the first major test for the U.N. in the post-Cold War era. This was an ideal opportunity to prove that an international crisis could be resolved peacefully through collective security cooperation, not military confrontation. Saddam was the perfect test case for a policy instrument that had failed so many times in recent years. Certainly, the application of tough economic sanctions, coupled with determined and steadfast diplomacy, was destined to win the day.

But what happened? Saddam, politically weakened by a massive and destructive air and ground war, still rules Iraq with a major portion of his conventional military arsenal still intact. He remains in power after perpetrating unspeakable war crimes against humanity and the environment.

In Hitlerite fashion, he tortured, murdered or executed tens of thousands of innocent people. And he redefined environmental terrorism by deliberately dumping over 6 million barrels of oil in the Persian Gulf, seriously

contaminating over 600 miles of shoreline and devastating untold marine life. He also set fire to 700 Kuwaiti oil wells, polluting the atmosphere and endangering the ecology.

It would be a monumental understatement to say that there is no way to calculate the costs of the hideous crimes Saddam has committed against the world. But he's still at large. In fact, while the trade embargo continues to squeeze Iraq from all sides, Saddam defiantly resists abiding by the U.N. resolutions. And he works methodically and illegally at hiding and rebuilding his chemical, biological and conventional arsenals as well.

Most experts now predict that it could take many more months (or perhaps years) for sanctions to achieve the remaining political objectives--if indeed they ever do. Moreover, reports now suggest that support for continuing the sanctions is slipping in the U.N. and enforcement of the blockade is weakening as well. Indeed, some who opposed the war one year ago now believe that additional military intervention is inevitable--even desirable. Once again, military warfare is on the table as an alternative to the obvious deficiencies of economic warfare.

So what can we learn from this particular sanctions case? As I size up the chronological sequence of events of this crisis and study the evolution of the President's strategy, the lessons become clear:

- * Sanctions can't succeed when the target is missed and innocent people suffer the real pain of economic deprivation and dislocation.
- * Sanctions can't succeed when there is no compelling and enforceable legal and moral standards to guide the behavior of people and nations.
- * Sanctions can't succeed when there is no policeman on the beat to enforce international law.

* Sanctions can't succeed when humanitarian aid sustains the target's army instead of going to thousands of sick and starving innocent women, children and infants.

* Sanctions can't succeed when all the instruments of power and survival reside in the hands of a brutal dictator who systematically tortures and exterminates his own people to retain his hold on power.

* Sanctions can't succeed when the people and economies of other countries lose as much as the target.

* And sanctions can't succeed when the populous of the region believes that the perpetrator of pain and suffering is the sender of the sanctions, not the target.

In the broader context, where do we go from here on the use of economic sanctions as a instrument of foreign policy? My advice to the policymakers is plain and simple. Go back and read the lessons of history. The experts have narrowed down the reasons why sanctions don't work.

Policymakers must clear their heads and face the facts. Sanctions are supposed to get results, but they don't. Particularly in the last 20 years, sanctions have failed repeatedly as a policy instrument. It seems clear that they simply allow policymakers to express moral outrage, but do little to advance foreign policy goals. In my view, economic warfare as a stand-alone policy is bankrupt and useless. Without "companion policies" and strict enforcement, economic sanctions have no chance of success whatsoever.

Moreover, policymakers get success mixed up with punishing the target. It's nice to inflict economic pain and quote statistics, but the technical impact of sanctions shouldn't be used as the standard to measure success. Policymakers must learn that the name of the game is achieving policy objectives.

Additionally, Professor Hufbauer and other sanctions gurus would do well to carefully review the conclusions and recommendations of their own writings. They should religiously resist providing expert advice to policymakers based on

the most optimistic interpretations of their own findings. They should tell it like it is--not as they wish it to be.

Similarly, the Bush Administration and Congress should be required to read Hufbauer's study, particularly his "nine commandants." In my view, Hufbauer's conclusions are right on target. We just need to apply them. In essence, we must stop throwing valuable time, money and energy after bad policy. Believe it or not, there are times when it's better to do nothing than lurch to failure.

If we must use economic sanctions in the future as an instrument of U.S. foreign policy, we should do it in concert with our friends and allies and only on very rare occasions. We must put current realities and empirical data ahead of wishful thinking and misguided idealism. Our future will be shaped by the policy decisions we make today. And the world is watching what we do.

From an economic standpoint, if the U.S. is to compete in the world marketplace and be viewed as a reliable trading partner, we must apply smart economic policies, not those that are doomed to failure. Moreover, it's important to remember that too many innocent people, businesses, farmers, entrepreneurs and countries get hurt when the U.S. government uses economic sanctions to fix complex political problems.

In the future, we must implement policies that are worthy of a superpower. If we are to be the true moral leaders of the world, we must attempt to develop and execute policies that not only support and reinforce our democratic ideals and values, but, most importantly, policies that work to advance our foreign policy agenda as well.

At a time of severe resource constraints and budget reductions, we must get our priorities straight and commit ourselves to achieving our most important

policy goals first. It's also essential that we clearly articulate to our friends and adversaries what we stand for and what we won't stand for.

Finally, the U.S. should take a lesson from the rest of the world and be very selective when resorting to the use of economic sanctions. Hufbauer's "ninth commandant" advises policymakers to "look before you leap." (9:67) Better yet, don't leap.

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APPENDIX A
U.S. INTERESTS—"OIL, AGGRESSION AND NUKES"

Iraq's invasion of Kuwait caught the world community off guard. In concert with the U.N., the U.S. rebounded quickly and decisively to head off further aggression. But it took a little extra time for the Bush Administration to coherently articulate to the American people why the U.S. was in the Gulf.

Because the Executive Branch initially stumbled in laying out U.S. policy, the Congress took the President to task, posing a wide range of tough but legitimate questions. What are the specific U.S. vital interests in the Gulf? What's at stake if we don't get involved? Why does the U.S. need to deploy so many troops to the sands of Saudi Arabia? What about the rest of the world? Why are we taking up the slack for countries like Japan, Germany and the rest of the European Community?

Appearing before the Senate Foreign Relations Committee on 5 December 1990, Secretary of State Baker effectively addressed U.S. interests and other issues in this statement:

* "Strategically, Saddam is a capricious dictator whose lust for power is as unlimited as his brutality in pursuit of it. He has invaded two neighbors, is harboring terrorists, and now is systematically exterminating Kuwait. Saddam uses poisonous gas even against his own people; develops deadly toxins; and seeks relentlessly to acquire nuclear bombs. He has built the sixth largest army, has the world's fifth largest tank army, and has deployed ballistic missiles."

* "Geographically, Saddam's aggression has occurred in a political tinderbox that is the crossroads to three continents. His success would only guarantee more strife, more conflict, and eventually a wider war. There would be little hope for any effort at peacemaking in the Middle East."

* "Economically, Saddam's aggression imperils the world's oil lifelines, threatening recession and depression, here and abroad, hitting hardest those fledgling democracies least able to cope with it. His aggression is an attempt to mortgage the economic promise of the post-cold war world to the whims of a single man."

* "Morally, we must act so that international laws, not international outlaws, govern the post-cold war world. We must act so that right, not might, dictates success in the post-cold war world. We must act so that innocent men and women and diplomats are protected, not held hostage, in the post-cold war world."

* "Historically, we must stand with the people of Kuwait so that the annexation of Kuwait does not become the first reality that mars our vision of a new world order. We must stand with the world community so that the United Nations does not go the way of the League of Nations."

* "Politically, we must stand for American leadership, not because we seek it, but because no one else can do the job. And we did not stand united for 40 years to bring the cold war to a peaceful end in order to make the world safe for the likes of Saddam Hussein."
(1:114)

HISTORIC RATIONALE. Since World War II, the U.S. and our Western allies have understood the importance of Persian Gulf oil and the need to keep the energy resources of Saudi Arabia out of the hands of a hostile power. For decades, protecting the Persian Gulf has been in our vital interests. Indeed, we've maintained a physical presence in the Gulf since 1949 to keep the sea lanes open and the oil flowing.

In 1950, President Truman told King Abdul Aziz of Saudi Arabia that "no threat could arise to your kingdom that would not be of immediate concern to the United States." And in 1980, President Carter, in his State of the Union address, expressed U.S. policy much more forcefully in what has come to be known as the Carter Doctrine. The policy says in part that:

"an attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force."

The free flow of oil from and the free navigation of the Persian Gulf continues to be an important priority and concern to the U.S. and the West. President Reagan knew that the West depended on the oil from the Gulf and actively supported the Carter Doctrine. He not only strengthened U.S. rapid

deployment capabilities and Southwest Asia warplans, but he also deployed additional naval forces to the Persian Gulf during the Iran-Iraq War to ensure uninterrupted commerce.

INDUSTRIAL AND ECONOMIC RATIONALE. Beyond the cost of gasoline at the service station pump, oil from the Gulf is vital to the economic, social and political welfare of the West and the rest of the industrialized world--not to mention the developing Third World and Eastern Europe. The Persian Gulf possesses more than two-thirds of the world's proven oil reserves, accounts for 25% of the world's oil production and supplies 33% of the free world's oil.(2:528) Although U.S. dependence on Middle East oil is relatively low, access to it is vitally important. Melvin Conant, an expert in the "geopolitics of oil", made this statement to Congress:

"Pre-crisis, U.S. dependence on that region's oil was about 14% of its total consumption; European dependence was more nearly 32%, and for Japan it was close to 60%. We have no reason to think these degrees of dependence on Middle East oil will change for at least a decade." (3:77)

And Secretary of Defense Cheney had this to say before the House Armed Services Committee on 14 December 1990:

"Oil provides more than 90% of the energy needed by the ships, trucks, and airplanes that move food, raw materials, and industrial products to consumers, farms, and factories around the world. It is no exaggeration to say that the world's economy is fueled by oil. Secure energy supplies are a fundamental interest of the entire world. The poorest are among the most seriously at risk from an unreliable supply."

"Putting Gulf oil supplies, or even a large share of them, into the hands of a single hostile power would pose a clear and present danger to the economic welfare and the political stability of regions as diverse as Sub-Saharan Africa, the Pacific rim, and newly liberated Eastern Europe. It is simply not acceptable for any hostile country to be in a position to manipulate the availability and cost of energy, and so have the power to disrupt the world's economy and create political instability." (2:528)

In essence, the industrial world can't survive without access to Gulf oil nor can emerging democracies around-the-globe. An article published in the New York Times on 3 August 1990 indicated that Kuwait had the 4th largest petroleum reserves in the world. And, before the invasion, it produced 1.6 million barrels of oil a day. According to the Institute for International Economics, by absorbing Kuwait:

"Iraq stands to double its control of oil reserves to 194 billion barrels, which is second only to Saudi Arabia with some 255 billion barrels. Iraqi and Kuwaiti oil production combined is approximately 4.5 million barrels a day." (4:293)

If Saddam had succeeded in annexing Kuwait, he would have controlled over 40% of the region's oil. The concentration of this much of the world's oil in the hands of a megalomaniac dictator would have been a direct threat to our most fundamental and vital interests.

NATIONAL AND REGIONAL RATIONALE. The U.S. and the world has other important interests as well. On 30 November 1990, President Bush made this statement:

"We're in the Gulf because the world must not and cannot reward aggression. We're there because our vital interests are at stake. And we're in the Gulf because of the brutality of Saddam Hussein."

Without question, Saddam's aggression seriously threatened long-term regional security and stability as well as the overall balance of power in the Gulf. He commanded a million-man army with 5,500 tanks, 7,500 armored personnel carriers, 3,700 artillery pieces and a growing arsenal of weapons of mass destruction. Moreover, he repeatedly exhibited a willingness to use his military superiority against his neighbors and anyone else who opposed him.

Before the recent on-site inspections mandated by U.N. resolutions, no one could have guessed or predicted just how close Iraq was to attaining a nuclear capability. Tab 1 of this Appendix is an article by Representative Les Aspin

entitled "Winning the War and Losing the Peace in Saddam Hussein's Iraq." It gives a startling rundown of facts the U.S. didn't know when it was developing a policy to respond to Saddam's aggression. The article gives a very revealing description of some of the findings of the International Atomic Energy Agency (I.A.E.A.). Obviously, much more has transpired since the article was published, but it brings into question the whole concept of giving sanctions time to work.

No realistic person could have doubted that Saddam had the mentality and the track record to use any and all weapons under his control--including "nukes" and gas. Certainly, his military arsenal threatened U.S. interests and necessitated a powerful and rapid response. It's frightening to think what could have resulted had we given him an extra one or two years (or more) under a sanctions policy to further develop his chemical, biological and nuclear capabilities. A patient policy of economic pressure could have cost the coalition and the countries of the Middle East thousands of lives and untold devastation.

LEADERSHIP RATIONALE. One other issue transcended all other interests--America's leadership and credibility. As the world's only authentic superpower, the U.S. has a leadership role that no other country on the global stage can play. As the vicar of democracy and freedom in the world, it's in the interests of the U.S. to oppose and defeat Saddam Hussein and other dictators like him. As former Assistant Secretary of Defense Richard Perle put it in testimony before the Senate Armed Services Committee on 29 November 1990:

"What makes the Gulf crisis a defining issue for America is the nakedness of Iraqi aggression. If we fail when the issue is so clear, the aggression so unambiguous, the values so fundamental, the international community so united, how will we fair in the far more common condition of confusion, divided opinion, ambiguity and moral uncertainty?"

Put simply, an American defeat in this first crisis of the post-Cold War world would have been disastrous to U.S. credibility, power and influence. It would have been totally unconscionable for the U.S. to emerge victorious from over 45 years of opposing and defeating military aggression and occupation, and then lose immediately to another totalitarian regime bent on destroying another country and cornering the oil market at the point of a gun.

APPENDIX A
END NOTES

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APPENDIX B
SADDAM'S PRETEXT FOR NAKED AGGRESSION

Why did Iraq invade Kuwait? What grievances did Saddam Hussein have that motivated his aggression? Some Middle East experts argued that if the U.S. and U.N. had examined the crisis from Saddam's point of view, it would have been much easier to find a diplomatic solution and avoid war. Few people on the world scene sided with Saddam, but some believed that he had legitimate grievances which explained his actions.

Most analysts agree that Saddam consistently surfaced three grievances concerning Kuwait. James E. Akins, former U.S. Ambassador to Saudi Arabia, discussed them in testimony before the Congress. (1:110) Below I'll summarize his comments and the testimony of other Gulf experts as well:

*** Kuwait stole oil from Iraq during the Iran-Iraq War.**

Saddam claimed that during his eight year war with Iran, "Kuwait produced oil valued at over \$2.5 billion" from the Rumaila oil fields. He said the oil was stolen and demanded that the oil revenue be paid by Kuwait.

Oil experts contend that even if Saddam did have a legitimate claim to the Rumaila oil fields (which he doesn't), he certainly exaggerated what Kuwait produced during the war. According to "non-Kuwaiti engineers" who worked in the Rumaila fields throughout the Iran-Iraq War, production levels "never exceeded 20,000 barrels a day." The actual average production rate was "no more than 12,500 barrels a day." Using the average rate of production at \$16 per barrel, the total value of the oil that could have been extracted would have been no more than \$600 million. In any event, this particular grievance was unfounded, because the fields in dispute belong to Kuwait.

*** Kuwait refused to lease the Warba and Bubiwan islands to Iraq.**

This second grievance represents a long-standing boundary dispute between Iraq and Kuwait. These two islands "control access to the Khor Inlet on which Iraq has been constructing the Um Qasr Port to replace Basra, situated on the Shatt-al-Arab River." (Basra is 80 miles from the Gulf and has been closed for the last 10 years.) The Warba and Bubiwan islands are "uninhabited and have no oil."

Saddam wanted to lease the islands but the Kuwaiti government refused. According to Iraq, Kuwait reneged on a deal which would have given Iraq access to the islands for 15 years. Saddam claims that the "Kuwaitis offered a 15-year lease for \$9 billion" and then backed out of the deal. Kuwait denied having made the offer, and said they wouldn't make such an arrangement with a country that

refuses to pay past debts anyway. Besides, Saddam also expected Kuwait to forgive most of Iraq's debt.

*** Kuwait deliberately over-produced oil in violation of OPEC agreements.**

Before the invasion, Saddam complained bitterly that oil prices were too low. He pushed the oil producing members of OPEC "to limit production" and demanded higher oil prices. According to Iraq, at three separate OPEC meetings, Kuwait agreed to reduce oil production and raise the price of oil to \$18 a barrel. Iraq claimed that Kuwait routinely exceeded production levels. Although Kuwait admitted to violating the agreements, it said that all other OPEC countries were exceeding production levels as well.

In July 1990, less than one month before Iraq's invasion of Kuwait, OPEC met once again to discuss Iraq's grievances. At this particular meeting, Kuwait, Saudi Arabia, Iran, Iraq and the United Arab Emirates (UAE) "agreed to quotas." All OPEC countries, including Kuwait and the UAE, agreed to adhere strictly to the cutbacks.

Just two days after the agreement, Iraq charged Kuwait with cheating once again. "This was ominous because it was almost certainly untrue; Iraq could not have had evidence so soon of Kuwaiti malfeasance." It was impossible to know production statistics so soon after the meeting. Saddam simply used this bogus claim as a pretext for taking action against Kuwait.

Many believe that Saddam's protest was the first warning sign that he intended to invade Kuwait. After meeting with U.S. Ambassador April Glaspie on 25 July 1990, Saddam apparently calculated that the U.S. wouldn't intervene if he took military action to resolve the dispute. It was at this time that Saddam began to move forces along the Kuwaiti border. When questioned about his military intentions, he said the troops were only deployed to intimidate Kuwait into conducting good faith negotiations with Iraq.

Most agree that Saddam's grievances were unfounded. According to Dr. Phebe Marr, Senior Fellow with the Strategic Concepts Development Center of the National Defense University:

"Saddam's chief motive for invading Kuwait was a badly deteriorating economic situation due to a large overhanging debt accrued during the Iran-Iraq War; to misplaced spending priorities, notably the large portion of the budget allocated to military industries and defense; and to the downturn in oil prices in 1990." (2:26)

The idea that Kuwait was responsible for Iraq's economic problems was ludicrous. It wasn't Kuwait that caused the terrible economic conditions in Iraq. Indeed, even if Kuwait had totally cooperated with Saddam, Iraq's economy would still be in dire straits. The oil production from the Rumaila oil fields

couldn't possibly have offset the problems caused by the war. Clearly, Saddam's grievances against Kuwait were used to mask the failure of his own economic policies.

In addition, Saddam's claim that Iraq's economic situation had gotten progressively worse with each passing year was also unfounded. In fact, Iraq's economic situation was actually better in 1990 than it was in 1989. According to Patrick Clawson, "Iraq was able to pay \$3.4 billion in debt service during the first three months of 1990, more than it paid in all of 1989 and much more than anyone expected." (3:2)

Saddam's complaint about the loss of oil revenue was also pure fiction. Iraq's oil income actually rose steadily from 1986. In 1989, their "oil earnings were some 70% higher than they were in 1986." In truth, Iraq's internal problems were caused by Saddam's economic policies, not by Kuwait's high oil production.

My findings indicate that Dr. Marr's analysis was right. Iraq's economic dilemma stemmed from the fact that they poured most of their oil revenues into building a massive military arsenal, which they used to intimidate and invade their neighbors. In Clawson's words:

"Saddam spent over \$50 billion during the 1980's just on arms imports. During the same decade, the Kuwaiti government invested \$50 billion in reserve funds. The result by 1990: Iraq had 100,000-150,000 dead on the battlefield, while Kuwait had an investment portfolio that had increased in value to over \$100 billion." (3:2)

Iraq's death toll in the Iran-Iraq War was closer to 300,000, not to mention its material cost of over \$200 billion. But the point is that Saddam recklessly squandered his wealth, resources and citizenry on war, while Kuwait prospered. He couldn't swallow this fact. And so he turned to the foreign policy he knows best--brutality and aggression. So much for Saddam's pretext for naked aggression.

APPENDIX B
END NOTES

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APPENDIX C
ECONOMIC SANCTIONS AND WAR CHRONOLOGY
U.S. AND U.N. VERSUS IRAQ

1990

February

- 24 At an Arab Cooperation Council meeting in Jordan, Iraqi President Saddam Hussein warns of American dominance in the Persian Gulf region as Soviet world power diminishes. He proposes that the Arabs withdraw money from the West and reinvest it in the Soviet Union. Egypt's President Hosni Mubarak leaves the meeting in protest.

April

- 26 John Kelly, Under Secretary of State for Middle Eastern Affairs, opposes a Congressional move to impose economic sanctions on Iraq. He argues that sanctions would hamper President Bush's ability to be a restraining influence on Iraq.

July

- 17 In a Revolution Day speech, Saddam blasts Kuwait and the United Arab Emirates (UAE) as stooges for America by keeping oil prices low. He denounces all oil-producing countries that exceed their OPEC (Organization of Petroleum-Exporting Countries) quotas, and he accuses Kuwait of stealing oil from border oil fields.
- 18 Iraqi Foreign Minister Tariq Aziz accuses Kuwait of stealing Iraqi oil from the disputed Rumaila oil fields, and he claims Kuwait has built military posts on Iraqi land. The UAE says it will cut production to quota level.
- 19 Saudi Arabia's King Fahd urges Iraq and Kuwait to settle their growing differences through negotiations.
- 24 Two Iraqi divisions mass on the Kuwaiti border, but Arab diplomats say Iraq has given Egypt and its neighbors assurances that it will not attack Kuwait. U.S. warships in the area are put on alert.
- 25 U.S. Ambassador to Iraq, April Glaspie, tells Saddam that the U.S. will not take sides in his dispute with Kuwait. The Iraqi leader says that the tanks and forces on the border are there only to intimidate Kuwait into conducting good faith negotiations.
- 27 OPEC refuses an Iraqi demand to raise the oil price to \$25 per barrel, but does decide to raise the cartel's reference price to \$21 per barrel by the end of year.
- 31 Iraq and Kuwait begin talks in Saudi Arabia under the mediation of King Fahd on oil pricing/exploration and Iraqi territorial claims.

August

- 1 Saudi-mediated talks between Iraq and Kuwait collapse when Kuwait refuses Iraq's demands, which include: reduction in Kuwaiti oil production; compensation of \$2.5 billion for oil production in disputed territory; forgiveness of \$20 billion in debts accumulated during the war with Iran; and control of Bubiyan and Warba islands, giving Iraq direct access to the Persian Gulf. Press reports claim that 120 Iraqi officers are executed by firing squad for opposing the aggression against Kuwait.

- 2 Iraq invades Kuwait. Invoking the International Emergency Economic Powers Act, President Bush freezes Iraqi and Kuwaiti assets, and bans all trade and financial relations with Iraq. Donations of medical supplies and food for humanitarian purposes are exempt from the trade embargo. Iraq freezes payment of the U.S. portion of its foreign debt--some \$2.24 billion. The U.K. and France freeze billions of dollars in Kuwaiti assets. The Soviet Union suspends all deliveries of military equipment to Iraq. The U.N. Security Council unanimously adopts Resolution 660 (14-0 with Yemen abstaining), which condemns the invasion and demands the immediate, unconditional withdrawal of Iraqi forces from Kuwait.
- 3 Iraq moves troops near the Saudi Arabian border. This prompts President Bush to warn that the "integrity of Saudi Arabia" is a vital U.S. interest. The U.S. and Soviet Union issue a joint statement in Moscow condemning Iraq, "...calling upon the rest of the international community to join with us in an international cutoff of all arms supplies to Iraq." With Jordan, the Palestine Liberation Organization (PLO) and Libya not present, the Arab League issues a declaration denouncing the invasion, calling for an immediate troop withdrawal. The Gulf Cooperation Council also condemns the attack. West Germany, Belgium, Netherlands, Luxembourg and Norway freeze Kuwaiti assets. Iraq says it will withdraw troops from Kuwait within two days. About 2,500 Americans are trapped in Kuwait--another 500 in Iraq.
- 4 Iraq consolidates its hold on Kuwait and appoints a new military government. The European Community (EC) imposes broad sanctions against Iraq, and calls for the "immediate and unconditional withdrawal of Iraqi forces" from Kuwait. The EC measures include: embargo on oil imports from Iraq and Kuwait; a freeze on Iraqi assets in member countries; a ban on sale of arms and military equipment to Iraq; suspension of all military, technical and scientific cooperation with Iraq; and suspension of Iraq's preferred trade status with the EC.
- 5 Iraqi-appointed government of Kuwait claims that Iraqi troops are starting to leave Kuwait. Japan halts oil imports from Iraq and Kuwait; halts all exports to the two states; and freezes economic aid to Iraq. China joins the arms embargo against Iraq. President Bush allows Iraqi and Kuwaiti oil shipped before invasion to unload, but requires any payment due to be placed in escrow.
- 6 King Fahd meets with Secretary Cheney and approves the deployment of foreign military forces on Saudi soil to protect the kingdom's security. With Cuba and Yemen abstaining, U.N. Security Council adopts Resolution 661 (13-0): imposes comprehensive trade and financial sanctions against Iraq and occupied Kuwait; establishes a Special Sanctions Committee to monitor sanctions adherence; and calls on U.N. members to protect Kuwaiti assets. Medical supplies and humanitarian food shipments are excluded from the embargo. With no buyers, Iraq closes one pipeline through Turkey and decreases flow through another, reducing its oil exports by at least 40%. Several hundred Westerners, including 28 U.S. nationals, are detained in Kuwait and taken to the Iraqi capital of Baghdad. Saddam threatens unspecified retaliation if Saudi Arabia increases oil production to help the West or shuts down Iraqi pipelines that cross the Saudi desert.

- 7 President Bush announces a naval force for the Persian Gulf and orders U.S. military aircraft and combat troops to Saudi Arabia to defend it against an Iraqi attack. British, Soviet, and French ships join U.S. naval forces already in the Gulf area. The Desert Storm buildup ensues with major Western and Arab powers and other nations deploying forces. Turkey freezes Iraqi and Kuwaiti assets and halts the transshipment of Iraqi oil--blocks Iraqi pipelines to the Mediterranean Sea. Iraq cuts the flow of oil through its other main pipeline--to Saudi Arabia's Red Sea port of Yanbu, by 75%.
- 8 Iraq annexes Kuwait. Saddam claims that the "comprehensive and eternal merger redresses one of the most egregious criminal acts of colonialism."
- 9 U.S. troops begin deployment to Saudi Arabia. U.N. Security Council unanimously adopts Resolution 662 which declares the Iraqi annexation of Kuwait "has no legal validity and is null and void." King Hussein of Jordan says he does not recognize the merger and will comply with U.N. economic sanctions. Iraq seals its borders, barring departure of all foreigners except diplomatic personnel. Some 2500 Americans are still trapped in Kuwait, another 500 in Iraq. Iraq's Ambassador to Athens says Iraq will use chemical weapons if attacked. Iraq cancels its \$45 billion debt to Kuwait.
- 10 Saddam calls for a holy war, urging "Moslem masses" to rise up against U.S. forces in Saudi Arabia and pro-Western Arab leaders, whom he accuses of blaspheming Islam. At an emergency summit in Cairo, Arab leaders vote 12 to 3 to send troops to Saudi Arabia to help defend against a possible invasion by Iraqi forces. Libya and the PLO join Iraq in opposing the resolution--Yemen abstains. Jordan votes to approve the resolution "with reservations." Iraq orders all foreign governments to close their embassies in Kuwait City and move diplomatic functions to Baghdad by 24 August 1990.
- 11 Several thousand Egyptian troops arrive in Saudi Arabia. Morocco and Syria promise to send a similar number to join the Arab effort. A British man is shot dead while trying to flee across the Kuwaiti border into Saudi Arabia. Saudi anti-aircraft batteries reportedly fire at Iraqi reconnaissance planes.
- 12 Following a formal Kuwaiti request under Article 51 of U.N. Charter, which permits any state under attack to seek collective help in its self-defense, the Bush administration adopts a policy of "interdiction," including the use of force to stop ships attempting to circumvent the U.N. embargo. Saddam says that he would withdraw from Kuwait as part of a settlement of "all issues of occupation", including an Israeli withdrawal from the West Bank and Gaza Strip, a Syrian pullout from Lebanon, and the removal of U.S. and Egyptian forces from Saudi Arabia. Saddam also proposes a pan-Arab force under U.N. auspices to replace U.S. troops deployed in Saudi Arabia. The U.S. "categorically rejects" the so-called "August 12 declaration." He asks the Iraqis to reduce meat consumption by half and buy less rice, bread and clothes.
- 13 Iraq orders more than 13,000 Westerners in Kuwait seized as human shields against attacks. The U.N. and Australia join naval forces in the Persian Gulf. Netherlands and Belgium agree to send naval forces. The Soviet Union, France and Canada criticize the Bush Administration's unilateral policy of interdiction. The Administration insists that sanctions apply to everything except medical supplies. White House spokesman Marlin Fitzwater insists, "It's clearly far too early to consider any foodstuffs as being in a humanitarian need category." Saudi Arabia

turns away an Iraqi tanker hoping to load oil at Iraq's trans-Arabia pipeline at Muajjizz. Two or three other ships are unable to land Iraqi-bound cargoes. Pakistan agrees to send troops to join the coalition force defending Saudi Arabia.

- 14 President Bush offers financial assistance to Jordan in return for compliance with U.N. sanctions. He warns that U.S. ships will blockade the Jordanian port of Aqaba to prevent transshipment of Iraqi commerce. Italy sends ships to the eastern Mediterranean. Moroccan troops arrive in Saudi Arabia.
- 15 Saddam offers peace proposal to Iran that includes: the resolution of the dispute over the Shatt-el-Arab waterway, on Iranian terms; the release of all Iranian prisoners of war; and the withdrawal of all Iraqi troops from Iranian territory. In effect, Saddam gives away the meager gains of his bloody and destructive war with Iraq. Iraq defines detained Westerners as "restrictees" who may be used for bargaining chips. Syrian troops arrive in Saudi Arabia.
- 16 King Hussein tells President Bush that Jordan will enforce U.N. sanctions and close the Red Sea port of Aqaba to goods bound for Iraq. Despite Iraq's peace offer, Iranian President Ali Akbar Hashemi Rafsanjani reiterates his demand that Iraq withdraw from Kuwait.
- 17 President Bush authorizes the first call-up of reserves in two decades--40,000 total. The initial mobilization is expected to number about 400,000 troops.
- 18 Declaring the U.S.-led naval blockade "an act of war," the Iraqi government says that foreign nationals, some of whom are being held at military and strategic civilian sites as "shields" against a U.S.-led attack, will suffer along with Iraqis from any food or medicine shortages. The U.N. Security Council unanimously adopts Resolution 664 demanding that Iraq release all detained foreigners. The Security Council also insists that Iraq rescind its order closing missions in Kuwait. Saudi Arabia calls for an OPEC meeting to discuss increasing output, but says it will boost oil production by 2 million barrels a day with or without OPEC approval. The U.S. Navy fires warning shots across the bow of two Iraqi oil tankers.
- 19 The U.S. and U.K. reject an offer from Saddam to release Westerners if U.S. troops withdraw from Saudi Arabia and the trade embargo is lifted. UAE and Bahrain allow deployment of Arab "friendly" forces (including U.S.) on its territory. Following reports that French nationals have been "displaced" from their hotels to unknown locations, France authorizes its ships in the Persian Gulf to use force if necessary to ensure compliance with U.N. sanctions.
- 20 Reacting to Saddam's offer, President Bush, for first time, describes detained Americans as hostages. Iran says it will abide by U.N. sanctions despite the peace initiative from Iraq. Yemen, which abstained from the U.N. vote on sanctions, agrees to abide by the embargo. The West German government includes that its constitution prohibits it from sending troops to the Persian Gulf.
- 21 Arab and Western nations alike condemn threats against hostages. Iraqi Foreign Minister Tariq Aziz indicates Iraq's willingness to hold direct negotiations with the U.S. to settle the crisis. President Bush rejects the idea of negotiations but emphasizes that the U.S. Embassy in Baghdad is open for "discussion." The nine-

- member Western European Union (WEU) decides to expand and coordinate naval enforcement in the Persian Gulf. A total of 32 naval vessels, including 8 French and 3 British warships, have been mobilized by European countries. Italy, Belgium, Netherlands and Spain pledge to send ships to enforce the embargo.
- 22 President Bush signs the executive order authorizing the activation of 48,000 military reservists to active duty by 1 September. He also announces that the U.S. will defy the order to close the embassy in Kuwait. King Hussein announces that he will go to Baghdad and other Arab capitals to work out a diplomatic solution. Following consultations on requests from Jordan and Bulgaria, the U.N. Security Council approves aid to Jordan; no decision is made on Bulgaria. Japan pledges economic aid to Egypt and agrees to consider requests from other countries injured by the enforcement of U.N. sanctions; Turkey and Jordan are likely to be eligible. With 120,000 refugees already on its territory, Jordan unsuccessfully attempts to close its border to foreigners still fleeing from Iraq and Kuwait. There are reports from Baghdad of panic buying of some commodities, as well as severe shortages of cooking oil, soap and sugar.
- 23 As the deadline for closing embassies in Kuwait nears, the U.S. and most other Western embassies reduce staffs to a bare minimum, and vow to remain open. Oil prices continue to soar to new highs on spot and futures markets. Stock prices post broad losses.
- 24 Iraqi troops surround U.S. embassy in Kuwait and those embassies of other nations defying Iraq's order to close. Iraq detains about 100 U.S. Embassy staff members and their dependents after promising them safe passage.
- 25 U.N. Secretary-General Javier Perez de Cuellar announces that he will meet with Foreign Minister Aziz. The U.N. Security Council adopts Resolution 665 (13-0-2) authorizing countries "deploying maritime forces to the area to use such measures commensurate to the specific circumstances as may be necessary...to halt all inward and outward maritime shipping." Cuba and Yemen abstain. Iraq cuts power to the U.S., Japanese, Italian and British embassies, and cuts power and water to the East German mission. Israel pledges to block imports of Palestinian fruits, vegetables and other items shipped through Jordan to Iraq.
- 27 The U.S. expels 36 Iraqi embassy personnel and places travel restrictions on remaining officials. Iraq orders its commercial ships to comply with the interdiction in the Persian Gulf. An Israeli report claims Yemen has been airlifting food and other supplies to Iraq and that Jordan has continued military cooperation with Iraq.
- 28 Iraq declares Kuwait to be its 19th province, and renames its capital Kadhimia--its pre-World War I name. Iraq indicates that the disputed Rumaila oil fields and the Bubiyan and Warba islands will be incorporated into Iraq's Basra province. The rest of Kuwait will remain a separate province. Saddam says all foreign women and children will be free to leave Iraq and Kuwait. The Bush Administration proposes to sell \$6 to \$8 billion worth of military equipment to Saudi Arabia.
- 29 OPEC ratifies an increase in production to offset the loss from the embargo. President Bush proposes an Economic Action Plan under which wealthy U.S. allies will share the cost of the U.S. deployment in the Gulf and help those countries adversely

affected by the enforcement of the embargo. The plan could total \$23 billion in donor aid in the first year. Japan pledges \$1 billion in food, water and medical supplies for forces in the Gulf. Turkey rejects an Iraqi request to allow the shipment of "medicine and food for children", saying it will continue to enforce the embargo.

- 31 President Bush reportedly will seek Congressional approval to forgive Egypt's \$7.1 billion military debt to the U.S. in recognition of its support during the Persian Gulf crisis. The Administration sends an envoy to tell Jordan it cannot expect financial aid unless it publicly states support for the embargo and halts all shipments, including food to Iraq.

September

- 1 Over 550 American, European and Japanese women and children are allowed to leave Iraq.
- 2 U.N. Secretary-General Perez de Cuellar ends two days of inconclusive talks with Foreign Minister Tariq Aziz in Amman, Jordan. He expresses his disappointment over Iraq's lack of flexibility. Iraq limits consumer purchases of basic foods, calling the measure "rationalization of consumption" rather than rationing. Libya says it will not obey the U.N. embargo on food shipments to Iraq.
- 5 West Germany says it will not contribute funds to President Bush's "burdensharing" plan, but will supply planes and ships to transport U.S. troops to the region.
- 6 King Fahd meets with Secretary of State Baker and pledges billions of dollars in aid in support of the President's Economic Action Plan, including in-kind contributions of fuel, transportation and supplies to support the American deployment in the Gulf, and funds for the front-line states of Egypt, Jordan, and Turkey. India decides to send medical supplies to Iraq; China and Iran are reportedly considering sending food and medical supplies to Iraq as well. Tunisia, Yugoslavia and Romania say they want to send food and medical supplies to their citizens in Kuwait.
- 9 President Bush and Soviet President Mikhail Gorbachev meet in Helsinki, Finland and issue a joint declaration condemning the invasion of Kuwait, stating that both countries will take unspecified further steps if sanctions fail to force an Iraqi withdrawal. The statement says that any humanitarian exemptions of food from the U.N. embargo "must be strictly monitored by appropriate international agencies" rather than by individual countries. Saddam offers free oil to any Third World nation that can collect it; he says this will not violate the embargo since the oil is free. Saudi Arabia, Kuwait and the UAE expand their aid packages to \$12 billion through the end of 1990, with half going to support the U.S. military effort and half to offset the cost of sanctions to Egypt, Jordan and Turkey.
- 10 Iraq and Iran resume diplomatic relations.
- 13 The U.N. Security Council adopts Resolution 666 reaffirming that Iraq is responsible for the safety of foreign nationals--adopted 13-2 with Cuba and Yemen against. Japan contributes an additional \$1 billion for the coalition forces in the Persian Gulf, and \$2 billion in economic assistance for Egypt, Turkey and Jordan.

- 14 The U.N. Security Council imposes strict controls on humanitarian food aid to Iraq and Kuwait, saying that shipments must be channeled through the U.N. or other international agencies. The vote follows Iraq's decision to deny food to hundreds of thousands of Asians in Iraq and Kuwait. An Indian vessel is allowed to transport food to Kuwait, where an estimated 140,000 Indians are stranded. The U.K. commits ground forces to Saudi Arabia: 6,000 combat troops and 120 tanks. Syria pledges to send additional troops, and Canada and Italy each pledge a squadron of jet fighters. Iraqi soldiers forcibly enter French, Canadian, Australian and Belgian embassies in Kuwait City, holding five Western consuls for several hours and taking four French hostages.
- 15 France condemns the violation of embassies and decides to send 4,000 ground troops backed by tanks and combat aircraft to Saudi Arabia.
- 16 The U.N. Security Council unanimously adopts Resolution 667 condemning Iraqi aggression against diplomats and reiterates the U.N. demand for the release of all foreign nationals. Egypt announces that it will send 15,000 more troops to Saudi Arabia. President Bush's Economic Action Plan has so far produced approximately \$20 billion in economic and military aid commitments: \$10 to \$12 billion from Saudi Arabia and other Gulf states, including \$5 billion from the exiled Kuwaiti government; \$4 billion from Japan; \$2 billion from the EC; and over \$1.8 billion from West Germany.
- 17 Saudi Arabia and the Soviet Union reestablish diplomatic ties after a 52-year break. In response to "very grave illegal acts" by the Iraqis who raided Western embassies, all 12 EC governments expel Iraqi military attaches and restrict the movements of other Iraqi officials.
- 21 Saddam promises the "mother of all battles" if the coalition forces attempt to free Kuwait by force.
- 23 Saddam threatens to attack the Saudi oil fields and other Arab countries and Israel if Iraq is "strangled" by the economic sanctions.
- 24 In a controversial speech to the U.N., French President Francois Mitterand proposes a four-stage peace plan for the Middle East. He says in part: "If Iraq were to affirm its intention to withdraw its troops and free the hostages, everything would be possible." Mitterand gives the impression that the embargo would be lifted if Saddam promises to withdraw from Kuwait. The U.S. rejects the plan because it backs away from U.N. resolutions and offers a compromise settlement. The U.N. Security Council unanimously adopts Resolution 669, emphasizing that only the U.N. Sanctions Committee can authorize food and aid shipments to Iraq or Kuwait. South Korea commits to provide \$220 million over two years to the international efforts in the Gulf: \$70 million in materials and services; \$50 million in cash; and \$100 million in aid and supplies to the front-line states.
- 25 The U.N. Security Council adopts Resolution 670, expanding the embargo to include air traffic--adopted 14-1 with only Cuba against. U.N. members are to prevent Iraq-bound flights from taking off from their territory or using their airspace. Flights carrying food "in humanitarian circumstances" are excluded from the air embargo.

Resolution does not allow planes to be shot down, but allows countries to detain Iraqi ships or planes which violate the embargo. It also provides for the imposition of trade sanctions on any country that violates the embargo.

- 27 Iraq threatens to hang diplomats sheltering Westerners in the embassy compounds.
- 28 The exiled emir of Kuwait tells President Bush that Iraq is pillaging his country and repopulating it with outsiders, jeopardizing the prospects of restoring the former government even if Iraqi forces withdraw. After the emir's 2-hour session at the White House, U.S. officials say that the timetable for possible military action against Iraq is shortening.

October

- 1 In a carefully crafted speech to the U.N. General Assembly, President Bush restates his hope that the Gulf crisis can be settled peacefully in accordance with U.N. resolutions. Most importantly, he adds that after Iraq adheres to the U.N. mandates, regional problems, such as the Arab-Israel conflict, could be addressed. In essence, the President links the Persian Gulf crisis with wider regional issues. Some believe that he actually responded to Saddam's "August 12 declaration." The President makes clear, however, that Iraq must completely withdraw from Kuwait before any other issues can be addressed.
- 3 A flurry of diplomatic maneuvering begins. French President Mitterand visits Saudi Arabia and the UAE, while President Gorbachev sends his personal envoy, Yevgeniy Primakov, to visit the Middle East (Iraq, Jordan and PLO), Europe and Washington to find a peaceful diplomatic solution.
- 7-8 Egyptian and Syrian commanders of troops in Saudi Arabia reiterate that their troops are there solely for the defense of Saudi Arabia. They stipulate that their forces will not engage in any offensive operations. President Rafsanjani warns that Iran would be "absolutely opposed" to any settlement in which Kuwait cedes control of Bubiyan and Warba islands to Iraq. He says Iran "would act within our means to stop it."
- 15 After meeting with Iraqi officials, Algerian President Chadli Bendjedid announces that he opposes using aggression against Iraq and endorses Saddam's call for an international forum to address all Middle East problems.
- 17-18 Secretary of State Baker and Soviet special envoy Yevgeny Primakov say (on consecutive days) that Saddam Hussein must not profit from his aggression. They reject rumors that an agreement would be reached whereby Iraq would withdraw from the rest of Kuwait in return for port islands and the Rumaila oil fields.
- 19 Iraq announces gasoline rationing, indicating that the international embargo has curtailed supplies of chemicals needed in refining crude oil.
- 22 Saudi Arabia's Defense Minister, Prince Sultan, says that Saudi Arabia would not oppose a Kuwaiti concession of territory as a "brotherly" gesture after an Iraqi withdrawal from Kuwait. Saudi Ambassador to the U.S., Prince Bandar, immediately makes clear that Saudi Arabia does not support concessions.

- 23 Iraq says it will free 400 French hostages. Thirty-three (33) British hostages fly out with former Prime Minister Edward Heath. His visit, followed by Japan's Yasuhiro Nakasone and Germany's Willy Brandt (leaves Iraq with 177 German hostages on November 9), turns Baghdad into what the State Department calls a "hostage bazaar."
- 28 Saddam rescinds gasoline rationing and fires his oil minister; government radio explains that rationing had been introduced "on the basis of erroneous information."
- 29 The U.N. Security Council adopts Resolution 674--adopted 13 to 0, with Cuba and Yemen abstaining. The Resolution demands that Iraq stop mistreating the Kuwaiti people and foreign nationals, and that they resupply the beleaguered Western embassies in Kuwait. Iraq is reminded that it is liable for all damages. President Gorbachev says he supports the idea of an Arab initiative to resolve the crisis peacefully and says that a military solution "is unacceptable."

November

- 5 Secretary Baker and Saudi Arabia's King Fahd reach a new military command and control agreement, guaranteeing that American troops will be under the command of American officers if an offensive operation against Iraq is launched.
- 6 U.S. deployment reaches 230,000 troops.
- 8 President Bush orders a massive new military deployment to the Gulf to create an "adequate offensive military option should that be necessary." The decision effectively doubles combat troop strength--230,000 to 450,000.
- 9 Pentagon officials confirm that they have postponed plans to begin rotating any of the U.S. troops already in the Gulf in order to keep American troops at maximum strength.
- 11 Morocco's King Hassan calls for an emergency Arab summit meeting to discuss ways to resolve the Gulf crisis without war.
- 14-15 Saudi Arabia rejects King Hassan's proposal for an emergency summit. Egypt and Saudi Arabia agree that Iraqi preconditions make a summit impossible. In an interview with ABC news, Saddam says he will not withdraw from Kuwait as a precondition to negotiations.
- 19 Iraq says that it will pour 250,000 more troops into Kuwait in response to the American buildup. This increases the Iraqi total to about 680,000 combat troops. Iraq also calls up 60,000 reserves and 100,000 conscripts. Six more Iraqi divisions deploy to southern Iraq.
- 20 Saddam orders the release of all German hostages.
- 21 King Fahd meets with President Bush in Jeddah, Saudi Arabia.
- 22 President Bush spends Thanksgiving Day visiting troops in Saudi Arabia and warns that Iraq's progress in developing nuclear weapons gives the soldiers' mission a renewed sense of urgency.

- 23 President Bush, declaring that he would "work with" any nation willing to oppose Iraqi aggression, meets with Syrian President Hafez Assad in Geneva.
- 27 Two former Chairmen of the Joint Chiefs of Staff, retired General David C. Jones and retired Admiral William J. Crowe, Jr., tell Congress that the U.S. should refrain for now from military action and allow sanctions more time to work.
- 28 The U.N. Security Council unanimously adopts Resolution 677 condemning Iraq's attempts to change Kuwait's demographic composition and Iraq's destruction of Kuwait's civil records.
- 29 The U.N. Security Council adopts Resolution 678 authorizing the use of force against Iraq unless it unconditionally withdraws from Kuwait by 15 January 1991--adopted 12-2-1, with Cuba and Yemen against and China abstaining. Soviet Foreign Minister Eduard Shevardnadze warns Iraq that Moscow will not hesitate to use force to protect Soviets trapped in Iraq.
- 30 In line with his conciliatory speech to the U.N. on 1 October, the President says he is willing to "go the extra mile for peace." He invites the Iraqi Foreign Minister to Washington and offers to send Secretary of State Baker to Baghdad before 15 January to meet Saddam to discuss a possible peaceful solution. The President says he wants Secretary Baker to look Saddam "in the eye" and tell him that the U.S. would use the authority granted by U.N. Resolution 678--"use all necessary means to uphold and implement" U.N. resolutions. On the other hand, President Bush states, "I will be prepared, and so will Secretary Baker, to discuss all aspects of the Gulf crisis." Easing a 4-month siege of the U.S. Embassy in Kuwait, Iraqi troops deliver fruit, vegetables and cigarettes to diplomatic personnel inside the mission.

December

- 2 In an interview with "Meet The Press", Secretary of State Baker indicates that the U.S. would not attack Iraq if it completely and unconditionally withdraws from Kuwait. Secretary Baker said, "we have never talked about force for anything beyond U.N. Resolutions." Secretary Baker also says that sanctions may never work against Iraq.
- 6 Saddam asks Iraq's Parliament to release all Western hostages held since August.
- 7 Saddam announces that all Western hostages will be promptly released. This would fulfill U.N. Resolution 664. The State Department announces that the U.S. Embassy in Kuwait city will be abandoned once all Americans who want to leave Kuwait and Iraq are gone.
- 8 Saddam rejects U.S. offer to send Secretary of State Baker to Iraq between 20 December and 3 January. Saddam says he is too busy to see him. Iraq proposes that Secretary Baker come to see Saddam on 12 January, but U.S. officials insist instead that the meeting take place no later than 3 January.
- 9 Secretary Baker says the U.S. has "no problem" with talks between Iraq and Kuwait over their differences after Iraq completely withdraws from Kuwait.

- 12 Saddam replaces his Defense Minister with a younger general who fought in the war against Iran. This is seen as a sign that Saddam is preparing for war and not withdrawal. The U.S. accuses Iraq of stalling.
- 13 U.S. Embassy staff leaves Kuwait.
- 14 Saudi Arabia refuses to meet with Algerian President Bendjedid to discuss a diplomatic solution. A Saudi official says that Iraq must first meet three conditions: first, withdraw from Kuwait; second, restore the legitimate government of Kuwait; and third, "withdraw Iraqi troops from the Iraqi-Saudi border." The last group of American hostages is evacuated from Iraq.
- 15 Iraq announces that Foreign Minister Aziz will not depart for Washington as planned and says that "Iraq alone" will set the date for Secretary Baker's visit.
- 19 The Deputy Commander of U.S. forces in the Gulf, Lieutenant General Calvin A.H. Waller, tells reporters that American troops will not be ready to attack Iraq by 15 January. France says that Iraq's pullout from Kuwait must include "every square meter."

1991

January

- 2 NATO announces that Germany, Belgium and Italy will send 42 fighter jets to Turkey to reinforce defenses along the border with Iraq.
- 3 President Bush, saying he is making "one last attempt" to avoid war, proposes that Secretary Baker meet Foreign Minister Aziz 7 to 9 January in Geneva to try to settle the crisis peacefully.
- 4 Aziz agrees to meet Baker in Geneva on 9 January. President Bush rules out any future meeting between Baker and Aziz in Baghdad.
- 6 Saudi King Fahd reviews U.S. and other troops in his country, and says that Saddam could escape "any future punishment" by pulling his troops out of Kuwait, adding that Saudi Arabia would then support any negotiated settlement on territorial and financial disputes between Iraq and Kuwait. Saddam says "the results of this battle will be great, and all the world and future generations will talk about it."
- 8 President Bush asks Congress to approve the "use of all necessary means" to get Iraq out of Kuwait.
- 9 Secretary Baker holds six hours of talks in Geneva with Iraqi Foreign Minister Tariq Aziz, but they fail to break the impasse as Iraq shows no sign of buckling to international demands. "Time for talking is running out", Baker says.
- 10 The U.S. Congress begins debate on the Gulf crisis.

- 11 U.N. Secretary General Javier Perez de Cuellar, en route to Baghdad for talks with Saddam, suggests a neutral peacekeeping force could be deployed to preserve peace along Iraq's borders with Kuwait and Saudi Arabia if Iraq withdraws. The State Department recommends that Americans living in Israel consider leaving--the latest in a series of advisories cautioning U.S. citizens around the world about threats to their safety in case of war.
- 12 The U.S. Congress authorizes President Bush to use military force against Iraq. The vote in the Senate is 52-47; the House vote is 250-183. Egypt agrees to be part of the attack force; Syria declines "at the present."
- 13 Secretary-General Perez de Cuellar ends talks in Baghdad without any report of progress, saying that "only God knows" if there will be war.
- 14 Perez de Cuellar says he does not "see any reason to have any real hope" that war will be averted. Iraq's National Assembly calls for a "holy war" to defend the occupation of Kuwait. President Bush tells Congressional leaders that there has been "no ray of hope" from Iraq for a diplomatic solution.
- 15 The U.N. deadline for Iraqi withdrawal expires after all last-ditch diplomatic efforts fail.
- 16 The Gulf war begins. The allied forces launch massive and continuous air attacks against Iraq and Kuwait. Greece agrees to U.S. use of bases and ports for logistics support.
- 18 Iraq fires the first Scud missiles at Israel. Saddam makes good on his promise to widen the war and calls on other Arab countries to destroy Israel and the U.S.--not attack Iraq.
- 19 The U.S. sends Patriot anti-missile batteries and crews to Israel.
- 23 Clouds and fog develop over most of Iraq, hindering allied air attacks.
- 24 As adverse weather improved, allied bombers stepped up the pace of their attacks deep inside Iraq. Saudi officials report two huge oil slicks moving south from Kuwait. The coalition claims that Iraq dumped the oil.
- 25 The U.S. says Iraq has deliberately spilled oil into the Persian Gulf. This represents the first in a series of environmental terrorist acts perpetrated by Saddam. This heightens the ongoing discussion of how to deal with Iraqi war crimes against humanity and the environment.
- 28 The unexplained flight of Iraqi war-planes to Iran continued on a large scale. Pentagon officials said more than 80 aircraft landed at various airfields in Iran. Iran vowed to impound the aircraft for the duration of the war, but U.S. officials questioned Teheran's intentions. CNN's Peter Arnett interviews Saddam Hussein for 90 minutes.

- 29 Iraqi troops attack the Saudi Arabian town of Khafji. Secretary Baker and Soviet Foreign Minister Bessmertnykh issue a joint statement on the Gulf War about one hour before President Bush delivered his State of the Union Address. The joint statement says in part "that a cessation of hostilities would be possible if Iraq would make an unequivocal commitment to withdraw from Kuwait." The statement also surfaces the possibility of linking the end of the war with efforts toward an Arab-Israeli peace.
- 30 The allied troop deployment exceeds 500,000. Round-the-clock bombing forces the Iraqis to abandon central control of their air defense systems, giving the allies air supremacy.
- 31 Saudi forces say they have recaptured Khafji after more than 30 hours of fighting.

February

- 3 The U.S. troop deployment in the Persian Gulf exceeds 500,000.
- 6 Secretary of State Baker testifies before the House Foreign Relations Committee regarding long-term U.S. goals in the Middle East.
- 8 Defense Secretary Dick Cheney and Joint Chiefs of Staff Chairman Colin Powell depart for the Persian Gulf.
- 12 Soviet envoy Yevgeny Primakov arrives in Baghdad for talks with Saddam Hussein on ending the war.
- 13 Two allied bombs hit a packed Baghdad building that Iraq calls an air-raid shelter. The U.S. describes the building as a military bunker. Iraq says that nearly 300 civilians were killed. The U.S. disputes Iraqi claims as more disinformation.
- 15 Iraq makes a conditional offer to withdraw from Kuwait. The conditions include: the withdrawal of all allied troops from the Persian Gulf; Iraq's reconstruction paid in full; no restoration of the emirate in Kuwait; the repeal of the international embargo against Iraq and of every Security Council resolution adopted since last August; and an immediate cease-fire. The allies reject the offer.
- 18 Soviet President Mikhail Gorbachev presents Iraq Foreign Minister Tariq Aziz with a plan to end the war, but President Bush says it falls short of U.N. resolutions.
- 20 Allied pilots have reportedly flown 86,000 missions thus far in the war.
- 22 The Soviet Union says Iraq has accepted an 8-point peace plan. President Bush, speaking for the anti-Iraq coalition, rejects the Soviet-Iraqi moves and tells Saddam Hussein to comply unconditionally with all U.N. resolutions by noon on 23 February (Eastern Standard Time) or face a huge land war.
- 23 The U.S. ultimatum expires, apparently with no withdrawal or notification to the U.N. of an Iraqi pullout. Defense Secretary Dick Cheney says allied forces have begun a "large-scale ground operation" against Iraqi forces in Kuwait. The allies fly 1,200 missions. Since 17 January, 23 Americans were reported killed, 34 wounded and 9 missing. Five allied Arab soldiers were killed, 20 were wounded. American forces have lost 27 planes to date; other allies have lost 9.

- 24 General H. Norman Schwarzkopf, Commander of the allied forces, says that the ground offensive (along a 300-mile front) has begun with dramatic success, achieving its first objective in just 10 hours. He says that 5,500 prisoners have been taken and that allied casualties are extremely light. The allies fly 1,500 missions. Baghdad radio says "the enemy attack has failed utterly."
- 25 Units of the 2nd Marine Division reportedly reach the outskirts of Kuwait City. Some 20,000 Iraqi prisoners have reportedly been taken. U.S. troops report their first contact with Iraqi Republican Guards units. Baghdad Radio announces at 5:35 p.m. EST that Saddam has ordered his troops to withdraw from Kuwait. The White House questions the genuineness and credibility of the withdrawal order. Allied troops are ordered not to attack unarmed troops. However, retreating combat troops must be considered as executing a movement of war and, therefore, must be engaged and neutralized. American commanders list more than 270 Iraqi tanks destroyed in 2 days. An Iraqi Scud missile demolishes a barracks in Saudi Arabia, causing 28 deaths and 100 wounded.
- 26 On the third day of the ground war, Iraqi forces stream northward. Saddam Hussein calls the move a withdrawal. President Bush says that Saddam "is trying to claim defeat in the midst of a rout", and calls it a retreat. One allied force pushes deep into Iraq, outflanking the Republican Guards, while a second drive pushes farther into Kuwait to liberate the capital. Fleeing Kuwait City, Iraqi troops leave behind tanks and weapons but take thousands of Kuwaiti hostages with them. Advance elements of American, Saudi and Kuwaiti forces move cautiously into Kuwait City. A tank battle between Iraqi and U.S. Marines rages at Kuwait International Airport on the outskirts of the city. To date, coalition forces have destroyed more than 400 Iraqi tanks.
- 27 After consulting with General Schwarzkopf about the situation in Kuwait and Iraq, President Bush orders a cease-fire. The President declares: "Kuwait is liberated... Iraq's army is defeated...Our military objectives are met."
- 28 An Iraqi military spokesman issues a statement over Baghdad Radio ordering units at the battlefield not to open fire. A letter from Tariq Aziz is circulated in the U.N. stating that Iraq agrees to comply fully with all U.N. resolutions.

March

- 2 The U.N. Security Council adopts Resolutions 686, demanding that Iraq cease all hostile actions, return all POW's and detainees, rescind annexation, accept liability, return Kuwaiti property and disclose mine locations. The Resolution is adopted 11-1-3, with Cuba against, and Yemen, China and India abstaining.
- 6 President Bush addresses a joint session of Congress on the victory in the Persian Gulf War and says "aggression is defeated...The War is over."

NOTES

1. Tab 1 of this Appendix is a matrix which depicts the capability of the Iraqi military before and after the Persian Gulf War. James Blackwell, military strategist and expert with The Center for Strategic and International Studies (CSIS), indicates that since the war ended Saddam Hussein has moved forward to rebuild his military arsenal. Although economic sanctions have inhibited his efforts significantly, Iraq's progress is steady; Iraq could soon have a sizeable and very dangerous conventional arsenal. Indeed, Mr. Blackwell warns that we should not overlook Saddam's efforts to rebuild his conventional forces as we focus on his nuclear capability.

2. Tab 1 of Appendix B is an article by Representative Les Aspin, Chairman of the House Armed Services Committee, entitled "Winning the War and Losing the Peace in Saddam Hussein's Iraq." This article details the record since the Persian Gulf war ended. It's not an encouraging rundown and shows the tremendous limitations of economic sanctions in attaining political objectives. The most frightening aspect of the article is the advanced state of Saddam Hussein's nuclear weapons program. The U.S. and the world community badly miscalculated his nuclear capability, as well as his ballistic missile capabilities and chemical and biological weapons. Had we allowed 18 to 24 months (or more) for the sanctions to work, it could have been devastating. Even after a massive military defeat, Saddam still defies the sanctions and continues his determination to acquire or build nuclear weapons, as well as refine his biological and chemical weapons. He is confident that he can outlast Western willingness to impose economic sanctions and tough international inspections.

Sources

Gary Hufbauer, Jeffrey Schott and Kimberly Elliott, and their book entitled Economic Sanctions Reconsidered--History and Current Policy; various issues of The Wall Street Journal, The Financial Times, The Washington Post and The New York Times; and information papers from The Heritage Foundation.

APPENDIX D
SADDAM'S MAJOR MISCALCULATION—PLAYING "CHICKEN" WITH THE WORLD

Not one to be pressured by any leader, country or institution, Saddam treated the world community with total contempt. Indeed, he answered diplomacy with a series of counterproductive, provocative actions. And his provocations weren't unanticipated. As columnist Tony Walker of The Sydney Morning Herald put it in his article entitled "Saddam Versus the World", "Judging by his (Saddam's) record of war and peace, no one can have any confidence that even when faced with insuperable odds, as seems the case now, he will not backdown." In his book Republic of Fear, Samir-al-Khalil, an Iraqi dissident wrote:

"When Saddam tells the world that if it were within his power he would start World War III before ever relinquishing office voluntarily, he means exactly that. With people like this, distinguishing between a genuine intention and a propagandistic flourish is inherently difficult. On the whole, however, they tend to believe their own utterances."

True to form, Saddam moved precipitously away from peace and tempted war with his every word and action. Among other things, Saddam:

- * lied about his intentions to withdraw;
- * systemically looted and dismembered Kuwait;
- * committed hideous crimes against humanity;
- * mined the waters of the Persian Gulf and Kuwaiti oil wells;
- * annexed Kuwait and installed his own military government;
- * declared war on the U.S.-led coalition;
- * called for the overthrow of King Fahd and President Mubarak;
- * threatened worldwide terrorism; and
- * promised to use his weapons of mass destruction against his Arab neighbors and Israel.

What's more, throughout the pre-war period, he increased the tempo and magnitude of his own military buildup along the Saudi border. In fact, by December 1990, he had 680,000 troops deployed in Kuwait and southern Iraq. Moreover, he alarmed and angered the world by taking thousands of Western hostages as "human shields," using them as his own personal instruments of propaganda and psychological warfare.

In studying this sanctions case, it's important to keep in mind the chronological context of Saddam's actions (see Appendix C). Without a doubt, his inflexibility had a crucial impact on the decision to abandon the sanctions and go to war. Contrary to what the wishful dreamers predicted, Saddam never exhibited anything but contempt for every rational voice.

From the outset, he made it clear that Iraq could and would endure any and all hardships. He resisted diplomatic overtures at every turn and defiantly disregarded all U.N. resolutions--as he continues to do. He resumed his quest for power and openly challenged the world to a game of "chicken"--a gamble he was convinced he could win. According to the Colonel James Pardew, the Army's Director of Foreign Intelligence, Office of the Deputy Chief of Staff for Intelligence:

"Saddam sought to devour quickly and cheaply Kuwait and its resources. This would enable him to dominate OPEC and the Persian Gulf region as the most powerful combined economic-military power in the area. The Iraqi population, accustomed to centralized direction from Saddam Hussein and broadly resentful of the wealth and position of the Kuwaiti population, largely supported the seizure of Kuwait."

"Facing increasing international reaction over the invasion, Saddam's policy thereafter was designed more for deterrence and a negotiated settlement than warfighting. Saddam may never have intended to fight the coalition. Certainly, when he invaded Kuwait, he could not have believed that in a period of months he would be engaged in combat with U.S. military forces." (1:17)

Notwithstanding his uncompromising acts of contempt, it was actually Saddam himself who guaranteed the success of the first prong of the President's strategy. And he did it with his own military incompetence and indecisiveness. Inexplicably, he stopped his military aggression at the Saudi border--a strategic blunder of major significance.

Just as the U.S. had miscalculated his intentions before the invasion, Saddam misread the military situation after the invasion. All that stood between

his army and the Saudi oil fields was a Saudi battalion of reserves and a handful of Gulf Cooperation Council forces. (2:531) This strategic mistake gave President Bush the time and space he needed to plan and execute a massive military deployment of troops, warplanes and carrier battle groups. And he was able to complete the entire deployment without any military opposition from Iraq whatsoever. Saddam's blunder gave the U.S-led coalition 166 days of uncontested response time to deploy a massive joint and combined force into the most modern seaports and airports in the world, using unchallenged sea and air lines of communications to top it off.

Thanks to Saddam's military incompetence and hesitancy, and President Bush's personal diplomacy and decisiveness, the strategy of the President worked better than anyone expected-- at least the first prong.

APPENDIX D
END NOTES

1. Pardew, James W. "The Iraqi Army's Defeat in Kuwait." Parameters. U.S. Army War College Quarterly: Vol. XXI, No.4. Winter 1991-92, 17-23.
2. Cheney, Dick, Secretary of Defense. Testimony before the Committee on Armed Services, House of Representatives. Crisis in the Persian Gulf: Sanctions, Diplomacy and War. 101st Congress, H.A.S.C. No. 101-57. Washington, D.C.:GPO, 1991, 527-538.

APPENDIX E
DIPLOMACY, NOT NEGOTIATIONS

In trying to find a formula for success, President Bush never followed a sanctions-only policy. He understood that diplomacy and sanctions would fail without the threat or actual use of force. His diplomatic leverage depended on shutting down Saddam's economy and putting an offensive military capability on the ground.

On the diplomatic front, exhaustive efforts were tried by the U.S. and other nations, including the Soviet Union, France, Algeria, Egypt, Great Britain, and, of course, the U.N Secretary-General. In fact, diplomacy was underway with Iraq well before Saddam ordered the invasion of Kuwait. Most of the diplomatic initiatives are outlined in the chronology at Appendix C. Key dates in the sequence include: 27 and 31 July; 1, 12, 22 and 25 August; 1, 2, 10 and 24 September; 1, 3 and 22 October; 11, 14-15 and 30 November; 2, 8, 9 and 15 December; and 3, 4, 6, 9 and 13 January 1991.

By any measure, the world community worked hard to find a diplomatic outcome to forego economic sanctions or the use of military force. Everyone knew that diplomacy was the quickest way to defuse the crisis and the least costly alternative as well.

On the other hand, it's important to note that the U.S. wouldn't concede anything to Iraq and refused to negotiate with Saddam. Indeed, the U.S.-led coalition agreed not to "negotiate down" from the U.N. resolutions or reward Saddam's aggression. Despite some early pressure from some countries to negotiate a compromise solution, the U.S. wouldn't provide a "face-saving" device or gesture. Doing so would allow Saddam to claim victory. This was totally unacceptable.

The U.S. also wanted to avoid the so-called "nightmare scenario." Under this scenario, Saddam would execute a partial withdrawal from Kuwait and ask the

world community to accept it as a pretext for a negotiated settlement of Saddam's grievances. The administration feared that such a situation would split the coalition and give Saddam the victory he sought. Accordingly, the President made it clear that a partial withdrawal would be unacceptable.

For the most part, the U.S. held firm to its policy of opposing any type of negotiations with Saddam. However, in his speech to the U.N. on 1 October, the President did give subtle assurances that he wouldn't attack Iraq if it completely and unconditionally withdrew from Kuwait. Similarly, General Colin Powell emphasized that the allies didn't want war and described U.S. policy as "carrot-and-stick." However, the carrot was Iraq's withdrawal. Without complete withdrawal, Saddam would get the stick--war and a crushing military defeat.

On 30 November, the President promised he would "go the extra mile for peace" and agreed to send Secretary Baker to Iraq for "direct talks" with Saddam. Predictably, Saddam refused to meet with Secretary Baker, saying he was "too busy." Instead, he sent Foreign Minister Tariq Aziz to the U.S.

At the outset, Secretary Baker stated flatly that "direct talks" weren't negotiations; they were intended to ensure that Saddam understood the gravity of the crisis--no more, no less (1:112) As with every other opportunity, Saddam refused to take advantage of the talks. No amount or mixture of diplomacy worked with him; he rejected each and every diplomatic overture out of hand.

On 7 February 1991, while coalition air power pounded Iraqi military targets around-the-clock, Secretary Baker testified before the Senate Foreign Relations Committee. In his opening statement, he described the many peaceful diplomatic avenues that were tried but failed. Here is an excerpt from his testimony:

"In the 166 days between the invasion of Kuwait, on August 2, 1990 and the expiration of the U.N. deadline for Iraqi withdrawal on

January 15, 1991, I personally held over 200 meetings with foreign dignitaries, conducted 10 diplomatic missions and traveled over 100,000 miles. For over 6 1/2 hours, I met with the Iraqi Foreign Minister--6 1/2 hours in which the Iraqi leadership rejected the very concept of withdrawal from Kuwait, even the mention of withdrawal. As you know, many others also tried--the Arab League, the European Community, the U.N. Secretary-General, Kings, Presidents, and Prime Ministers. None succeeded because Saddam Hussein rejected each and everyone."(2:14)

APPENDIX E
END NOTES

1. Baker, James A. III, Secretary of State. Testimony before the Committee on Foreign Relations, United States Senate. U.S. Policy in the Persian Gulf. 101st Congress, Senate Hearing 101-1128. Washington D.C.: GPO 1991, 111-114.
2. Baker, James A. III, Secretary of State. Testimony before the Committee on Foreign Relations, United States Senate. Foreign Policy Overview and Budget Requests For Fiscal Year 1992. 102nd Congress, Senate Hearing 102-18. Washington D.C.: GPO 1991, 14-24.

APPENDIX F
U.N. RESOLUTIONS

<u>RESOLUTION NUMBER</u>	<u>DATE ADOPTED</u>	<u>RESOLUTION</u>
*660	2 August	* Condemned the invasion of Kuwait. Demanded Iraq's unconditional, immediate withdrawal and called on both countries to begin negotiations. (Adopted 14-0; Yemen did not participate.)
*661	6 August	* Imposed a trade and financial embargo on Iraq and occupied Kuwait. Established a special sanctions committee to implement the resolution. Called upon U.N. members to protect the assets of Kuwait around the world. Called for restoration of Kuwait's legitimate government. (Adopted 13-0; Cuba and Yemen abstained.)
*662	9 August	* Declared Iraq's annexation of Kuwait null and void. (Adopted by unanimous vote.)
*664	18 August	* Demanded the immediate release of foreigners from Iraq and Kuwait and the right of diplomats to visit their nationals. Insisted that Iraq rescind its order closing diplomatic and consular missions in Kuwait. (Adopted by unanimous vote.)
*665	25 August	* Called upon U.N. members with ships in the region to enforce sanctions by inspecting and verifying cargoes and destinations. (Adopted 13-0; Cuba and Yemen abstained.)
*666	13 September	* Reaffirmed that Iraq was responsible for the safety and well-being of foreign nationals. Specified guidelines for the delivery of food and medical supplies. (Adopted 13-2; Cuba and Yemen against.)
*667	16 September	* Condemned Iraqi aggression against diplomats and diplomatic compounds in Kuwait. Demanded the immediate release of foreign nationals. (Adopted by unanimous vote.)
*669	24 September	* Emphasized that only the special sanctions committee had the power to permit food, medicine or other humanitarian aid shipments to Iraq or occupied Kuwait. (Adopted by unanimous vote.)

- | | | |
|------|--------------|--|
| *670 | 25 September | * Expanded the economic embargo to include air traffic in or out of Iraq and Kuwait, except for humanitarian aid authorized by the special sanctions committee. Called on U.N. member nations to detain Iraqi ships that could be used to break the naval embargo. (Adopted 14-1; Cuba against.) |
| *674 | 29 October | * Demanded that Iraq stop mistreating Kuwaiti and other foreign nationals. Reminded Iraq that it's liable for damages to foreigners or their property resulting from the invasion and occupation of Kuwait. (Adopted by unanimous vote.) |
| *677 | 28 November | * Condemned Iraq's attempts to change Kuwait's demographic composition. Also condemned Iraq's destruction of Kuwaiti civil records. (Adopted by unanimous vote.) |
| *678 | 29 November | * Demanded Iraq's unconditional withdrawal from Kuwait by 15 January 1991. Authorized U.N. members "to use all necessary means" to bring about Iraqi withdrawal after that date. (Adopted 12-2; China abstained; Yemen and Cuba against.) |

APPENDIX G
THE COSTS OF WAITING--ECONOMIC AND MILITARY FACTORS

What are some of the economic costs to the other countries as a result of sanctions? Statistics published early in the crisis by The New York Times, The Washington Post, The Wall Street Journal and The Financial Times indicated that countries worldwide would suffer substantial economic costs as a result of the embargo. Gary Hufbauer, Jeffrey Schott and Kimberly Ann Elliott compiled many of these costs in their book Economic Sanctions Reconsidered--History and Current Policy. Of course, these costs are being constantly updated, but I will use some of their numbers in the paragraphs below to show the significant economic costs associated with implementing a sanctions policy. Although I can't discuss classified material in this paper, it's important to point out that there are other costs that go beyond those published in open sources.

Reports indicate that Turkey's trade with Iraq was approximately \$2 billion a year--3% of Turkey's GNP. Additionally, Turkey stands to lose at least \$400 million in revenues from the closure of its oil pipeline. Iraq also owes Turkey about \$800 million, which they will probably never collect from Saddam. Moreover, Iraq supplied Turkey with approximately 60% of its oil needs. Coupled with massive refugee problems, Turkey is truly feeling the pain.

Jordan's trade with Iraq was \$900 million a year, about 25% of its annual output. Jordan also sent 40% of its exports to Iraq. And it imported over 90% of its oil from Iraq as well. Jordan claims it will lose over \$2 billion a year as a result of enforcing the embargo. This includes \$200 million in exports (mostly food), \$200 million in fees for goods passing through Jordan and another \$300 million in "workers' remittances." Jordan will also lose about \$190 million in aid from Iraq. And Iraq owes \$295 million to Jordan which it will never pay.

Egypt stands to lose \$2 billion a year. Indeed, it already has a foreign debt of \$50 billion. Of course, the U.S. has stepped in to forgive some of

Egypt's debt--about \$7.5 billion.

Pakistan's balance of payments deficit is expected to increase by \$1.1 billion as a result of the embargo. Reports also indicate that Pakistan will lose \$600 million in increased oil imports and \$300 million in workers' remittances.

Other countries are suffering substantially as well. Japan will have to make major adjustments; it normally imports 12% of its oil from Iraq and Kuwait--440,000 barrels per day. Iraq owes \$16.5 million to Hungary and an estimated \$1 billion to Bulgaria. Poland estimates that they will lose \$1 billion in arms sells and construction contracts, and another \$500 million in exports yet to be paid by Iraq.

Brazil will also suffer. It paid an extra \$1.6 billion for oil in 1990 and will have to draw on foreign currency reserves needed to service its \$115 billion foreign debt.

The European Community (EC) as a whole relied on Iraq and Kuwait for 11% of its total oil imports. Denmark's economy will be especially hard hit because it imports 54% of its oil from Kuwait and Iraq.

Besides the economic costs cited above, there are other costs associated with waiting for the sanctions to work as well. Because the success of the embargo and strategy depended on a massive military coalition, the impact on military readiness and morale had to be considered by President Bush.

Military units deployed to the Persian Gulf could only train so much and wait so long in such an unforgiving environment. Waiting too long takes a toll in military terms; precision and spirit gradually suffer a decline. The President had to factor this in to his decisionmaking. Moreover, he decided early in the crisis not to implement a rotation policy, because doing so would

send the wrong signal to Saddam and effectively replay a policy that failed in Vietnam. In essence, the troops would stay until Iraq withdrew. But they wouldn't stay indefinitely. By deferring the rotation policy, the President let Saddam know that time wasn't on his side.

With U.N. Resolution 678, the President sent another message that both the coalition troops and Saddam understood. He set a deadline after which the use of force became a viable option. This put Saddam on notice and gave a warning order to the allied troops to be prepared for military action. Instead of allowing Saddam to control the agenda, the President took control of the timetable. Secretary Cheney explained the logic in this fashion:

"The Iraqi Army is still in Kuwait, and there is no indication that economic sanctions alone will get it out. Logically, there can be no such guarantee, because sanctions are a tool of persuasion. They seek to influence an adversary's decision, but ultimately they leave those decisions to the adversary. We can never guarantee that he will be persuaded. That is why the President decided to develop the option of the use of force to evict the Iraqis from Kuwait, should it become necessary to take the decision out of Saddam's hands."

"If we take an approach of relying solely on sanctions, we would cede that initiative to Iraq. Such a policy would give Hussein a long breathing space in which he could concentrate his efforts. Because he could ignore a possibility of a military option, he could use the breathing space to work around the embargo, break up the alliance, enhance his military strength in Kuwait, and move ahead on his nuclear weapons program."

"Those who would have us rely indefinitely on economic sanctions alone need to face the possibility that they will fail to achieve our aims. Such a failure will have very serious consequences and those consequences must also be faced."

Secretary Baker endorsed the view of Secretary Cheney by saying:

"Waiting not only gives Saddam time to break the sanctions but it imposes costs on us. As we wait, Saddam will continue torturing Kuwait, killing it as an nation. As we wait, he will continue manipulating hostages, attempting to break the coalition. As we wait, he will continue to fortify Kuwait, to build chemical and biological weapons, and to acquire a nuclear weapons capability.

As we wait, he expects other issues to deflect our attention, weaken our resolve, and dissolve the international coalition. And as we wait, the burden of Saddam's crimes weighs heavier on the world. That is why we must ~~make~~ credible our preparations to use force."

APPENDIX H
WORKS WORTH READING IN THE STUDY
OF
ECONOMIC SANCTIONS

* International Economic Sanctions: The Cases of Cuba, Israel, and Rhodesia by Donald L. Losman

* Economic Sanctions Reconsidered--History and Current Policy and Economic Sanctions Reconsidered--Supplemental Case Histories by Gary C. Hufbauer, Jeffrey J. Schott and Kimberly A. Elliott

* Economic Sanctions and International Enforcement by Margaret Doxey

* Economic Sanctions: Theory and Practice by Mauriel J. Grieve

* International Economic Sanctions: Improving The Haphazard U.S. Legal Regime by Barry E. Carter

* Economic Sanctions by Robin Renwick