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MEMO

The Heritage Foundation

To: All Interested Parties

From: David M. Mason, Director, Executive Branch Liason

Date: September 6, 1990

Subject: Heritage Publications about Iraq

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9/5/90	Backgrounder	"Can the Embargo on Iraq Succeed?"
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8/24/90	Backgrounder.	"America's Options if Iraq Uses Chemical Weapons"
8/23/90	Executive Memorandum.	"How to Defeat Iraq"
8/6/90	Executive Memorandum.	"How to Stop Iraq's Saddam Hussein"
8/90	U.S.S.R. Monitor.	"Soviet Military Continues to Aid Saddam Hussein"

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From: David M. Mason, Director, Executive Branch Liason

Date: September 5, 1990

Subject: The Embargo on Iraq

The threat of military force or its actual use will most likely be necessary to make Iraq pull out of Kuwait. While the economic embargo can cripple Iraq's economy and help contain further Iraqi aggression, it will not be enough to force Saddam Hussein to admit defeat.

In the enclosed Backgrounder, James A. Phillips, Deputy Director of Foreign Policy Studies at the Heritage Foundation, examines the efficacy of past economic sanctions, and recommends several ways to increase the effectiveness of the current embargo against Iraq.

Phillips argues that while the embargo will pressure Hussein and limit his options, it will not force him to retreat from Kuwait. Hussein has shown himself more than willing to let his own people suffer so that he can maintain power. Phillips stresses the need for a continuation of the military pressure against Iraq and calls for an increase in the financial aid given by Japan, West Germany, and Saudi Arabia to the U.S. and front line Arab nations.

I trust you will find this Backgrounder helpful as you consider further U.S. actions at this critical time.

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The Heritage Foundation Backgrounder

No. 789 | The Heritage Foundation 214 Massachusetts Avenue N.E. Washington, D.C. 20002 (202) 546-4400

September 5, 1990

CAN THE EMBARGO ON IRAQ SUCCEED?

INTRODUCTION

George Bush boldly has committed more than 100,000 American troops, hundreds of warplanes, and more than 60 warships to defend United States and other Western interests threatened by Iraqi dictator Saddam Hussein's August 2 invasion of Kuwait. This rapid military buildup, the largest mobilization of American military might since the Vietnam War, already has achieved its primary and most important objective: deterring an Iraqi invasion of Saudi Arabia, the world's largest oil exporter.

Yet, while there is little doubt that the U.S. would use military force to protect the Saudi oil fields, on which many Western industrial democracies increasingly depend, it is unclear that the Bush Administration is willing or able to use its military muscle to achieve its other stated objectives in the Iraq crisis: an Iraqi withdrawal from Kuwait, restoration of the legitimate government of Kuwait, and the Iraqi release of thousands of American and other hostages. Barring an Iraqi provocation, such as mistreatment of the hostages or military attack or sponsorship of terrorism, Washington is even less likely to use military force in pursuit of two other goals hinted by American officials: the overthrow of Saddam Hussein and the destruction of Iraq's weapons of mass destruction. Even if Bush should decide to lance the Iraqi boil with a military attack, it will take the U.S. six to eight weeks to amass enough forces on the ground in Saudi Arabia to blunt an Iraqi counterattack on the Saudi oil fields.

Key Questions. As the military situation stabilizes, attention is likely to shift to the diplomatic and economic pressures that America and other countries are bringing to bear on Iraq. Foremost among these pressures are

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

the economic sanctions prohibiting trade or financial transactions with Iraq that were imposed on August 6 by the United Nations Security Council in a 13-0 vote (with Yemen and Cuba abstaining). The key questions thus are: Will the embargo inflict unbearable pain on the Iraqi economy? If so, how long will it take? And, finally, will the embargo force Saddam to retreat from Kuwait?

The answer to the first question is: yes. The U.N.-backed embargo probably will strangle the Iraqi economy. Iraq's oil exports and food, arms and industrial imports can be choked off by the multinational forces surrounding Iraq.

The answer to the second question is more problematic: It may take as long as a year before the embargo achieves its full economic impact, and this could be delayed further by extensive cheating.

The answer to the third question is that the embargo probably will not compel Saddam Hussein to back down and relinquish Kuwait and his hostages. Ultimately, to succeed an embargo must break its target's willpower. This is more a matter of psychology than of economics. Saddam is unlikely to accept a humiliating defeat which will threaten his personal power and perhaps survival.

Saddam's Hostages. While an embargo eventually will generate powerful pressure on Saddam to compromise, it alone probably will not be enough to compel him to give up Kuwait on terms minimally acceptable to Washington: total and unconditional Iraqi withdrawal from Kuwait and freedom for all hostages. In addition to the 13,000 Westerners and 2 million Kuwaitis estimated to be held hostage in Iraq and Kuwait, Saddam essentially has taken the Iraqi people hostage. He is unlikely to yield to international economic pressures, given the high costs of defeat.

What this means for Washington is that the U.S. must continue to build up its military forces around Iraq. Saddam understands force. Ultimately, it will not be the embargo, but only the threat of force or its actual use that will force Saddam to give up the booty of his aggression and pull out of Kuwait.

ECONOMIC SANCTIONS: THE HISTORICAL RECORD

Economic sanctions have a poor historical record of success in compelling determined states to accede to the demands of the embargoing powers. The Central Powers of World War I, the Axis powers of World War II, North Korea during the Korean War, and North Vietnam during the various Indochinese Wars, all continued their aggression despite economic sanctions and blockades. Khomeini's Iran shrugged off Western economic sanctions while holding 52 American hostages for 444 days in 1979 to 1981. According

to former Iranian President Abolhassan Bani-Sadr, Iran released its hostages in January 1981 primarily out of fear that the new American President, Ronald Reagan, would attack Iran.[1]

The West has a poor track record in sustaining concerted international economic sanctions. It did not do so against Cuba, Iran, Libya, Syria, or the Soviet Union. Most embargoes fail because they are not air-tight. Some states refuse to participate or violate the embargo that they have pledged to uphold. Even when a broad coalition of states declares an embargo, private entrepreneurs seeking black market profits inevitably relax the embargo's pinch. The 1967 U.N.-sponsored embargo of Rhodesia, for example, was undercut for years by "sanctions busters."

One of the rare examples of a successful economic sanctions, ironically, was the Western oil boycott imposed against Iraq's neighbor and bitter rival, Iran, from 1951 to 1953. After Iran nationalized the oil interests of a British oil company in March 1951, Western companies refused to purchase Iranian oil, choosing instead to increase their purchases from Iraq, Kuwait, and Saudi Arabia. The ensuing economic collapse of Iran led to popular disaffection with the anti-Western Iranian leader, Mohammed Mossadegh. After growing domestic turmoil, elements of the Iranian army staged a CIA-supported military coup that toppled Mossadegh in August 1953.

IRAQ'S VULNERABILITY TO ECONOMIC SANCTIONS

Like Mossadegh's Iran, Saddam's Iraq is overwhelmingly dependent on oil exports to fuel its economy, and therefore would be hit hard by a successful oil boycott. More than 90 percent of Iraq's export revenues and roughly half of its national income have been derived from oil exports of roughly 2.7 million barrels per day. Oil is a bulky commodity transported primarily through easily monitored pipelines and oil tankers. Approximately 90 percent of Iraq's oil exports flowed through pipelines through Turkey to the Mediterranean Sea and through Saudi Arabia to the Red Sea. Both pipelines were shut in compliance with the August 6 U.N. Security Council resolution prohibiting trade with Iraq. This forces Iraq to rely on the small quantities of oil that it can truck into Jordan or ship out through war-damaged oil terminals on its narrow Persian Gulf coastline.

Bleak Financial Future. American and Western naval forces, authorized by an August 25 U.N. Security Council resolution to enforce the economic embargo against Iraq, can easily interdict Iraq's remaining oil exports, which have been routed primarily to Yemen. Deprived of oil revenues, the Iraqi economy gradually will grind to a halt. Iraq already has lost an estimated $1.5

1 See: Bani-Sadr interview, *SAIS Review*, Winter 1981-1982, p. 9.

billion dollars in oil revenues since the onset of the crisis.[2] Iraq now faces a bleak financial future. Although it has gold and currency reserves worth about $6.5 billion, and may have looted $1 billion in gold and $2 billion in hard currency from Kuwait's Central Bank, Iraq's $4 billion in foreign assets have been frozen.[3] It will be forced, moreover, to default on its huge foreign debt, estimated at up to $80 billion; this, of course, discourages new loans, even if Baghdad could find lenders willing to violate the U.N. ban on financial transactions.

Offsetting Oil Losses. As during the 1951-1953 Iranian oil boycott, there are several sources of excess world oil production capacity that can be tapped to offset the loss to the world of roughly 4 million barrels per day in Iraqi and Kuwaiti oil exports. Saudi Arabia announced on August 18 that it is ready to boost its oil production by 2 million barrels per day above its current production of 5.38 million barrels per day. Venezuela is expected to raise production by 500,000 barrels per day, the United Arab Emirates can chip in another 500,000, Mexico and Nigeria may be able to contribute smaller amounts. All told, over 80 percent of the 4 million barrels per day shortfall in oil exports could be offset by other oil exporters.[4]

The staying power of the embargo on Iraq also will be strengthened by the fact that the world was awash with oil supplies at the time of Iraq's invasion of Kuwait because OPEC was producing 2.7 million barrels per day over world demand.[5] World stockpiles of oil were estimated to be 150 million to 200 million barrels over normal levels.[6] The industrial world, seared by past oil crises, had stockpiled just over 1 billion barrels of emergency oil supplies (the equivalent of roughly 250 days of Iraqi and Kuwaiti oil exports), including 590 million barrels in the U.S. Strategic Petroleum Reserve.[7] Another 100 million barrels of oil was estimated to be aboard oil tankers en route to oil-importing countries. The relatively favorable world oil situation will muffle the embargo-related oil price explosion and reduce the incentives that oil-importing states would have to try to circumvent the embargo.

Cutting Iraq's Imports Iraq's industry, military production, and food imports are extremely vulnerable to a well-organized embargo. Iraqi industry relies on imported machinery, spare parts and raw materials. If deprived of these foreign goods, Iraqi factories will slow to a halt. Shortages soon will appear in essential areas as spare parts become scarce for electric power stations, water treatment plants, and telephone equipment.

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2 *Financial Times*, August 28, 1990, p. 2.
3 *The Economist*, August 18, 1990, p. 34.
4 *Financial Times*, August 21, 1990, p. 1.
5 Estimate of OPEC economists cited in *The Economist*, August 4, 1990, p. 51.
6 *New York Times*, August 3, 1990, p. A9.
7 *Financial Times*, August 8, 1990.

Iraq developed its arms industry during its 1980-1988 war with Iran and now produces many of its own infantry weapons, small artillery pieces, and tanks, including modern Soviet-designed T-72 battle tanks. But it lacks the capacity to build warplanes and may be vulnerable to spare parts shortages.[8]

Dependent on Food Imports. Two decades of centralized economic planning by Iraq's socialist Baathist Party and the destruction of agriculture in Iraq's rebellious Kurdish tribal areas have left Iraq dependent on food imports to fulfill roughly three-fourths of the country's nutritional needs. Iraq spends up to $3 billion per year on food imports, amounting to about one-fourth of total imports. Iraq must import 70 percent of food supplies in bad harvest years and 60 percent in good harvest years.[9] Dates are Iraq's only crop with an exportable surplus.

Bread makes up roughly one-third of the Iraqi diet, which is one of the best in the Middle East, with an average daily intake of 3,000 calories. Iraqis consume roughly 3.5 million tons of wheat per year, but this year's Iraq wheat harvest, large by Iraqi standards, is estimated at only 400,000 tons.[10] A poor grain harvest last year forced Iraq to dip into its grain reserves last year. The reserves were not replaced by imports because Baghdad was trying to reduce its foreign currency expenditures.[11] The low level of existing grain reserves and Saddam's failure to anticipate international reaction to his invasion of Kuwait by stockpiling food supplies beforehand have left Iraq vulnerable to a cutoff of food imports.

Imports as a Share of Total Iraqi Food Consumption

Tea and Coffee	*100%*
Sugar	*99%*
Vegetable oil	*99%*
Corn	*88%*
Rice	*84%*
Wheat	*76%*
Meat	*65%*

Source: U.N. Food and Agriculture Organization

Iraq this year was projected to import 3 million tons of wheat and flour, 600,00 tons of rice, 650,000 tons of sugar, 300,000 tons of corn and 300,000 tons of palm oil, among other items.[12] Although it is not known how much of this was imported before the embargo, it is safe to conclude that Iraq will have a difficult time managing such a huge shortfall in its food requirements.

Bread Lines in Baghdad. The embargo already has begun to hurt. Eggs, sugar, cooking oil, fruits, and vegetables have disappeared from stores and

8 *Financial Times*, August 21, 1990, p. 2.
9 *New York Times*, August 20, 1990, p. A8.
10 *Washington Post*, August 23, 1990, p. A41.
11 *New York Times*, August 20, 1990, p. A8.
12 *Financial Times*, August 21, 1990, p. 3.

bread lines have formed in Baghdad. Prices have skyrocketed for meat, rice, cooking oil, sugar, and other commodities. Saddam Hussein on August 12 called on Iraqis to tighten their belts and cut meat consumption by 50 percent. Iraq's Revolutionary Council sternly warned the next day that hoarders and black market profiteers would be executed.

Although the embargo has begun to pinch Iraqi food supplies, its full bite will not be felt for four to six months. American officials estimate that Iraq has enough supplies of its two staple foods, wheat and rice, for four months of normal consumption.[13] Rationing could stretch this another month and Iraqi bakeries could switch to barley when wheat flour runs short, tapping into an estimated seven month supply of barley, which is usually fed to livestock. Iraq has seized Kuwaiti food supply warehouses, estimated to contain enough canned goods to feed Kuwait's population of two million for four to six months.[14] But this will not go far for Iraq's much larger population of seventeen million. Iraq could stretch its supplies further by expelling the up to 2 million expatriate workers in Iraq and Kuwait. Unidentified U.S. officials estimate that it will take four months to a year before Iraq is racked by widespread hunger.[15]

Little Chance of Cheating. Iraq has little chance of significantly cheating on the embargo. Unlike previous food embargoes, such as the unilateral U.S. grain embargo imposed on the Soviet Union following its invasion of Afghanistan, the U.N. sanctions enjoy broad international support. Iraq's chief sources of food imports – America, Australia, Canada, and Western Europe – are united in supporting the embargo. Neighboring governments in Iran, Saudi Arabia, Syria, and Turkey have pledged to uphold the U.N. sanctions. Baghdad may hope that one or more of these governments allow cross-border smuggling but Iraq would have a difficult time paying for enough food or other supplies to improve appreciably its ability to hold out against the embargo.

According to U.S. officials, Cuba, Libya, North Korea, Mauritania, Sudan, and Yemen have agreed secretly to ship goods and food to Iraq, primarily by aircraft.[16] But this air bridge could not transport enough food to feed Iraq. Moreover, it could easily be severed by attacks by American warplanes, if Washington decides to shoot down aircraft that violate the embargo.

Cross-border smuggling on the ground would be more difficult to halt, but Iraq will have difficulty financing extensive smuggling given its weak financial position and $80 billion foreign debt. At best, such smuggling only will postpone the suffocating economic impact of the embargo, not avert it entirely.

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13 *Wall Street Journal*, August 28, 1990.
14 *New York Times*, August 24, 1990, p. A8.
15 *New York Times*, August 27, 1990, p. A1.
16 *Washington Times*, August 30, 1990, p. A1.

Problems for Jordan. The biggest hole in the embargo currently is Jordan. It is economically dependent on Iraq, from which it gets 95 percent of its oil supplies and most of its foreign currency earnings. Jordan's limping economy would be crippled if it imposed the U.N. sanctions on Iraq, its biggest foreign market. Jordan's economic problems have encouraged the growth of Muslim fundamentalism and sparked riots in April 1989 among Jordan's Bedouin population, the core of King Hussein's popular support. The King also is worried that if he turns his back on Saddam Hussein, Jordan's Palestinians, roughly 60 percent of the population, would rebel, incited by Iraqi agents and Saddam's anti-Israel and pan-Arab rhetoric.

Jordan has equivocated on upholding the U.N. sanctions and has applied under a provision of the U.N. charter that permits states to appeal to the Security Council for relief if compliance with U.N. resolutions cause economic hardship. The Jordanian government estimates that imposing the sanctions will cost Jordan as much as $2 billion over the next year, including $200 million in exports to Iraq, $200 million in transport fees for Iraqi trade, over $300 million in remittances from the over 100,000 Jordanians in Kuwait and Iraq, and $295 million in debt repayments from Iraq.[17] King Hussein also has sought aid from the West and oil from Saudi Arabia.

Until he is offered economic compensation to offset the economic and political costs of joining the embargo, King Hussein probably will continue to permit Jordan to remain Iraq's chief trade outlet. Approximately 500 trucks cross Jordan's border with Iraq each day, loaded with fruit, vegetables and construction materials.[18] But Jordan alone cannot rescue Iraq from its economic plight. And Iraq's access to the outside world through Jordan easily can be blocked by the multinational fleet enforcing the U.N. embargo by expanding the blockade to include Jordan's port of Aqaba.

THE EFFECTIVENESS OF THE EMBARGO

Although the embargo imposed on Iraq will succeed in slowly suffocating the trade-dependent Iraqi economy, it may not succeed in accomplishing the U.N.'s political goals of forcing an Iraqi withdrawal from Kuwait. The Iraqi government can funnel scarce food resources to the Iraqi army and already has announced its intention to do so. Saddam ruthlessly may deprive Western hostages, Kuwaitis, foreign guest workers, and Iraq's restive Kurds of food to undermine international support for the embargo. As the food situation inside Iraq worsens, the state-controlled Iraqi television network may furnish

17 *Wall Street Journal*, August 24, 1990, p. A12.
18 *New York Times*, August 14, 1990, p. A9.

graphic pictures of the starvation of Western hostages to undermine the resolve of embargoing states. The plight of Iraq's population also is sure to inflame Muslim fundamentalists and Arab nationalists throughout the Middle East, undermining Arab governments that support the embargo.

U.N. Loophole. Given his past use of poison gas against Iraqi Kurds and his regime's widespread use of torture against Iraqi dissidents and their children, Saddam is unlikely to flinch from continuing his occupation of Kuwait due to concern for the welfare of the Iraqi people. He essentially has taken his own people hostage, along with the estimated 13,000 Westerners trapped in Iraq and Kuwait. Saddam is likely to defy the embargo indefinitely, knowing that his willingness to sacrifice the interests of his own people is greater than the U.N.'s desire to starve innocent civilians. Saddam already knows that the U.N. fashioned a built-in constraint on its own embargo by exempting food and medical supplies from the embargo "in humanitarian circumstances."[19]

Saddam is motivated more by considerations about his own political survival than by the economic survival of his own people. He almost certainly will be adamant in his refusal to withdraw from Kuwait on the U.N.'s terms because such an unconditional withdrawal would be a humiliating defeat and an admission that his invasion was a gross miscalculation. This would be particularly dangerous to Saddam in view of how little he has had to show for his ill-considered September 1980 invasion of Iran that mired Iraq in a bloody and costly eight-year war that imposed enormous hardship on his people. In fact, Saddam invaded Kuwait to help pay for the war with Iran and to broaden his narrow base of popular support by winning a trophy that would please Iraqi nationalists and answer the question of what Iraq had to show for its expensive military buildup.

Threatened Prestige. In a desperate attempt to forestall Iranian participation in the embargo against Iraq, Saddam on August 15 offered to meet almost all of Iran's terms for a peace settlement, including Iraqi withdrawal from 700 square miles of Iranian territory and yielding to Iran control of part of the Shatt Al Arab estuary along the border. If Saddam's annexation of Kuwait should be reversed without lasting Iraqi benefits, then Saddam will be perceived to be the instigator and loser of two wars. Even Egypt's Gamal Abdul Nasser's prestige could not survive the loss of the 1967 Arab-Israeli war. Saddam's grip on Iraq's leadership thus would be weakened by such a foreign policy defeat. Ominously, Saddam declared on August 6, two days after sanctions were imposed by the U.N., that "death is preferable to humiliation."

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19 See text of United Nations Security Council Resolution 661, August 6, 1990, in Appendix I.

UNDERMINING SADDAM'S POWER

Although an embargo alone probably will not compel Saddam to disgorge Kuwait, it will weaken Iraq's military strength, sap Iraqi morale, and undermine Iraqi resolve to support Saddam's unyielding policy of retaining Kuwait. This eventually could weaken Saddam's grip on power and possibly pave the way for his downfall. The embargo drives home to all Iraqis the tremendous economic costs of Saddam's aggressive foreign policy. It calls into question Saddam's judgment. Not only did Saddam underestimate the world's reaction to his adventure, but he failed to protect Iraq against that reaction by building up food reserves and by moving Iraq's $4 billion in foreign assets to prevent them from being frozen.

To be sure, Saddam is feared by his own people and admired for his ruthlessness. But he does not enjoy wide public support. The core of his regime is made up of his family, relatives, and clan members from his home village of Tikrit, some 100 miles north of Baghdad. This "Tikriti mafia," as it is known in Baghdad's political circles, has helped Saddam erect an efficient police state whose relentless repression has driven up to one million Iraqis into exile. Internal opposition has been crushed, leading Iraqis to live by the Arab proverb: "Kiss the hand you cannot bite."

Untested Endurance. Iraqis persevered through the eight-year war with Iran with minimal economic dislocation. Saddam could pursue a "guns and butter" policy because he was bankrolled by the Arab states of the Persian Gulf, including Kuwait. Hence Iraqis did not have to face economic privation. Their staying power, therefore, has not yet been tested. Still, since Iraqis have been beaten down for so long, it is likely that while shortages of essential goods will produce grumbling and resentment, they probably will not lead to a Romania-type uprising against the dictatorship.

The Iraqi opposition is fragmented and weak. Because of the years of repression by Saddam's many security agencies, there is no effective opposition in Iraq. The opposition surviving leaders are in exile; even there they remain subject to assassination attempts by Iraqi secret agents. The opposition has no charismatic leader or unifying framework. It is a loose collection of Kurds, Islamic fundamentalists, nationalists, and leftists who are divided by ethnic, ideological, and religious cleavages.[20]

A greater potential threat to the regime is posed by the army, which increasingly has chafed under Saddam's brutal leadership. Aware of this dissatisfaction with him, Saddam incessantly shuffles military commanders and infiltrates the officer corps with numerous spies to prevent coups. Nevertheless, since the beginning of this year there have been four credible reports of

20 *Washington Post*, August 27, 1990, p. A13.

coup or assassination attempts, and in July Saddam went so far as to close down the officers clubs.[21] An effective embargo against Iraq could give restless Iraqi officers even greater incentives to overthrow Saddam.

Bush has ordered planning for a covert program to oust Saddam, according to an August 6 leak in the *Washington Post*. An American-sponsored coup would be difficult to mount successfully, given limited U.S. access to Iraq's closed society. Unlike Iran in 1953, the CIA probably has no cohesive opposition elements with whom it can work to topple the regime. Waiting for an independent military coup, as the Bush Administration discovered in Panama, may be wishful thinking.

CONCLUSION

The embargo is a powerful lever but not a sure-fire means of pushing Iraqi forces out of Kuwait. Although the embargo eventually can devastate the Iraqi economy and weaken the Iraqi military machine, it will not necessarily compel Saddam to reverse his invasion and illegal annexation of Kuwait. Saddam Hussein responds better to force than he does to economics. The threat of force or its actual use probably will be necessary to oust Iraq from Kuwait. Washington therefore should continue the ongoing military buildup in the Persian Gulf.

The embargo nevertheless can make important contributions to the containment of Iraqi aggression. It gradually will undermine Iraq's capacity to attack its neighbors or threaten U.S. forces in the region. Moreover, by driving home the costs of Saddam's leadership, it could encourage Iraqi army officers to turn against Saddam, remove him from power and liquidate his costly Kuwaiti adventure.

Helping Jordan and Turkey. The U.S. should strengthen the embargo by cutting Iraq's air links with countries such as Libya and Yemen, which have violated the embargo. Gaining Jordanian participation should be a high priority goal. Washington should press Japan, Western Europe, and Saudi Arabia to offset Jordanian economic losses with greatly increased foreign aid. Saudi Arabia and the United Arab Emirates should be asked to fulfill Jordan's oil needs at reduced cost. Washington should also ask Egypt to dispatch a military force to Jordan to guard against Iraqi encroachment or subversion. The Saudis also should be asked to fund this Egyptian insurance policy.

More than any other U.S. ally save Britain, Turkey has stepped forward and made large sacrifices to support the U.S. during the Iraq crisis. The only Muslim member of NATO, Turkey has permitted American warplanes to operate from Turkish airfields. Turkey has mobilized troops along its 200-mile border

21 Laurie Mylroie, "Saddam Was in Desperate Trouble," *Wall Street Journal*, August 10, 1990, p. A10.

with Iraq and shut an important Iraqi oil pipeline on its territory despite the fact that 60 percent of Turkey's oil imports have been provided by Iraq through that pipeline. By imposing economic sanctions against Iraq, Turkey stands to lose $2.5 billion per year, including $300 million in pipeline fees, a major blow to the shaky Turkish economy. Washington should press Japan and West Germany to increase greatly their foreign aid to Turkey and press Saudi Arabia and other threatened Arab oil-exporting states in the Persian Gulf to supply oil at reduced prices.

The Soviet Union is Iraq's prime source of military support. Although Moscow voted in support of the U.N. -backed embargo, the Soviet Union continues to aid Iraq with 3,000 to 4,000 military advisors. Washington must demand that Moscow suspend this aid.[22]

Sharing the Burden. Finally, Washington should ask its allies to share more equitably the costs of enforcing the embargo. Japan and West Germany, two economic giants that have not contributed military units to the multinational forces that are enforcing the embargo in the Persian Gulf, should be asked to contribute several billion dollars in financial support for the operation of those forces. Saudi Arabia, whose oil revenues have been boosted considerably (probably by more than $2 billion per month) by higher oil prices and increased oil production, should be asked to channel these crisis-generated oil profits into the support of the common effort against Iraq. Saudi cash should be slated for Egypt, Jordan, and Turkey, which will be hit hard by joining the embargo, and for the U.S. and other countries that have sent forces to defend Saudi Arabia. The burden of containing Iraqi aggression should be shared equitably by all nations who have a stake in the free flow of Persian Gulf oil.

James A. Phillips
Deputy Director of Foreign Policy Studies

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22 See Jay Kosminsky and Michael Johns, "Bush to Gorbachev: Choose Between Saddam and the West" Heritage Foundation **Executive Memorandum** No. #280, August 30, 1990.

APPENDIX I

Excerpts from the Text of the United Nations Security Council Resolution 661 for Sanctions on Iraq, August 6, 1990.

The Security Council...

1. DETERMINES that Iraq has failed to comply with operative paragraph 2 of Resolution 660 (1990) and has usurped the authority of the legitimate Government of Kuwait;

2. DECIDES, as a consequence, to take the following measures to secure the compliance of Iraq with operative paragraph 2 and to restore the authority of the legitimate Government of Kuwait;

3. DECIDES that all states shall prevent:

   a. The import into their territories of all commodities and products originating in Iraq or Kuwait exported therefrom after the date of this resolution;

   b. Any activities by their nationals or in their territories which would promote or are calculated to promote the export or transshipment of any commodities or products from Iraq or Kuwait; and any dealings by their nationals or their flag vessels or in their territories in any commodities or products originating in Iraq or Kuwait and exported therefrom after the date of this resolution, including in particular any transfer of funds to Iraq or Kuwait for the purpose of such activities or dealings;

   c. The sale or supply by their nationals or from their territories or using their flag vessels or any commodities or products, including weapons or any other military equipment, whether or not originating in their territories but not including supplies intended strictly for medical purposes, and, in humanitarian circumstances, foodstuffs, to any person or body in Iraq or Kuwait or to any person or body for the purposes of any business carried on in or operated from Iraq or Kuwait, and any activities by their nationals or in their territories which promote or are calculated to promote such sale, or supply or use of such commodities or products;

4. DECIDES that all states shall not make available to the Government of Iraq or to any commercial, industrial or public utility undertaking in Iraq or Kuwait, any funds or any other financial or economic resources and shall prevent their nationals and any persons within their territories from removing from their territories or otherwise making

available to that government or to any such undertaking any such funds or resources and from remitting any other funds to persons or bodies within Iraq or Kuwait, except payments exclusively for strictly medical or humanitarian purposes, and, in humanitarian circumstances, foodstuffs;

5. CALLS upon all states, including states nonmembers of the United Nations, to act strictly in accordance with the provisions of this resolution, notwithstanding any contract entered into or license granted before the date of this resolution.

6. DECIDES to establish, in accordance with Rule 28 of the provisional rules of procedure of the Security Council, a Committee of the Security Council consisting of all members of the Council, to undertake the following tasks and to report on its work to the Council with its observations and recommendations:

   a. To examine the reports on the progress of the implementation of this resolution which will be submitted by the Secretary General;

   b. To seek from all states further information regarding the action taken by them concerning the effective implementation of the provisions laid down in this resolution;

7. CALLS UPON all states to cooperate fully with the Committee in the fulfillment of its task, including supplying such information as may be sought by the Committee in pursuance of this resolution;

8. REQUESTS the Secretary General to provide all necessary assistance to the Committee and to make necessary arrangements in the Secretariat for the purpose;

9. DECIDES that, notwithstanding paragraphs 4 though 8, nothing in this resolution shall prohibit assistance to the legitimate Government of Kuwait, and CALLS UPON all states:

   a. to take appropriate measures to protect assets of the legitimate government of Kuwait and its agencies; and

   b. not to recognize any regime set up by the occupying power;

10. REQUESTS the Secretary General to report to the Council on the progress of the implementation of this resolution, the first report to be submitted within 30 days;

11. DECIDES to keep this item on its agenda and to continue its efforts to put an early end to the invasion by Iraq.

APPENDIX II

Excerpts from George Bush's televised address to the Nation, August 8, 1990.

...A puppet regime imposed from the outside 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 or determination to confront aggression.

Four simple 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 Roosevelt to President Reagan, is committed to the security and stability of the Persian Gulf.

Fourth, I am determined to protect the lives of American citizens abroad.

Immediately after the Iraqi invasion, I ordered an embargo of all trade with Iraq and, together with many other nations, announced sanctions that both froze all Iraqi assets in this country and protected Kuwait's assets. The stakes are high. Iraq is already a rich and powerful country that possesses the world's second largest reserves of oil and over a million men under arms. It's the fourth largest military in the world....