

Living With Saddam: Reshaping US Strategy in the Middle East

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Much of the world's attention currently focuses on Iraq's new agreement with Secretary General Annan, and the first tests of Iraq's willingness to comply with the new accord. It also focuses on related issues such the continuing struggle to find some mix of UN Resolutions and the threat of force that will compel Saddam to comply with the terms of the UN cease-fire accords, various calls for Saddam's overthrow, and the diplomatic problems related to these issues.

These problems, however, may well prove to be less important than the longer term strategy the US must pursue towards "living with Saddam" and its impact on the overall structure of US policy in the Gulf and the Middle East .The Iraq crisis has exposed deep fault lines in US strategy that go far beyond Saddam. It is clear that the US faces key policy problems in many other areas, and that "living with Saddam" involves a far more complex set of problems than the day-to-day duel over Iraqi compliance with UNSCOM:

- We have lost the battle for the hearts and minds of the Arab world on virtually every level, largely because we never engaged Iraq or saw this as a key part of our treatment of the peace process.
- One way or another, we are now talking about finding ways to contain Saddam, or a similar regime, for several years. Nothing we do with opposition groups will have rapid successes, and any new deals with the INC, INA, and Kurds may actually do as much to help Saddam as hurt him. At least in the near-term, our problem is to implement the best possible containment strategy. This strategy will be greatly complicated by the cash "oil for food" pours into the Iraqi regime, and the prospect Iraq may concentrate on ending sanctions rather than preserving the remnants of its 1991 holdings of missiles and weapons of mass destruction.
- The Arab-Israeli peace issue has openly reached the crisis point, creating major strategic problems for the US in dealing with the Arab world.
- Our security structure in the Gulf is in growing disarray, with Kuwait, Oman, and Bahrain as the only "loyal" states, and key "allies" like Saudi Arabia presenting growing problems. One unnoticed aspect of this problem is the near collapse of the modernization program of the Saudi Army and the fact there is no meaningful military cooperation between Kuwait and Bahrain for the defense of the upper Gulf.

- The pressure on Iran to cooperate with the US is eased, and Iran's talks with Iraq and Saudi Arabia raise new regional issues. At the same time, could any Iranian government resist proliferating, given the gaps in the control of Iraq.
- We have no apparent arms control strategy for the region, or for translating global agreements like the NPT, CWC, BWC, and MTCR into effective regional arms control regimes. At the same time, the current crisis exposed the fact we have very limited military counterproliferation capabilities.
- We face growing fault lines in creating any unified Western or Coalition approach to the region, and growing problems with French, Russian, and Chinese regional ambitions and opportunism.
- We have failed to communicate the importance of the problem of proliferation. Our efforts at education came far too late and were far too weak.
- We have not yet recognized the importance of restructuring our force plans to look beyond Coalition and conventional Warfare. The US will almost certainly need to accelerate its long-range and stand-off strike programs to demonstrate the growing effectiveness of unilateral conventional military options. At the same time, recent events are a powerful reason to maintain an unannounced theater nuclear threat against proliferators. Like it or not, US nuclear capability is a key part of US ability to enforce any effective counterproliferation program.

I. Living With Saddam: The Problem of Containing Iraq

The most immediate problem we face is dealing with Iraq, and these problems will grow steadily over time, regardless of how well Iraq complies with UNSCOM. We face broader challenges in enforcing limits on Iraq's ability to proliferate which must now consider what happens when the UN lifts sanctions. We must seek to maintain limits on the build-up of Iraq's conventional forces, and try to find tools that can strengthen internal opposition to Saddam. The most important problem, however, is likely to be finding ways to deal with the political and economic consequences of the hardships faced by the Iraqi people and the radical changes now taking place in the "oil for food" deal.

"Oil for Food"

The US has taken steps to ensure tight UN controls over the imports and exports under the "oil for food" deal. However, it has taken few visible steps to shape the public debate over whether the program is efficient, and responds to the real needs of the Iraqi people, or how it should be shaped and monitored in the future. The US needs to firmly recognize that the battle over "oil for food" is just as important as the battle over proliferation.

Saddam has effectively levered the UN into agreeing to \$5.256 billion in "oil for food" deals every six months. This is an increase of \$3.2 billion over the \$2 billion currently authorized. If the agreement contained in UN Security Council Resolution 1153 moves forward to full implementation, it more than doubles the cash Iraq received from the past deal. In fact, it would potentially sell \$10.5 billion a year of Iraqi oil, which compares to average Iraqi annual oil exports of \$11.5 billion in 1998 dollars during 1981-1989. The net cash flow to Iraq -- after deductions for reparations and the cost of UNSCOM, will

average about \$3.5 billion every six months, or \$7 billion a year, plus around \$0.5 billion in legal exports to Jordan. This compares with \$1.32 billion every six months under the prior agreement, or \$2.64 billion a year.

Saddam's New Ability to Buy Popularity

This agreement will give Saddam vast new amounts of money to ease internal opposition and conflict. Although the sales will initially be under tight UN control, there is also no way to avoid Iraqi government control over the flow of many of the imports under the agreement, and favoritism in giving "aid" to pro-Saddam groups and regions. Money is also fungible. Saddam can divert his own cash flow to arms or proliferation because the oil money will meet popular needs. There is no way the US can monitor every expense, but it needs to make monitoring the UN accounting effort a key US priority.

The US needs to understand that it is critical that the US be seen as expediting the flow of aid in every way possible. There can be no effective US policy towards Iraq, or effort to maintain sanctions, without such a US effort. At the same time, the US must use the monitoring of oil for food to engage Saddam's regime at every level. It must attack every disorder and misuse or misallocation of funds. It must put intense pressure on UN agencies to ensure their reporting is balanced and objective, and covers the problems faced by the Kurds, Marsh Arabs, etc. It must use the monitoring and reporting for oil for food to attack Saddam Hussein's regime on a broader level: The impoverishment of the Iraqi people over decades and the systematic mismanagement of the economy. One tool would be monthly or bimonthly reporting by the UN, backed by detailed on-line USIA critiques.

Preparing for Iraq's Reemergence as an Oil Power

The expanded "oil for food" agreement involves a much wider range of imports than food and medicine. These shifts are summarized in Table One and they show that Iraq will have a powerful new weapon to influence opinion against sanctions if it is allowed to control the allocation of contracts.

The new deal involves far more oil exports than Iraq can handle with its current production capability, which can only ship about \$4.1 billion worth every six months. Iraq has said it could not handle more than \$4 billion worth of oil -- equal to almost 2 million barrels per day (bpd) if the oil is sold for \$15 a barrel. The most detailed Iraqi comments on this issue have come from Iraq's Oil Minister Amir Muhammad Rasheed. He has stated on the anniversary of Iraq's 1973 oil industry nationalization that that under present circumstances Iraq would be unable to export more than \$4 billion worth of oil under the third six-month phase of its UN oil-for-food deal. This would be well below the \$5.256 billion allowed in the six-month period under a recent UN Security Council resolution designed to increase the amount of food and medicine Iraq could buy to alleviate problems faced by the Iraqi people as a result of UN sanctions. "Iraq has not rejected the (new) resolution and it has acted positively toward it...However, we have emphasized that we cannot export quantities more than what amounts to \$4 billion during

six months because of the production limitation... and also because of the deterioration of prices and the oil market." Iraq is negotiating with the United Nations for the supply of spare parts for the oil sector. Costs of spare parts and repairs would run to a "few hundred million dollars (for) spare parts, chemicals, material required for wells' workover (and) for wet oil extraction treatment and demulsifiers."

Rasheed stated Iraq was currently exporting 1.2 million barrels per day (bpd) of crude oil and had a production capacity of 2.3 million bpd. This production capacity could be increased to 2.65 million bpd in two to three months if the United Nations agreed to supply Iraq with the spare parts its oil sector needed. "We are now exporting at an average of 1.2 million bpd because of the decline in oil prices to \$11.5 a barrel...Our present capacity is 2.65 million barrels a day, which we can achieve in two to three months if the necessary requirements for safe operations of our oil fields have been provided, and we will go up to three million bpd in another three months and to 3.5 million bpd after one year to go back to our production capacity before the aggression (the US.-led Gulf War)."

Rasheed also stated that oil contracts would be tied to politics: "We are now coordinating with the United Nations... to provide the necessary spare parts, materials and equipment for the oil sector under the memorandum of understanding. Our policy will continue that we give credit to friends who stand with us in our main battle to lift sanctions from the Iraqi people...We do this whether in contracting for the purchasing of our oil through the memorandum of understanding or through contracts for the development of our oil fields which have not developed yet.... We are continuing discussions with other international oil companies...We have reached very advanced stages in some of them." Rasheed said Iraq had signed an "important agreement" with Turkey to export Iraqi gas to the outside world and put Iraq's gas reserve at around three trillion cubic meters and its oil reserves at 112 billion barrels.

The US may only be able to fight this aspect of "oil for food" indirectly, but it should try to force competitive bidding and UN efforts to maintain as many controls as possible. Above all, the US should not passively allow Iraq to go around the spirit of sanctions before they are lifted.

Table One
Secretary General's Proposed Allocation of "oil for food" Funds

<i>Sector</i>	<i>Amount (\$US Millions)</i>		
	<i>Under Current Deal</i>	<i>Added Funds</i>	<i>New Deal</i>
Food/nutrition	916	619	1,535
Medicine	210	567	777
Water/Sanitation	44	321	365
Agriculture	50	352	402

Education	27	140	167
Resettlement	11	30	41
Demining	1	10.2	11.2
Electricity	62	79	141
Total Goods			
Revenues	1,321	2,115	3,436
Total Oil Sales	2,001	3,205	5,256

The Regional Aspects of "Oil for Food"

Iraq will become a major player in the world oil market at a critical time in terms of prices and quotas, but will probably be able to make major oil deals. For example, Turkish oil minister Ersumer has said Turkey is reviewing what it can do to help repair the damaged part of a oil pipeline in Iraq that passes through Turkey, although he declined to say when a final decision will be made on the issue or how much repair money Turkey would be prepared to offer Iraq. Iraq currently uses two major routes for moving its oil exports -- a pipeline in the northern part of the country at Kirkuk that stretches through Turkey to the city of Ceyhan on the Mediterranean Sea, and the large Mina al-Bakr loading terminal off Iraq's small Gulf coastline.

The Energy Information Administration, the statistical unit of the US Department of Energy, estimates that Iraq's overall crude export capacity is between 1.4 and 2.4 million bpd, with the most likely number being towards the lower end. The EIA estimates the Kirkuk-Ceyhan pipeline could carry between 800,000 and 1.6 million bpd, while the loading terminal could handle between 600,000 and 800,000 bpd.

This export capacity has an impact on Iranian and Caspian oil issues. The Clinton administration supports a Baku-Ceyhan pipeline, which has an estimated cost of \$2.5 billion, because it would avoid shipping oil through Iran. This Baku-Ceyhan pipeline is one of three options being considered for transporting Caspian oil. The others would move oil through Russian and Georgian outlets on the Black Sea. The Azeri International Operating Company is expected to decide in October which route is best. Turkey must now consider how to deal with both the Iraqi issue and the Caspian issue.

The US seems to have no clear energy policy towards these issues, other than a largely futile short term effort to isolate Iran. The US clearly needs to rethink its policies in terms of how best to minimize Iraqi influence and control over the regional oil market, ensure surplus production and distribution capacity, and counterbalance any Iraqi favoritism towards French and Russian firms in dealing with petroleum development, production, and distribution. It may well be time to end efforts at the economic containment of Iran, and adapt a pro-capacity program aimed at maximizing regional expansion, redundancy,

and competition. Efforts to support the maximum regional role for US industry should be part of this effort.

The Iraqi Opposition

The impact of "oil for food" is one more reason to be conscious of the probable pointlessness of efforts to use outside opposition to unseat Saddam. Much as we may dislike tyranny, Saddam's regime is one of the most effective authoritarian regimes of modern times, and has done a good job of manipulating both the elites that make up its instruments of power and much of Iraqi public opinion. Saddam may not be popular, but he is accepted and he is in control.

The Weakness of External Opposition

The vainglorious claims of the INC disguise a long history of divisions, ineffectiveness, and uncertain financial integrity. The end result seems to be a small, ineffective secular Shi'ite group with little meaningful internal support, and which most of the current Iraqi military and ruling elite now sees as CIA funded "traitors."

The INA is almost certainly worse off. It has always been heavily penetrated by Iraqi intelligence, and has probably done more to help Iraqi intelligence target internal dissidents and opposition leaders than mobilize real opposition to Saddam. Like the INC, the Iraqi elite probably sees it more as a CIA-funded group of "traitors" than a source of inspiration.

These movements may or may not be able to attract a significant following in the future. They are not a meaningful base for a government in exile. Covert US intelligence support is simply likely to confirm their status as "traitors," and it is far from clear where any US financial support would actually go.

The Kurds have always been a terrible base for serious opposition to Saddam. They are the only clearly "non-Arab" group, and the Talabani faction fought actively as mercenaries on the side of Iran during the Iran-Iraq war. Barzani is far more interested in finding foreign leverage to cut a deal with Saddam than in efforts to overthrow him, and has no reason to put serious faith in the West. Further, Turkey's civil war with the PKK makes the use of the Kurdish enclave steadily more difficult, and the US confronts ongoing efforts by Iran and Syria to manipulate both Turkey's Kurds and Iraq's. The end result of a major new effort to use the Kurds to subvert Saddam may simply end in labeling them as traitors, make any humanitarian solution in terms of autonomy more difficult, and leave the same legacy of suffering that occurred when we had to abandon the elder Barzani in the mid-1970s.

There are broader moral questions about the ultimate impact of any major US "destabilization effort." US clandestine efforts scarcely stay clandestine. They often simply end in targeting internal opposition efforts, and they may well make it difficult to oppose Saddam without making such opposition seem a tool of the CIA or non-Arab

interests. We also lack any meaningful Arab support. Jordan has demonstrated that this is not something it does well, or which it can support with security. Every Gulf Arab nation and Iraq will strongly oppose any US-backed effort, particularly one built around the Kurds, and Saddam can add the stigma that any group tied to the US is also tied to the ally of Israel.

An Alternative Approach to Undermining Saddam

The alternative to relying on a weak and ineffective outside opposition is a much broader-based and systematic effort to make it clear that there are real incentives to overthrowing Saddam. Such a program might include:

- Consistent reiteration of the US view that Iraq remain unified and that any solution to Iraq's political problems should be based on its emergence as a single Arab state.
- A systematic, broadly based information campaign using USIA and VOA -- hopefully with British aid -- to attack the current Iraqi regime for every abuse of oil for food, the allocation of resources, acts of repression, etc. Such a campaign should allow every part of the Iraqi opposition to use USIA and VOA without supporting any given element.. The US should concentrate, however, on directly attacking Saddam's misgovernment and tyranny using detailed discussion and analyses by non Iraqis. The campaign should be conducted primarily in Arabic as well as in English.
- Persuading Kuwait and Saudi Arabia to signal that they would forgive debt and reparation if Saddam and those around him fell.
- Sending clear signals that the US will not seek to intervene in the internal affairs of Iraq (democratization, detailed human rights efforts, war crimes, etc.) if a new Iraqi regime is willing to halt proliferation, fully recognize Kuwait, give the Kurds limited autonomy, avoids gross abuse of the human rights of all Iraqis, and is not actively hostile to Israel
- Sending similar signals that the US would support an end to sanctions on conventional arms imports and detailed UN control over "oil for food" once a new regime had demonstrated its character.
- Decoupling US efforts as much as possible from the Iraqi Kurds, limiting US efforts solely to asking for some form of protection and special rights for Iraqi Kurds. Minimize efforts to interfere in the Kurdish enclave and limit them to damage control. Make it clear to the Kurds that the US sees their future as part of an integrated Iraq.

Such a campaign is five years late, and may be too late to have more than marginal impact on internal developments in Iraq, but it still have some potential -- and far more potential than creating the INC as the Jonas Savambi/Contras of the Clinton Administration.

Creeping Proliferation and the Slow End of Sanctions

We need to firmly understand that there are serious limits to what UNSCOM can do, whether or not Iraq allows it to operate without checks. Regardless of how free UNSCOM is to operate, Iraq can still maintain a powerful clandestine and dual use effort. Equally important, UNSCOM does nothing to deprive it of dual-use facilities that it can convert to the production of missiles and weapons of mass destruction once sanctions ease or end.

Keeping the Focus on UNSCOM

These problems do not mean that the US should falter in making every possible effort to make UNSCOM and the IAEA as effective as possible for as long as possible. UNSCOM and the IAEA may have reached the point of diminishing returns because of their past success, and much of what Iraq may have concealed since 1991 has probably lost much of its value and effectiveness. Nevertheless, UNSCOM and the IAEA still have major targets. Table Two provides a clear warning that large amounts of equipment and technology are still not accounted for.

Table Two Key Aspects of Iraqi Proliferation that Still Are Unaccounted For			
Chemical Weapons			
<i>Agent</i>	<i>Declared</i>	<i>Potential Unaccounted For</i>	<i>Comments</i>
Chemical Agents	(Metric Tons)	(Metric Tons)	
VX Nerve Gas	3	300	Iraq lied about the program until 1995
G Agents (Sarin)	100-150	200	Figures include weaponized and bulk agents
Mustard Gas	500-600	200	Figures include weaponized and bulk agents
Delivery Systems	(Number)	(Number)	
Missile Warheads	75-100	45-70	UNSCOM supervised destruction of 30
Rockets	100,000	15,000-25,000	UNSCOM supervised destruction of 40,000, 28,000 of which were filled.
Aerial Bombs	16,000	2,000	
Demining	30,000	15,000	

Biological Weapons

<i>Agent</i>	<i>Declared Concentrated Amount</i>	<i>Declared Total Amount</i>	<i>Uncertainty</i>
Anthrax	8500 (liters) 12,245 (gallons)	85000 (liters) 22457 (gallons)	Could be 3-4 times declared amount
Botulinum toxin	19,400 (liters) NA (gallons)	380,000 (liters) NA (gallons)	Probably twice declared amount. Some extremely concentrated.
Gas Gangrene Clostridium Perfringens	340 (liters) 90 (gallons)	3,400 (liters) 900 (gallons)	Amounts could be higher
Aflatoxin	NA (liters) NA (gallons)	2,200 (liters) 581 (gallons)	Major uncertainties
Anthrax	NA (liters) NA (gallons)	10 (liters) 2.7 (gallons)	Major uncertainties

In addition, UNSCOM reports that it cannot account for the material balance of some 550 155 mm mustard gas shells, the extent of VX programs, and the rationale for the acquisition of various types of chemical weapons, 107,500 empty casings for chemical weapons, whether several thousand additional chemical weapons were filled with agents, and the unilateral destruction of 15, 620 weapons, and the fate of 16,038 additional weapons Iraq claimed it had discarded. "The margin of error" in the accounting presented by Iraq is in the neighborhood of 200 munitions." It cannot confirm the unilateral destruction of 25 biological warheads. It can confirm the destruction of 23 of at least 157 bombs. Iraq may have more aerosol tanks.

US intelligence indicates that Iraq may have 25-40 Scud missile assemblies, and some mobile launchers. There are serious question about the disposal of Iraq nuclear weapons components program and handling of high speed centrifuges.

Options for Iraqi Clandestine and Covert Programs

It is impossible to put technological genies back in their bottles once they emerge. There are too many ways to proliferate and a modern authoritarian state can conceal too much. Further, there is no doubt that Iraq will continue to challenge the UN effort at every possible opportunity, and make every effort to limit and/or end UN inspections. Rolf Ekeus made this clear in an interview on June 30, 1997 -- the day he stepped down from UNSCOM:

"Our impression after six years is that the present leadership is not interested in giving up these weapons...People ask how much is left, but we cannot really quantify. We only know that Iraq has not made a list of weapons and production sites available, and that should have been given to us six weeks after the resolution was adopted."

Even the most unfettered and effective UNSCOM/IAEA effort cannot prevent Iraq from conducting important covert efforts and from retaining and/or developing some "break out" capabilities to rapidly recover the ability to deliver weapons of mass destruction the moment that UNSCOM and the IAEA's efforts cease or are undercut to the point where they become ineffective.

UNSCOM has noted some of these technical problems in its reports:

"...for the monitoring system to be effective, it must cast a broad net and cover major facilities such as petrochemical and pesticide plants where chemical and biological warfare agents could be produced. However, such agents can also be clandestinely produced by Iraq in such facilities as breweries, brake fluid factories, and even university microbiology laboratories containing dual use equipment."

It has also reported on the constant problems Iraq creates for its inspectors.

"...such actions have included movement of equipment without due notification; attempts to undermine the rights and privileges of the Commission's inspectors; non-availability of keys to locked rooms; and interference in the inspection process by representatives of the National Monitoring Directorate and Iraqi personnel at the sites...Despite the willingness of Iraq to allow the team to interview...senior personalities from the Special Republican Guard, Iraqi intelligence Service, and Surface-to-Surface Missile Force, the substance of the data obtained during the course of those interviews was fragmentary and often contradictory."

No inspection and verification effort short of full-scale occupation can hope to be comprehensive enough to detect and halt many kinds of covert research and development activities in a closed, authoritarian state like Iraq. No inspection and verification effort can be expected to halt the covert preparation for the rebuilding of an industrial base that will give Iraq the capability to rapidly resume the production of biological and chemical weapons at a limited to moderate scale. Iraq will also continue to have some successes. UNSCOM and the IAEA cannot deny Iraq the technology base, pilot plants, and dual use facilities necessary to give it a significant break out capability -- at least in chemical and biological weapons. They cannot keep Iraq from conducting research and development at the laboratory level. They cannot prevent Iraq from exploiting any new covert organizations it has created since the Gulf War to carry out test, evaluation, and production planning for biological, chemical, and nuclear weapons, and some missile research.

In fact, many Western officials, and several UNSCOM and IAEA experts, believe that Iraq has already created new, parallel, covert proliferation efforts since the Gulf War which do not have links to past efforts, which are small and compartmented enough to be extremely difficult to detect, and which allow Iraq to conduct low-level research, development, production facility planning and preparation in ways that UNSCOM and the IAEA cannot detect.

The following factors must be considered:

- Iraq has had more than half a decade to covertly develop the capability to produce biological weapons in dry, storable form in the particle sizes necessary to achieve near-nuclear lethality. It has had every incentive to use this time to develop stable forms of dusty mustard gas, and pure and stable "V" and "G" nerve agents. It should have been able to make major progress in refining its plans for nuclear enrichment facilities, its basic nuclear weapons designs and its technology for producing neutron initiators, explosive lenses, and high speed triggering devices.
- Iraq has had time to improve its weaponization programs by developing more effective binary chemical weapons, and mechanisms for dispersing chemical and biological agents from rockets, bombs, and missile warheads. It has had time to develop a range of weapons specifically designed for covert or terrorist delivery. Its missile test activities are limited by UNSCOM, but it still may be able to make some advances in the quality of its missile warheads.
- Iraq's past efforts have been grandiose enough to leave a considerable trail. Massive imports have provided one kind of warning signal and target for UN operations. The use of extremely large physical facilities has provided another, as has Iraq's insistence on immense documentation and visible paper trails. None of these signals are critical to Iraq's future success. Iraq does not need to produce the kind of massive amounts of weapons of mass destruction it needed to fight a theater-wide land war with Iran, and developing sufficient amounts of agent to arm missile warheads and a large number of bombs involves far smaller import, facility, and activity requirements. Iraq has had the time to covertly manufacture many of the components it once had to import, many of which can be made to a smaller scale. It has had time to break its research and development activities down into relatively small cells which can be compartmented from each other.
- Iraq has had time to distribute activity into small, redundant facilities with no links back to its Gulf War programs. Iraq's insistence on large paper trails is obsolete and UNSCOM and Western intelligence experts report that Iraq is increasingly making use of computer hard drives as a substitute for bulky documentation. The use of commercial scanners, local area network, CD-ROM, and DVD technology -- all of which is readily available without any possibility of export controls, allows Iraq to store even the most massive record-keeping effort on a few CD-ROMs and DVDs, and instantly transfer documentation and research activities to remote sites.

As a result, UNSCOM and the IAEA cannot ensure that Iraq will not produce limited amounts of chemical and biological weapons or continue its research and development efforts at a low level. Such programs make some of the suggested compromises in the UN inspection effort, such as a reliance on remote monitoring, little more than an invitation to Iraq to resume and expand its efforts to proliferate. Iraq has several ways of achieving a major "break out" in weapons of mass destruction that require careful consideration:

- UNSCOM and the IAEA's success have created new priorities for Iraqi proliferation. The UN's success in destroying the large facilities Iraq needs to produce fissile materials already may well have led Iraq to focus on covert cell-like activities to manufacture highly lethal biological weapons as a substitute for nuclear weapons.
- Biological weapons present a special problem, particularly since Iraq's inability to rapidly rebuild a nuclear material production system is likely to make Iraq give biological weapons an even higher priority. Advances in biotechnology, food processing equipment, and related materials are steadily downsizing the area and specialized equipment needed to make far more lethal, dry storable agents than Iraq had at the time of the Gulf War. Iraq has had more than half a decade in which to reverse-engineer and manufacture moderate-scale fermenters and spray systems.
- Most of the biological agents Iraq had at the time of the Gulf War seem to have been "wet" agents with limited storage life and limited operational lethality. Iraq may have clandestinely carried out all of the research necessarily to develop a production capability for dry, storage micro-power weapons which would be far easier to clandestinely stockpile, and have much more operational lethality.
- Iraq did not have advanced binary chemical weapons and most of its chemical weapons used unstable ingredients. Iraq has illegally imported specialized glassware since the Gulf War, and may well have developed advanced binary weapons and tested them in small numbers. It may be able to use a wider range of precursors and have developed plans to produce precursors in Iraq. It may have improved its technology for the production of VX gas.
- Iraq is likely to covertly exploit Western analyses and critiques of its pre-war proliferation efforts to correct many of the problems in the organization of its proliferation efforts, its weapons design, and its organization for their use.
- Iraq bombs and warheads were relatively crude designs which did not store chemical and biological agents well and which did a poor job of dispersing them. Fusing and detonation systems did a poor job of ensuring detonation at the right height and Iraq made little use of remote sensors and weather models for long-range targeting and strike planning. Iraq could clandestinely design and test greatly improve shells, bombs, and warheads. The key tests could be conducted using towers, simulated agents, and even indoors. Improved targeting, weather sensors, and other aids to strike planning are dual-use or civil technologies that are not controlled by UNSCOM. The net impact would weapons that could be 5-10 times more effective than the relatively crude designs Iraq had rushed into service under the pressure of the Iran-Iraq War.
- UNSCOM and the IAEA's success give Iraq an equally high priority to explore ways of obtaining fissile material from the FSU or other potential supplier country and prepare for a major purchase effort the moment sanctions and inspections are lifted and Iraq has the hard currency to buy its way into the nuclear club. Iraq could probably clandestinely assemble all of the components of a large nuclear device except the fissile material, hoping to find some illegal source of such material.

- The components for cruise missiles are becoming steadily more available on the commercial market, and Iraq has every incentive to create a covert program to examine the possibility of manufacturing or assembling cruise missiles in Iraq.
- UN inspections and sanctions may also drive Iraq to adopt new delivery methods ranging from clandestine delivery and the use of proxies to sheltered launch-on-warning capabilities designed to counter the US advantage in airpower.
- Iraq can legally maintain and test missiles with ranges up to 150 kilometers. This allows for exoatmospheric reentry testing and some testing of improved guidance systems. Computer simulation, wind tunnel models, and production engineering tests can all be carried out clandestinely under the present inspection regime. It is possible that Iraq could develop dummy or operational high explosive warheads with shapes and weight distribution of a kind that would allow it to test concepts for improving its warheads for weapons of mass destruction. The testing of improved bombs using simulated agents would be almost impossible to detect as would the testing of improved spray systems for biological warfare.
- Iraq has had half a decade in which to improve its decoys, dispersal concepts, dedicated command and control links, targeting methods, and strike plans. This kind of passive warfare planning is impossible to forbid and monitor, but ultimately is as important and lethal as any improvement in hardware.
- There is no evidence that Iraq made an effort to develop specialized chemical and biological devices for covert operations, proxy warfare, or terrorist use. It would be simple to do so clandestinely and they would be simple to manufacture.

Retaining Dual-Use and Convertible Facilities

Even if Iraq does not retain clandestine or covert programs, it will still have the capability to be a major proliferator the moment that sanctions are lifted. Even the most effective UNSCOM effort will leave Iraqi civilian and dual use facilities which can be converted once UNSCOM leaves. This represents a massive capability to proliferate, and key convertible facilities include:

- The missile production plant at Ibn Al Haytham. This plant has ongoing activity and two buildings big enough to produce large missiles.
- The major missile research facility at Al Kindi.
- UNSCOM is covering some 160 facilities capable of being used in a chemical program, has tagged 323 items, is monitoring thousands of others, and is conducting over 170 monitoring inspections in a six month period. These inspections have discovered some "200 key pieces of undeclared dual-use equipment, such as heat exchangers, glass reactor vessels and distillation columns capable of use in proscribed chemical weapons activities. About 800 pieces of related equipment have been located.
- There were 90 sites with resident biological weapons teams in late 1997, had tagged some 893 items, and was conducting 240 inspections over a six month period. UNSCOM has identified 79 key sites related to biological warfare. Of these, nine are considered Category A, requiring the most intense monitoring, while 15 are Category B, 10 are Category C and 45 are Category D. Many of the

Category A sites were damaged during the Gulf War, but one facility at Al-Hakam was missed entirely by both Coalition intelligence and bombers. These facilities included five sites used to make weapons before war; five vaccine or pharmaceutical sites; 35 research and university sites; and 13 breweries, distilleries, and dairies with dual-purpose capabilities; eight diagnostic laboratories.

What the US Can Still Do

This mix of clandestine options and dual-use/civilian capabilities are grim and unavoidable realities, and Iraq's actions will interact with those of other proliferators. Iran can scarcely ignore the risks Iraq poses, and Israel can scarcely ignore Iran and Iraq. Egypt and Syria cannot ignore Israel, and Iran and Iraq will react in return. This leaves the US with the following policy options:

- Maintain UNSCOM and IAEA inspection activity as long as possible. This requires more than support in the UN. It requires a concerted and systematic effort to educate friendly Arab governments in the true nature of the risks involved, a systematic and continuing effort to expose every aspect of Iraqi proliferation activity, and a major publicity campaign outside the US and in the Arab world.
- Support the UNSCOM/IAEA activity by maintaining and improving the US military option to strike Iraq, and by making every possible effort to convince Iraq that the risk is real and that there is some degree of automaticity in US action if it does not fully comply with UNSCOM. Conduct regular long-range bomber, cruise missile, stand-off strike exercises. Leak "strike options" designed to signal the Iraqi leadership of the risk involved. If necessary provoke occasional diplomatic clashes with France and Russia to convince Iraq of the seriousness of US intentions.
- Systematically expand the US strike option against Iraq to deal with the case in which the US has only one chance to strike Iraq and effective UNSCOM/IAEA action is no longer an option. Conduct a campaign of 1,000-2,000 strikes designed to do the maximum possible damage to dual-use and civilian Iraq facilities, Iraqi capability to produce conventional military weapons, and other key Iraqi military facilities. Prepare the information warfare campaign necessary to minimize political backlash if such a strike plan is executed.
- Lay the ground work for post-sanctions/UNSCOM/IAEA monitoring activity. The US needs to lobby and educate within the UN to keep as much of the current monitoring and tagging effort going as long as possible. It needs to prepare now for the time when UNSCOM and the IAEA declare there is not more they can do, and it must not rely on existing UN Resolutions to ensure an ongoing effort.
- Prepare to exercise a veto on any lifting of UN controls over dual-use or prohibited imports that Iraq can use to proliferate. At the same time, make intelligence detection of any violations and imports a top priority, and systematically embarrass and threaten any exporter. The US must do its best to convince countries and exporting firms that they may have to choose between any such exports to Iraq and any access to the US market.

- Conduct a program of leaks to systematically embarrass foreign governments and firms that are detected as considering or making such exports. Target key individuals by name.
- Began to develop joint counterproliferation programs -- including TMD and tailored counterterrorism options -- with friendly Southern Gulf states, Israel, other friendly Arab states, and Turkey. Prepare friendly states for the future of creeping proliferation. Make it clear that both they and the US have military options.

Controlling Conventional Military Imports

"Oil for food," and the slow movement towards the lifting or easing of sanctions, are creating similar risks regarding the rebuilding of Iraq's conventional forces. Iraq is still the largest conventional power in the Gulf region, and its past history of arms imports must be kept in careful perspective. *Iraq's History of Conventional Arms Imports*

Iraq took delivery on \$29.7 billion worth of new arms during the latter half of the Iran-Iraq War -- the period from 1984-1988. These deliveries included \$15.4 billion worth of arms from the former Soviet Union, \$0.75 billion from Poland, \$0.65 billion from Bulgaria, \$0.675 billion from Czechoslovakia, and \$2.8 billion from the People's Republic of China. Iraq obtained \$3.1 billion from France, \$0.37 billion from Italy, \$0.03 billion from the UK, \$0.675 billion from Germany, and \$5.2 billion from other countries.

The size of the backlog of Iraqi arms orders after the Iran-Iraq War is indicated by the fact that Iraq took delivery on \$5.0 billion worth of arms during 1989-1990, including \$1.5 billion worth of arms from the former Soviet Union, \$400 million from the People's Republic of China, \$2.1 billion from major West European states, \$600 million from other European states, and \$400 million from other countries.

In many ways, therefore, it is not surprising that Iraq only ordered \$1.7 billion worth of arms from the end of the Iran-Iraq War in August, 1988, to the beginning of the embargo on arms shipments that followed its invasion of Kuwait in August, 1990. This choice, however, was not a voluntary one, and was not the result of some strategic choice that favored choose civil development or "butter" over military power and "guns." It is quite clear from both intelligence sources and interviews with Iraqi defectors that Iraq's low rate of new arms orders after 1988 was forced upon Saddam Hussein and his coterie by the nation's growing economic crisis.

Iraq's leaders realized that new orders averaging less than \$1 billion a year were only about one-third to one-half what they needed to meet their goals. The most they could do under the circumstances was to prioritize their new order to focus on modern high technology equipment. This helps to explain why \$500 million of the \$1.7 billion came from major West European states, \$100 million from other European states, and \$200 million were ordered from the Soviet Union. In contrast, no new orders were placed with the People's Republic of China, although Iraq ordered \$900 million worth of new military imports from other countries. Some of the latter orders were designed to resupply and

sustain Iraq's existing equipment at the lowest possible cost, some were part of an effort to obtain high technology systems from third parties, and some were dual use imports designed to help develop and produce weapons of mass destruction.

Iraq's Recapitalization Crisis

The Gulf War has cost Iraq much of its butter as well as most of its guns, and has created far greater and longer-term problems in financing a military machine than would ever have been the case if Iraq had focused on recovery and renegotiated its debts. Some estimates indicate that Iraq's GDP would have risen to \$35-40 billion in 1990, if it had not invaded Kuwait. Instead, it dropped to around \$25 billion. Any estimate of Iraq's GDP after 1990 is speculative, but it seems to have been about \$24 billion in 1991, \$20 billion in 1992, and substantially less than \$20 billion in 1993. Estimates of Iraq's total foreign debt in 1993, including interest, range from \$80 billion to \$109 billion.

While many of Iraq's internal supply, logistic, and repair capabilities have slowly improved, UN sanctions have had a steadily more crippling impact on a military force structure that requires a minimum of \$900 million to \$1.2 billion in pre-Gulf War military imports in order to sustain its existing readiness, sustainability, and effectiveness. Even when Iraq's more sophisticated military equipment is still operational, it often has limited sustainability and/or partial repair and maintenance means that sub-systems do not work or have no endurance in combat. Iraq's efforts to substitute for imports with domestic modifications and production to its major weapons systems have also had only very limited effectiveness.

If Iraq's need for military modernization is included, Iraq required about \$2-2.5 billion a year to sustain Iraq's forces, modernize its conventional forces, and support its efforts to deploy large numbers of long-range missiles and weapons of mass destruction. As a result, the impact of the Gulf War and UN sanctions has been devastating. Even if one ignores the cost of replacing Iraq's wartime losses, Iraq's military imports were underfunded by at least \$7 billion between 1990-1997. Sustaining Iraq existing force structure, replacing its wartime losses, and modernizing its military forces would have cost at least \$3-4 billion a year after 1991, and the cumulative gap between Iraq's ambitions and its actual military imports between 1991 and 1997 totals at least \$21 billion.

The scale of this "recapitalization" problem is indicated by the amount of money Iraq might have spent on arms between 1991 and 1998 if it had not been under UN sanctions. If Iraq had imported arms at its average annual rate during the period from 1985-1990, it would have had to spend a total of \$47.5 billion, nearly half of the oil export earnings it might have received if sanctions had been lifted. A conservative estimate of the cumulative cost of simply modernizing Iraq's existing military forces at the time of the Gulf War would total \$21.6 billion, and it would have cost a minimum of \$ 12 billion simply to keep Iraq's military machine from deteriorating. In contrast, a conservative estimate of the cumulative cost of modernization, and moderate force restructuring to

react to the lessons of the Gulf War, indicates that Iraq would now have to spend at least \$26.7 billion on military imports to react to the cumulative impact of sanctions.

Another way of looking at the problem is to consider how much of Iraq's military inventory is now obsolescent or obsolete. If Iraq is judged by US standards, or the best first-line equipment in Southern Gulf forces, this list includes:

- 600-700 M-48s, M-60s, AMX-30, Centurion, and Chieftain main battle tanks; 1,000 T-54, T-55, T-77 and Chinese T-59 and T-69 main battle tanks; 200 T-62 main battle tanks.
- 1,500-2,100 (BTR-50, BTR-60, BTR-152, OT-62, and OT-64 armored personnel carriers; 1,600 BDRM-2, EE-3, EE-9, AML-60, AML-90 armored fighting vehicles
- 800-1,200 towed 105 mm, 122 mm, 130 mm, and 155 mm artillery weapons.
- Large numbers of AS-11, AS-1, AT-1, crew-portable anti-tank-guided missiles.
- More than 1,000 heavy, low-quality anti-aircraft guns.
- 20 PAH-1 (Bo-105); attack helicopters with AS-11 and AS-12, 30 Mi-24s and Mi-25s with AT-2 missiles, SA-342s with AS-12s, Allouettes with AS-11s and AS-12s.
- 100-180 worn or obsolete transport helicopters.
- 6-7 HD-6 (BD-6), 1-2 Tu-16, and 6 Tu-22 bombers; 100 J-6, MiG-23BN, MiG-27, Su-7 and Su-20s; 140 J-7, MiG-21, MiG-25 air defense fighters.
- MiG-21 and MiG-25 reconnaissance fighters.
- AA-6, AA-7 Matra 530 air-to-air missiles; AS-11, AS-12, AS-6, AS-14; air-to-surface missiles.
- 20-30 operational SA-2 batteries with 160 launch units; 25-50 SA-3 batteries with 140 launch units; 36-55 SA-6 batteries with over 100 fire units; 6,500 SA-7s; 400 SA-9s; 192 SA-13s
- Ibn Khaldun. destroyer; Osa-class missile boats

Options for US Action

Anything the US can do to maintain sanctions on Iraq's conventional arms imports will be as important as US efforts to limit and control proliferation. The US has many of the same policy options in dealing with this problem than it does to deal with Iraqi attempts to proliferate:

- Make a concerted and systematic effort to educate friendly Arab governments in the true nature of the risks involved in Iraqi rearmament.
- Make destroying Iraqi conventional military production facilities a continuing part of the US military option to strike Iraq.
- Prepare to exercise a veto on any lifting of UN controls over dual-use or prohibited imports that Iraq can use to acquire conventional arms and production technology. At the same time, make intelligence detection of any violations and imports a top priority, and systematically embarrass and threaten any exporter. Conduct a concerted campaign to best to convince countries and exporting firms

- that they may have to choose between any such exports to Iraq and any access to the US market.
- Conduct a program of leaks to systematically embarrass foreign governments and firms that are detected as considering or making such exports. Target key individuals by name.

II. Broader Strategic Issues

Important as these Iraqi political and military issues are, they are no more important than finding a US strategy to deal with the other strategic problems in the region. An effective strategy for dealing with Iraq requires an effective overall strategy for dealing with the rest of the Gulf and the Middle East. In practice, this requires the US to deal with the following additional issues.

The Battle for the Hearts and Minds of the Arab world

The US has lost the battle for the hearts and minds of the Arab in many ways, largely because it never understood the battle was underway or failed to take it seriously. It has never had a clear information and public affairs strategy for dealing with the Arab world (or Iran and Israel for that matter). It has never made proper use of USIA or VOA or given them the resources they needs. It has concentrated its diplomacy on ruling elites, and has failed to aggressively reach out to regional intellectuals and support its policies with detailed explanations, briefings, and white papers. It has failed to understand the difference between trying to influence US media and domestic politics and talking to the Arab world -- resulting in massive embarrassments like the town hall meeting over the use of force against Iraq or the unsupported posturing of Secretaries Perry and Cohen in talking about proliferation without making a convincing case.

This battle for the hearts and minds of the Arab world is particularly important in the case of Iraq. The US has never really defined what it wants Iraq to be, has relied on Arab hostility to Iran to support its efforts at isolating Iran, and has left the explanation of the US role in the Gulf to local regimes -- which have done their best to explain nothing. Clichés are not communication, and the US has not only ceded most of the battle on Iraq, has its never understood it must constantly justify its overall position in the Gulf.

The US badly mishandled the "hardship" and "oil for food" issues. Since 1991, it has paid lip service to the hardships of the Iraqi people, but it has never given "oil for food" and the suffering of ordinary Iraqis the high policy profile needed to establish US credibility. It has passively allowed Iraq to manipulate the data used by UN agencies and NGOs to calculate the level of suffering. It has rarely countered the steadily intensifying Iraqi publicity campaign to case the US and UN sanctions as the villain, to publicize and exaggerate the actual level of suffering, to reach out to the rest of the Arab world, and to tie Iraq's suffering to the problems in the Arab-Israeli peace process.

Unfortunately, many US Middle East experts are anything but an asset in this battle. They provide a chorus of almost ritual criticism of any US military role in the region, and any

use of force. The polarize around the Arab or Israeli side of the Arab-Israeli peace process, and generally do a far better job of speaking for the country or countries they study than for the US. While this is true of most regional experts in all regions, it is one of the ironies of Middle East studies that US Middle East experts do a far better job of reaching out to the region than they do to US policy makers.

The US needs to firmly recognize the fact that it is in a long-term battle to influence regional intellectual elites and public opinion. Iraq is a crucial part of this battle, but so is US policy towards Iran, the Southern Gulf, the Arab-Israeli peace process, and arms transfers and proliferation. If the US does not engage broadly and consistently in this battle at every level, it will lose it by default.

Dealing with the Arab-Israeli Peace Issue

The US needs to recognize that the breakdown of the Arab-Israeli peace process has openly reached the crisis point, creating major strategic problems for the US in dealing with the Arab world. The US should not take any step that would threaten Israel's security, and needs to firmly recognize that Arafat and Asad are as much a part of the problem as Netanyahu. At the same time, the US must be prepared to openly confront the current Israeli government on moving the Oslo Accords forward, halting settlements, and other issues.

No strategy for dealing with Iraq or any other part of the Middle East can be effective if the US government does not force the pace on peace.

Shifting US Policy Towards Iran

US efforts to ensure the military containment of Iran are fundamentally sound and have had great success in limiting Iran's efforts to proliferate and acquire advanced conventional weapons. These should continue to receive the highest priority. It is also premature to judge whether the Iranian revolution will produce a stable moderate regimes which will establish correct or friendly relations with the US. There also is little point in attempting a classic balance of power strategy with either Iran or Iraq, since neither regime is likely to be willing to assume such a role.

That said, US economic sanctions do almost nothing to contain Iran militarily and a great deal to alienate Iran's leaders and people. They cut the US off from productive contact with Iran, and they make it difficult to establish any practical modus vivendi with Iran's new, more moderate President. The US may not be able to waive sanctions in an election year, but it can begin to discuss reasonable conditions for lifting them and solving the repayment issue, and effectively define the terms for a future official dialogue. The US should also indirectly approach Iran to make it clear that it will not overreact to Iranian military developments, and sees the emergence of a "responsible" Iran as a stabilizing force in the Gulf.

Developing a US Energy Policy for the Gulf, Central Asia, and the Caspian

The current awkward mix of sanctions and reliance on market forces will not produce either the level of oil and gas supplies the US estimates, or help to secure redundant methods of distributing them. Market forces may well be adequate without sanctions, but not without development of Iranian and Iraqi energy resources, additional pipelines, and close attention to the efforts of China, France, and Russia to use political influence and state subsidies to shape regional activity.

The US needs a broadly based regional energy policy that encourages maximum capacity in terms of both production and distribution, avoiding over-reliance on Iran and Iraq, but facing the need to make them important energy suppliers. It should encourage pipeline routes that bypass the Gulf, and avoid dependence on Russia, Iran, or Iraq without excluding pipelines through these countries. The US must carefully reexamine all barriers to US-owned major oil companies and the Russian, French, and Chinese government roles in subsidizing and manipulating energy and pipeline investments. Serious effort may be needed to encourage Southern Gulf states to take long range steps to reduce their dependence on highly centralized facilities and direct shipment out of the Gulf.

Dealing with the Lack of a Unified UN, Western or Coalition Approach to the Region

It is clear from the recent crisis with Iraq that US policy towards the Gulf cannot be based on any reliance on NATO, on any European ally other than Britain, on other Coalition partners from outside the Gulf, or on reliance on major Gulf states like Saudi Arabia when there is no a clear and unambiguous danger to the Gulf state involved.

The US should not abandon Coalition building for political purposes, but it should have no strategic or military illusions. The de facto Coalition in war fighting terms will be the US, those Gulf states directly threatened, and possibly the UK. The US also cannot count on future UN support, although it should continue to seek it.. This means restructuring both US power projection capabilities and regional security policy. The US must also gradually assert its own vital strategic interests in terms of declared "doctrines," rather than relying on UN, Coalition, or Western consensus.

Recognizing the Problems in Our Security Structure in the Gulf

The US needs to recognize that the "aura" of its victory in the Gulf War is over and that it must deal with the traditional rivalries and struggle for a balance of power in the Gulf. This requires new talks with each Southern Gulf state to make it clear that the US cannot sacrifice its interests to theirs and must act unilaterally if necessary. It means restructuring US military plans to emphasize unilateral strike options.

At the same time, the US needs to face the lack of overall military progress within the Southern Gulf, the lack of meaningful military unity within the GCC, the near-collapse of the modernization program of the Saudi Army, and the fact there is no meaningful military cooperation between Kuwait and Bahrain for the defense of the upper Gulf. Similar problems occur in the lower Gulf, where the UAE's inchoate and wasteful arms

purchases disguise a lack of effective forces and force planning, and no unified plan exists for deterring or defending against Iran.

The US currently is the subject of growing backlash within the civil elites of the Gulf, including many Ministers and key technocrats. It is blamed (largely unfairly) for pushing arms sales that do not create effective forces, and for failing to advise the Southern Gulf states in ways that create effective forces. At the same time, there is growing resentment of Southern Gulf military and arms spending as wasteful, corrupt, and ineffective.

An active US strategy is needed to try to create effective Southern Gulf forces, cooperation within the GCC states, and making it clear that the US is not pushing wasteful arms sales or trying to ensure its continued military presence in the region. The US cannot simply rely on the support of royal families and keep a low profile without experiencing a steady deterioration in support for its positions and a continued failure to ease the military burden on the US.

Restructuring US Force Plans to Look Beyond Coalition and Conventional Warfare.

The US cannot develop a unilateral capability to fight in the Gulf. Even if this were militarily possible, this would mean abandoning the political dimension of strategy and the consequences would be disastrous. At the same time, the US must consider a future in which its forward deployed presence is greatly reduced, it must deal with the end of the "no fly zones," and dependence on Gulf states gives them (particularly Saudi Arabia) a quasi veto over US military action.

The US will need to accelerate its long-range and stand-off strike programs to demonstrate the growing effectiveness of unilateral conventional military options. At the same time, recent events are a powerful reason to maintain an unannounced theater nuclear threat against proliferators. Like it or not, US nuclear capability is a key part of US ability to enforce any effective counterproliferation program.

Dealing with the Reality of Creeping Proliferation.

The US needs to accept the fact it is likely to fail to block the creeping proliferation in the Gulf and Middle East. It also needs to understand that it has failed dismally to communicate the importance of the problem to the leaders and intellectual elites in the region. Dramatic US warnings are often seen as empty bluster, and sometimes as part of a conspiracy to maintain US influence in the region, rather than as a real solution to a real problem. At the same time, the current crisis exposed the fact we currently have limited military counterproliferation capabilities

The US needs to take the following steps to deal with the reality of creeping proliferation:

- Conduct a systematic campaign to educate the region as to the reality of the problem, emphasizing depth of analysis and detail and full dialogue with elites over bluster and crying wolf.
- Accelerate the US counterproliferation program, which now often emphasizes technology development over near-term deployment of capability in the field.
- Examine options for the protection of civil populations, reducing the vulnerability of key economic and energy facilities, and accelerating missile defense.
- Examine options for a US doctrine calling for retaliation against any state making aggressive use of weapons of mass destruction.
- Examine how to quietly reinforce the threat the US would escalate to the use of nuclear weapons in response to the use of weapons of mass destruction by any Gulf or hostile Middle Eastern power.

Creating an Arms Control Strategy for the Region

Arms control does not offer any near to mid-term hope of dealing with proliferation in the region. At the same time, it offers the only long-term hope of rolling back and limiting proliferation. Translating global agreements like the NPT, CWC, BWC, and MTCR into effective regional arms control regimes will be extremely difficult, and create major problems because of the linkage of the Gulf to the Arab-Israeli issue and even proliferation by India and Pakistan. The US cannot, however, let the option die by default, something it has now done with the ACRS talks for nearly half a decade.

The US should,

- Revive ACRS in spite of the political tensions between Egypt and Israel, declaring that options should be studied which consider all weapons of mass destruction.
- Make it clear that it feels Israel should retain its nuclear deterrent until there is concrete agreement on effective regional arms control options.
- Present unilateral assessments of the trends and risks, interim measures like confidence building, and options for study.
- Seek to find a way to transform the current UNSCOM/IAEA activity into a precedent for regional arms control.
- Develop and publicize regional options for effective enforcement of the NPT, CWC, BWC, and MTCR.

Dealing with Turkey, the Caspian and Central Asia

The US strategic interest in a stable, friendly Turkey and in friendly Central Asian regimes will grow sharply as Iraq eases its way out of sanctions. The US will find it considerably easier to improve its relations with both Turkey and Central Asia if it ends economic sanctions towards Iran, but it must explicitly recognize that the de facto inability to develop any Western policy towards the region steadily increases Turkey's strategic importance relative to Greece, and steps to strengthen the economies of Caspian

and Central Asian states will help counterbalance the reassertion of Russian interest in the region.

The US needs to recognize that Turkey is becoming its most important strategic interest in the Mediterranean and the Caspian and Central Asian states are important counterbalances to its problems in the Gulf. There is no point in starting a new 'great game' in the region, and any effort to use the Caspian and Central Asia to "contain" Russia will provoke more problems than it will solve. At the same time, giving higher priority to their energy and economic development will serve US strategic interests.