The Gulf and Transition

US Policy Ten Years After the Gulf War:
The Challenge of Iraq

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**Introduction**

This transition study reflects the result of a long-standing project on Gulf net assessment, funded in part by the Smith Richardson Foundation. This project has already produced some eight books, including two major studies of Iranian and Iraqi military forces published in 1999 – *Iraq and the War of Sanctions* and *Iran’s Military Forces in Transition* (Praeger 1999). Additional detailed briefings and supporting data on the military balance in the Gulf, energy and economic trends, Iranian and Iraqi proliferation, and Gulf arms transfers can be found on the CSIS web page at [www.csis.org](http://www.csis.org) under the sections market as “Gulf in Transition” and “Strategic Assessment.

This volume is intended to support US policy making and the reader should be aware that the sources used are deliberately chosen to rely as heavily as possible on current official US government documents and reports, unclassified intelligence reporting and estimates, and official international institutions like the World Bank. The goal is to provide data that policy makers are familiar with and can trust. The author, however, is solely responsible for the conclusions and suggestions made in this analysis and no attempt was made to coordinate its content with either any officials or experts in the US government or other policy analysts in the CSIS.

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Iraq: Redefining Sanctions and Containment

Iraq is one of the most troubled and repressive states in the world. It has vast oil resources and great potential wealth, but it is a nation that has been in an almost continuous state of crisis. There are few prospects that things will change decisively as long as it is under its present regime, and the aftermath of the Gulf War has scarcely improved this situation.

For nearly a decade since the ceasefire, the “war of sanctions” between Iraq’s government and the UN Security Council has kept Iraq under a mix of sanctions, inspection regimes, and export and import controls that have left it politically isolated, militarily weakened, and economically crippled. Iraq has been deprived of overt access to arms imports and the technology it needs to proliferate.

Saddam Hussein has repeatedly shown that he has three major priorities and that he places all of them above the welfare of Iraq’s people and its economic development: His own survival; the rebuilding of his conventional military forces; and the preservation of his capability to manufacture and deploy weapons of mass destruction.

From the first days of the cease-fire in early to present, he has systematically attempted to violate the terms of the cease-fire. He has fought and won a brutal civil war against his Shi’ite opposition in the South, and kept up constant pressure on the Kurdish enclave in the north. He had mobilized and deployed his army towards Kuwait. He has constantly challenged the UN Special Commission’s (UNSCOM) efforts to destroy his weapons of mass destruction during 1991-1998 and succeed in driving UNSCOM out of the country in late 1998.

There has never been a six month period since the cease-fire, in which Saddam Hussein has not provoked a new confrontation with the UN, his neighbors, or the West. He has systematically impoverished his people, and mortgaged their hopes for future economic development, by concentrating Iraq’s scarce resources on rebuilding his military forces. He
refused economic aid and relief from limits on Iraq’s capability to export oil, for half a decade in an effort to break out of sanctions. He has made constant efforts to divide the Arab world, and has courted key nations like France and Russia with oil deals and promises of future economic concessions. To all practical purposes, he has turned his defeat and the cease-fire into a “war of sanctions” based on political and economic combat.

Every fall since the end of the Gulf War has seen some new challenge to the UN. At the same time, Iraq has carried on with its efforts to exploit “sanctions fatigue” and has found that it can use UNSCOM as a tool to divide the Security Council. Iraq has coupled its efforts to rebuild its military forces with propaganda that exploits the hardships of the Iraqi people, the near-collapse of the Arab-Israeli peace process, and the concern Arab nations feel about Iraq’s sovereignty and territorial integrity, and the fear many Southern Gulf states still have of Iran.

This mix of history and strategic priorities helps to explain why Saddam Hussein has continued to commit Iraq to low-level military confrontations with the US-led Coalition. It explains why Iraq’s present leaders will continue to use every possible means to break out of UN sanctions import restrictions. At least for the foreseeable future, Iraq’s official policy towards the rebuilding of its conventional forces and proliferation will be a mix of illegal imports, denial and lies, with occasional bluster and indirect threats.

Iraq will make every effort to conceal its true plans and the full nature of its military efforts, and only Saddam Hussein and a few trusted supporters will have any overview of Iraq’s true political goals and efforts to proliferate. Furthermore, Iraq’s plans and polices will remain opportunistic and change to exploit every fault line in the UN, Gulf, Arab world, and the West. Iraq’s leaders will be unable predict the exact areas where they will be successful in evading or vitiating UN sanctions and controls. The only thing that seems certain is that Iraq will make a continuing effort to break out of sanctions, to divide its opposition, to obtain advanced conventional arms, and to proliferate in every way that Iraq can conceal.
During and After Saddam

It is important to preface any analysis of this struggle with a caveat. There is a danger for US policy in personalizing this struggle, and focusing too much on overthrowing Saddam Hussein. It is likely that virtually any replacement to Saddam will be better. There is a good chance that any leader who comes to power by overthrowing Saddam will be more moderate, more pragmatic, more willing to concentrate on rebuilding Iraq, and more willing to abandon revenge and foreign adventures.

At the same time, the US is now badly over committed to overthrowing Saddam by supporting a weak outside opposition. The US now backs one faction of this opposition because, of a Congressional mandate rather than from any expert conviction. It is also a faction unified under a façade of political expediency that is unlikely to survive its coming to power – an event that is extremely unlikely in itself.

The Iraqi opposition outside Iraq can talk of grandiose military adventures, and limited US military support. It has no real military capability, however, and noble intentions are not a substitute for strength. The “outside” opposition is also deeply divided into ex-military who have fled the government, Sunni exiles, the factions the US now backs, and the Iranian-backed Shi’ite opposition. Even if Iraq should collapse from within, these divisions could paralyze or fracture any effort to form a stable and lasting government, possibly lead to civil conflict, and more probably create the conditions for the emergence of a new strongman.

Unfortunately, Iraq shows few present signs of imploding from within. Saddam is a remarkable skilled and resilient dictator. He has held full power for more than two decades and he has a vast security apparatus in addition to strong military forces. The coterie around him is equally experienced and dependent upon him for survival. His sons have proved to be equally ruthless, and one may be almost as competent. The analysis of Iraq is littered with studies that have touted Saddam’s fragility and predicted his fall. Saddam is still there.
If Saddam is brought down – and many dictators have eventually fallen with comparatively little warning -- he is far more likely to be brought down by an organized coup within Iraq than by its divided outside opposition movements. The most likely cause would be hostile faction within the army and/or security services tied to some mix of hostile Sunni clans. There have been several such attempts in the past and one may eventually succeed in spite of Saddam’s political skills and instruments of repression.

Unfortunately, such a coup may not create a stable Iraq, or one that brings regional stability. There is little effective democratic and moderate opposition to Saddam Hussein. The most likely alternatives to Saddam following some unexpected “one-bullet election” is another narrowly-based authoritarian Sunni elite. If any “moderates” do seem to rise to power in the immediate aftermath of Saddam’s fall, they may end as short-lived figureheads rather than remain real leaders.

A “quieter Saddam” who patiently waited to acquire significant nuclear or highly lethal biological warfare capabilities and then exploits such capabilities in a more cautious and calculating manner might prove to be just as serious a threat as Saddam. Few Iraqi regimes of any character are likely to ignore the potential threat of proliferation by Iran, Israel, and Syria. Any civil turmoil or conflict following Saddam’s departure might also lead to the use of surviving or covert capabilities against the Iraqi population, and might create new forms of extremism. Regimes may then emerge that are openly revanchist in character, and/or face future financial crises that lead them into new forms of military risk taking.

Nevertheless, a change in leadership might also create a very different Iraq. Many, if not most, ordinary Iraqis do not share Saddam’s ambitions, near-xenophobia, and paranoia. Figures like Kemal Ataturk and Anwar Sadat have shown that brilliant, moderate leaders can suddenly emerge and change the strategic culture of their nations. An Iraqi leader with real vision might well conclude that focusing on rebuilding Iraq’s oil wealth, economic development, and the
unification of Iraq’s diverse ethnic elements would offer a far greater place in history than continuing with expensive military build-ups and the search for regional hegemony.

Even in this favorable replacement scenario, there are likely to be problems. Little about the Gulf War or the sanctions that have followed seem likely to reduce Iraqi nationalism or prevent the addition of a strong element of revanchism to Iraq’s “strategic culture.” Iraqis have little reason to admire the West or Iraq’s neighbors. They have obvious reason to resent Britain, Kuwait, Saudi Arabia, and the US, and no reason to trust Syria, Iran, Jordan, and Turkey.

Any future Iraqi leader must be aware that virtually all of Iraq’s present ‘friends’ and ‘supporters’ are opportunists seeking future trade and investment opportunities, and have no real sympathy for the regime. Further, no Iraqi can ignore the fact that the average Iraqi per capita income is well under a tenth of its level at the time the Iran-Iraq War began, and that Iraq faces a massive potential reparations and debt repayment bill once sanctions are lifted. There are striking parallels between the costs of peace to Iraq and the costs to Weimar Germany, and the economic consequences of the peace could easily be very similar.

A new Iraqi ruling elite will also have to deal with the realities of the region it lives in. Iraq’s current geography will always present problems in terms of access to the Gulf and force its leaders to deal with powerful neighbors. Regardless of how friendly any given Iranian, Saudi or Kuwaiti regime may be to Iraq at any given moment, there will always be uncertainties regarding tomorrow.

Iraq’s internal divisions will also present continuing problems that will challenge the moderation of any new regime. The issue of Kurdish nationalism is unlikely to disappear and then tensions between the Sunni and Shi’ite are unlikely to end -- creating inevitable complications in terms of relations with Iran. There will be tensions with fellow exporters over Iraq’s need to maximize its oil export revenues.
Iraq will also have to deal with other proliferators like Iran and Israel, which remain very real military threats. Even a relatively defensive Iraqi regime is likely to feel compelled to go on acquiring weapons of mass destruction to counterbalance the capabilities of Iran and Israel and to limit American power projection options. Any Iraqi regime that survives over time is likely to be highly centralized, relatively ruthless, and see its neighbors and the West as a potential threat.

**Living with Saddam**

In the interim, the US and its Southern Gulf allies will have to live with Saddam Hussein’s regime and struggle to contain it with the best mix of sanctions and military force that it can create. No one should have any illusions about “normalizing” Saddam. To all practical purposes, he has turned his defeat and the struggle over enforcing the terms of the cease-fire into an extension of war by other means.

The sanctions crisis that Saddam Hussein provoked beginning in the fall of 1997, and which led to the suspension of UNSCOM and IAEA inspection efforts in December 1998, also gave his regime a major victory in Iraq’s struggle to break out of sanctions without meeting the terms of the UN cease-fire. Since that time, Iraq has intensified its efforts to exploit “sanctions fatigue” and has found that it can use it as a tool to divide the Security Council. Iraq relentlessly issues propaganda that exploits the hardships of the Iraqi people, the near-collapse of the Arab-Israeli peace process, the concern Arab nations feel about Iraq’s sovereignty and territorial integrity, and the fear many Southern Gulf states still have of Iran.

Iraq continues to resist every effort to deprive it of weapons of mass destruction, and it has reason to assume that it may be able to succeed it keeping what it has retained and created new covert programs. On December 17, 1999, the Security Council passed the UK’s proposed omnibus resolution on Iraq (Security Council Resolution 1284), which established a new UN weapons inspection team and lead to the suspension of sanctions. France, Russia, and China abstained. Iraq opposes the Arab-Israeli peace process, host violent anti-Israeli extremist
movements, and deliberately seeks to inflame tensions. On October 3, 2000, for example, Saddam Hussein reacted to Israeli-Palestinian violence by pledging to “put an end to Zionism,” and by attacking every other Arab leader for not using violence.¹

The resolution’s main points included the establishment of the UN Monitoring, Verification and Inspection Commission (UNMOVIC), to replace the UN Special Commission (UNSCOM). According to the resolution, if these weapons inspectors see that there is progress on disarmament and see that Iraq cooperates fully, then the resolution states that sanctions will be suspended. It also states that Iraq’s cooperation with UNMOVIC will be assessed every 120 days, sanctions will be reimposed once progress is interrupted. Additionally, under this resolution, the $5.26 billion ceiling on Iraqi oil sales under the six-month phases of the oil-for-food program would automatically be lifted. As for Iraq’s oil industry, a group of experts were to submit a report within 100 days and recommend ways of increasing production and exports through “involving foreign oil companies in Iraq’s oil sector, including investments, subject to appropriate monitoring and controls.”²

Iraq has defied this new UN compromise, but this has not prevented Iraq from increasing its oil revenues and gradually eroding the effectiveness of UN economic sanctions. In March 2000, the Security Council agreed to double the spending cap for oil sector spare parts and equipment (under Resolution 1175 of June 20, 1998), allowing Iraq to spend up to $600 million every 6 months repairing oil facilities. It did so after Secretary General Annan had warned of a possible “major breakdown” in Iraq’s oil industry if spare parts and equipment were not forthcoming. The Security Council voted in April 2000 to allow Iraq to import $1.2 billion in spare parts and other equipment to repair its degrading oil production facilities. This effectively ended any cap on Iraq’s oil export earning which are now at levels higher than Iraq’s average real earnings before the Iran-Iraq and Gulf Wars.
Allowing Iraq to produce at near capacity has given Saddam a potential oil weapon. In August 2000, a senior Iraqi oil official stated that delays by the United Nations in approving contracts to upgrade Iraq’s oil sector were threatening production levels. The United States has said that the $300 million should be used only for short-term improvements to the Iraqi oil industry, and not to make long-term repairs. Iraq claimed in August 2000 that 508 contracts were on hold or pending approval by the United Nations. Of this total, 440 were “held” by the United States, according to Iraq’s oil ministry. This situation allows the Iraqi regime to “play” the West and oil importers by threatening or implementing production cuts, while it also allows it to offer other nations oil deals as an incentive for easing their support of sanctions. It also gives Iraq leverage in resisting any resumption of UN inspections.

Meanwhile, the UN Monitoring, Verification and Inspection Commission (UNMOVIC), the new inspection body the UN created in December 1999 to create an inspection force more acceptable to Iraq, has become “UNMOVING.” Although the terms of inspection effort were eased to please Iraq, Iraq has refused to consider letting it begin its work. In late August 2000, a spokesman for UNMOVIC said that it ready to send a new inspection team. On August 24, 2000, Iraq’s Deputy Prime Minister, Tariq Aziz replied that “Iraq will not cooperate.” Iraq has since resisted French and Russian pressure to compromise, and it now seems likely that the only inspection effort that Iraq will ever accept is one so ineffective that Iraq can let it in and win relief from sanctions with no more than token losses of its capability to proliferate.³

Reparations have now joined the hardship of the Iraqi people as a political issue. In late August 2000, the UN Security Council was deadlocked over a Kuwait Petroleum Corporation (KPC) request for $21.6 billion in reparations as compensation for lost oil and gas sales resulting from Iraq’s invasion of Kuwait and subsequent Iraqi sabotage of the wells. In June 2000, the UN’s compensation commission recommended that KPC be awarded $15.9 billion, but France and Russia objected, and no award was made. Over the years, the UN compensation commission has paid out more than $8 billion in claims, mainly to individuals or small businesses hurt by Iraq’s
invasion of Kuwait. With Iraqi oil revenues now rising into the tens of billions of dollars annually, however, Iraq (with backing by Russia and France) now is increasing its resistance to further large-scale reparations. Russia and France has proposed reducing—from 30% to 20% -- the proportion of proceeds from the “oil-for-food” program earmarked for reparations, and the US, Britain and other supporters of sanctions have compromised.\(^4\)

Iraq’s efforts to play the oil card have also become steadily more serious. In late August 2000, Venezuela’s President Hugo Chávez met with Saddam Hussein, a move that was strongly condemned by the United States. Earlier in the month, Iraq celebrated the twelfth anniversary of the end of its war with Iran and marked the tenth anniversary of its invasion of Kuwait (August 2, 1990).\(^5\) While the involvement of international companies remains dependent on the lifting of the sanctions, the EIA reports that intensive foreign interest in Iraqi oil development: \(^6\)

“As of early September 2000, Iraq reportedly had signed several multi-billion dollar deals with foreign oil companies, mainly from China, France, and Russia (U.S., Canadian, and Vietnamese firms also reportedly have held discussions). Iraq reportedly has become increasingly frustrated, however, at the failure of these companies actually to begin work on the ground, and has threatened to no longer sign deals unless firms agreed to do so without delay. Iraqi upstream oil contracts generally require that companies start work immediately, but UN sanctions overwhelmingly have dissuaded companies from doing so.

Russia, which is owed several billions of dollars by Iraq for past arms deliveries, has a $3.5-billion, 23-year deal with Iraq to rehabilitate Iraqi oilfields, particularly the 15-billion-barrel West Qurna field (located west of Basra near the Rumaila field). Since a deal was signed in March 1997, Russia’s Lukoil (the operator, heading a Russian consortium plus an Iraqi company to be selected by the Iraqi government) has prepared a plan to install equipment with capacity to produce 100,000 bbl/d from West Qurna’s Mishrif formation. Meanwhile, in August 2000, Iraqi engineers reportedly completed work on two degassing stations at West Qurna, with two more planned for 2001, potentially raising production at the field (one of the world’s largest) to around 400,000 bbl/d. West Qurna is believed to have potential production capacity of up to 1 MMBD. In October 1999, Russian officials reportedly said that Iraq had accepted a Russian request to delay work on West Qurna given the continuation of UN sanctions. This followed an Iraqi warning that Lukoil could lose its contract (and possibly be replaced by another Russian company) at West Qurna if it did not begin work immediately (Lukoil has been restrained from doing so by UN sanctions).

In late August 2000, a joint Russian-Belarus oil company, Slavneft, was reported to be in talks with Iraqi officials on the billion-barrel, Suba-Luhais field in southern Iraq. Full development of Suba-Luhais could result in production of 100,000 bbl/d at a cost of $300 million over three years.
Besides West Qurna, PSCs for the three other large southern oil fields are in various stages of negotiation. The largest of the fields is Majnoon, with reserves of 10-30 billion barrels of 28o-35o API oil, and located 30 miles north of Basrah on the Iranian border. French company TotalFinaElf reportedly has negotiated with Iraq on development rights for Majnoon. Initial output at Majnoon is expected to be 300,000 bbl/d, with later development yielding 600,000 bbl/d or more. Ultimate production potential is estimated at up to 2 MMBD. As of September 1999, Elf and Total reportedly needed only “the stroke of the pen” to complete deals on Majnoon and the 6-billion barrel Nahr Umar field. However, in December 1999, Iraq threatened that the two companies would lose their “preferential treatment” if France did not provide sufficient support to Iraq on the UN Security Council.

TotalFinaElf apparently has all but agreed with Iraq on development of the Nahr Umar field. Initial output from Nahr Umar is expected to be around 440,000 bbl/d of 42° API crude, but may reach 500,000 bbl/d with more extensive development. The 5-billion barrel Halfaya project is the final large field development in southern Iraq. A variety of companies reportedly have shown interest in the field, which ultimately could yield 200,000-300,000 bbl/d in output.

Smaller fields with under 2 billion barrels in reserves also are receiving interest from foreign oil companies. These fields include Nasiriya, Khormala, Hamrin, and Gharraf. Italy’s Agip and Spain’s Repsol appear to be strong possibilities to develop Nasiriya.

In addition to the 25 new field projects, Iraq plans to offer foreign oil companies service contracts to apply technology to 8 already-producing fields. Meanwhile, Iraq has authorized “risk contracts” to promote exploration in the nine remote Western Desert blocs. Iraq has identified at least 110 prospects from previous seismic work in this region near the Jordanian and Saudi borders.

…More than 50 foreign companies attended an oil and gas technology exhibition in Baghdad in September 1999., the first such gathering in 10 years. Most of the firms were from the Canada, France, Italy, and the United Kingdom. No U.S. firms attended, although a high-level Iraqi oil official has stated that Iraq is ready to deal with U.S. oil companies. Iraq’s oil ministry also introduced amendments to existing development and production contracts (DPCs) in 2000 to help attract foreign investment to the country’s energy sector. Among other things, the duration of DPCs was reduced from 23 to 12 years. In addition, Iraq has added a clause referring to “an explicit commitment to achieve target production within a set period.”

So far, Iraq has put oil export revenues before any political opportunism or strategic blackmail it might get from cutting its oil exports. It has instead done no more than issue the occasional threat to cut production while blaming the UN sanctions for low oil production levels and the price rises after early 1999. Senior officials like Saddam Hussein’s Deputy, Vice President Taha Yassin Ramadan, have also said that Iraq will not cut production and that, “Iraq is not an opportunist…Iraq has never held back oil supplies under any circumstances as long as it has the ability to maintain production.” Iraq has broken almost all of its promises in the past, however, and it not only is an opportunist, it is a remarkably ruthless one.7

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The humanitarian issue too become has steadily more serious in spite of massive “oil for food” payments that almost certainly equal the share of revenues Saddam would allocated to civil spending if sanctions were lifted. There is a rising discontent against the human impact sanctions against Iraq. Most notably, the senior UN humanitarian coordinator has urged an end to sanctions, calling them “a true human tragedy.” His predecessor, Dennis Halliday was equally critical of the sanctions and resigned as a result. The Iraqi media has consistently recently claimed more than a million people had died as a result of the embargo, yet even more cautious studies by outside researchers show very real increases in infant mortality, malnutrition, and disease.

As discussed later, many of these charges are propaganda. Nevertheless, “Oil for food” also is no substitute for a viable economy and coherent efforts to bring Iraq back to its pre Iran-Iraq and Gulf War level of development. Iraq may have been allowed to sell unlimited quantities of oil -- with earnings monitored and expenditures controlled in a UN escrow account since December 1999 -- the Iraqi economy is still in serious trouble. Recent US government reporting notes that, “Iraq’s economy, infrastructure, and society remain in extremely bad shape. Iraq’s Gross Domestic Product (GDP) has fallen sharply since before the Iraqi invasion of Kuwait, with per-capita income (around $653) and living standards far below pre-war levels. On the other hand, with oil production and prices up substantially, Iraq’s real GDP growth in 2000 is estimated at 15% (with 19% real growth expected in 2001). Inflation currently is estimated at around 120% (expected to decline to 80% in 2001), with unemployment (and underemployment) high as well. Iraq’s merchandise trade surplus is over $5 billion, although much of this is under United Nations (UN) control. Iraq has a heavy debt burden, possibly as high as $130 billion if debts to Gulf states and Russia are included. Iraq also has no meaningful taxation system, and bribery is widespread.

Iraq reportedly has established a capital fund, in part to help shore up the value of its currency, the dinar, by encouraging locally-financed projects. As of June 2000, the dinar had slipped from around 900 dinars per U.S. dollar at the beginning of 2000, to around 2,000 dinars per U.S. dollar as of early September 2000. Local production in Iraq has slipped badly under sanctions, and the country is forced to import almost everything it needs.”

Iraq has sold some $35 billion worth of oil under the oil for food program during the last four years, and 2000 will give it a major windfall. While 30% of this money has gone for
reparations (25% after December 2000), this is still a vast amount of money. The tragedy is, however, that no foreseeable amount of oil wealth – with or without sanctions -- is now capable of giving Iraq a healthy economy without years of massive economic restructuring and reform. High oil prices mean that the Iraq will see its oil revenues rise from $11.4 billion in current dollars in 1999 to at least $21-25 billion in 2000. This a rise of at least 80% between 1999 and 2000, and a rise of over 200% over Iraq’s earnings in 1988.

Iraq will certainly benefit from the fact that its export earnings in 2000 will probably be more far more than double its former UN oil export ceiling -- which was $10.5 billion a year, or $5.26 billion every 180 days). Iraq’s total GNP is now so dependent on these oil revenues, however, that most Iraqi’s must still live near or well below the poverty line, and transfers of oil revenue into food and medicine do not create jobs, factories, a diversified economy or broadly based international trade.\(^{11}\)

To put these totals in perspective, the value of Iraq’s oil exports rose from $4.5 billion annually in 1972 to a peak of $43.6 billion in 1980, only to drop to $8.0 billion in 1986 because of the Iran-Iraq War and then to virtual nil during the Gulf War. But, Iraq’s earnings in constant 1990 dollars will still be only one-third of its peak earnings in 1980 and Iraq is now a nation of nearly 24 million people.\(^ {12}\)

**The Importance of Iraqi Oil Exports**

This “war of sanctions” takes on strategic meaning because maintaining and increasing Iraqi oil production is critical to meeting future world demand for oil. The EIA estimates that Iraq contains 112 billion barrels of proven oil reserves, the second largest in the world (behind Saudi Arabia) along with roughly 215 billion barrels of probable and possible resources. It also reports that Iraq’s true resource potential may be understated, as deeper oil-bearing formations located mainly in the Western Desert region could yield additional resources, but have not been explored.\(^ {13}\)
The EIA estimates that Iraq will increase its oil production capacity from 2.2 million barrels per day in 1990, and 1.6 million barrels per day in 1998, to 3.2 (2.8-3.4) million barrels per day in 2005, and then to 6.2 (5.2-7.2) million barrels per day in 2020. To put these numbers in perspective, the Department of Energy estimates that Iraq will increase from less than 4% of world production in 1998, to approximately the same in 2000, 4.3% in 2010, and 5.4% in 2020.14

It is unclear, however, that this expansion in Iraqi capacity will take place unless sanctions are modified or lifted. The date that Saybolt and other experts have issued on Iraqi oil field development are somewhat uncertain, but it seems clear that Iraq’s oil fields and shipping and production facilities badly need a far faster flow of spare parts and modernization than the UN has yet made possible. Iraq is probably damaging its fields, and reducing ultimate recovery from them, by overproduction. It has no UN authority to import the equipment and foreign technical support to develop new fields or fully modernize and exploit existing fields and its deals to allow foreign investment in this development remain illegal. They are only potential deals until UN sanctions are lifted. The projections of the EIA, and similar projections by the IEA and OPEC, assume that sanctions will not continue much beyond 2000, and are so optimistic that they may already set impossible near term goals.

**Shifts in Iraqi Oil Exports**

Iraqi oil has now played an erratic role in the world market for more than two decades. Iraq was producing over 3 million barrels/day and exporting 2.8 million barrels/day before it invaded Kuwait in August 1990. Iraq was producing over 3 million bbl/d and exporting 2.8 million bbl/d (1.6 million bbl/d via pipeline to the Turkish port of Ceyhan; 800,000 bbl/d via the IPSA2 pipeline across Saudi Arabia; 300,000 bbl/d via the Gulf port of Mina al-Bakr; and somewhat less than 100,000 bbl/d by truck through Turkey.

Following the invasion, Iraqi oil exports were prohibited by UN Security Council Resolution 661. In April 1995, the Security Council passed Resolution 986 known as the “oil for
food” program. It allowed limited Iraqi oil exports for humanitarian and other purposes. The Iraqi Cabinet turned down this offer on April 16, 1995. The agreement gave the UN control over Iraq’s oil exports and revenues, and deducted a predetermined amount for war reparations to Kuwait and to fund operations of the United Nations Special Commission, or UNSCOM). It also required that half of the Iraqi oil shipments be exported via Turkey to help Turkey regain oil transit revenues that were lost during the ban on Iraqi exports.15

The growing economic crisis in Iraq then forced its regime to accept an agreement with the UN that allowed Iraq to sell two billion dollars worth of oil for food and medical supplies on May 20, 1996. The actual implementation of the resolution was frozen on September 1, 1996, however, because of Iraqi attacks in northern Iraq and Iraqi efforts to renegotiate the accord. Iraq only started actual exports of oil in December 1996.

Since that time, the Iraqi Oil-for-Food program has been extended several times, beginning on December 4, 1997. On February 20, 1998, the Security Council unanimously approved an increase in the amount of oil Iraq may export from $2.14 billion to $5.265 billion over a 180-day period. The program was extended again on March 25, 1998. On November 24, 1998, the UN extension also included an allowance of $300 million for spare parts and other material needed to rebuild Iraq’s oil industry to enable it to export the additional oil. This has since been raised to well over $600 million, but Iraq is still prohibited from investing in major new oil facilities.16

Since Iraq accepted the UN “oil for food” deal, however, Iraqi oil production has increased by over 2 million bbl/d—from 550,000 bbl/d to monthly peaks approaching 3 million bbl/d. In 1997 and 1998, rapidly increasing Iraqi oil exports played a significant role in creating a world oil glut and causing a price collapse. Iraqi oil exports reached an estimated 1.5 million bbl/d in April 1998 and around 2.2 million bbl/d in October 1999, before falling off sharply in November and December due to an impasse over UN weapons inspections.17 The EIA reports
that 2000, Iraqi crude oil production averaged 2.54 MMBD in the first half of 2000 and reached 3 MMBD in August 2000,

About 450,000-500,000 bbl/d of Iraq’s oil output is now consumed domestically, with another 70,000-90,000 bbl/d trucked to Jordan under a special UN exemption, leaving around 2 MMBD for export. Besides the 70,000-90,000 bbl/d of this going to Jordan (authorized by the United Nations) and the 450,000-500,000 bbl/d or so consumed domestically, the rest was exported either through the Iraq-Turkey pipeline or the Persian Gulf port of Mina al-Bakr. Although UN Resolution 986 mandates that at least half of the “oil-for-food” exports must transit through Turkey, it appears that in recent months more Iraqi oil has been exported via Mina al-Bakr. Iraqi oil commonly is sold initially to Russian firms, with other large purchasers including French and Chinese companies. Oil is then resold to a variety of oil companies, including about 700,000 bbl/d to U.S.-based companies.18

Iraq has also smuggled up to 100,000 bbl/d of crude oil and products via a number of routes. These include: to Turkey, Jordan, and Syria via truck, to Iran (and onward to Pakistan and India) along the Gulf coast and via Qais Island, and to Dubai with the use of small tankers sailing from Umm Qasr. Press reports also have estimated that these illegal shipments may have provided Iraq with as much as $25-$40 million per month in revenues.19

Iraqi officials initially claimed that they would increase the country’s oil production to 3.4 MMBD by the end of 2000, but now recognize that this is not realistic, given technical problems with Iraqi oil fields, export terminals, pipelines, and other oil infrastructure. Industry experts generally assess Iraq’s sustainable economic production capacity, without damage to ultimate oil field production capacity, at no higher than 2.9-3.0 MMBD. It may be closer to 2.6 MMBD (with net exports of around 2.0 MMBD). Iraq’s battle with “water cut” is a major challenge, especially in the south. In October 1999, oil consulting firm Saybolt International reported that Iraq has been able to increase its oil production through use of short-term techniques not generally considered acceptable in the oil industry.20
As a result, Iraq may have to cut oil production for technical reasons, even if it does not use such cuts as a political weapon. If it does not, increases in Iraqi production will make the world substantially more vulnerable to any interruption in Iraqi exports at a time of exceptionally high demand, and Iraqi policy is uncertain. While the UN Security Council ended the previous limit on Iraqi oil export revenues -- $5.26 billion per every 6 months in December 1999, Iraq has informally, and somewhat vaguely, claimed continued adherence to the limit. If Iraq were to adhere unilaterally to the old $5.26-billion, oil export revenue target for six month periods, it would only need to sustain oil exports of around 1.2 million bbl/d even at $25 per barrel. The problem is not simply too little Iraqi oil in the future. It is too much global dependence on Iraqi oil production in the present.

**Iraqi Gas**

Sanctions could also affect Iraqi gas exports and use of gas to maintain oil production. Iraq contains 110 trillion cubic feet (Tcf) of proven natural gas reserves, along with roughly 150 Tcf in probable reserves. About 70% are associated gas (gas produced in conjunction with oil), with the rest made up of non-associated gas (20%) and dome gas (10%). Iraq produced 104 billion cubic feet (Bcf) in 1998, down drastically from peak output levels of 700 Bcf in 1979. Within two years after the lifting of UN sanctions, Iraq hopes to produce 550 Bcf of gas.

Iraq seeks to produce about 4.2 Tcf of gas annually within the next decade. Gas is now produced with oil and also used for reinjection for enhanced oil recovery efforts. In October 1997, Iraq invited international partners to invest in natural gas projects worth $4.2 billion, however, and this could either free gas for export or support the beginning of a major petrochemical industry. As might be expected, Iraq’s policy is to award gas and oil concessions to companies from countries supporting the easing or lifting of UN sanctions (i.e., France, China, Russia).
Iraqi Export Routes

Along with Saudi Arabia, Iraq is one of two Gulf nations that has export routes that do not go through the Strait of Hormuz. These routes are also another aspect of the war of sanctions. Iraq has a number of routes for exporting oil, although some are closed and most need major maintenance and development. The 600-mile long Kirkuk-Ceyhan pipeline is Iraq’s largest operable crude export pipeline, and the UN Security Council requires most Iraqi exports to flow through this line. The EIA reports that this Iraq-Turkey link consists has a fully-operational capacity of 1.1 MMBD, but now can handle only around 900,000 bbl/d (1-1.1 MMBD at most) at. A second, parallel, 46-inch line has an optimal capacity of 500,000 bbl/d and was designed to carry Basrah Regular exports, but is currently inoperable.23

The two parallel lines have a combined optimal capacity of 1.5-1.6 MMBD. Expanding capacity to this level, however, would depend on Iraq’s ability to rehabilitate the IT-1 and IT-1A pumping stations, as well as the Zakho metering station near the Iraq-Turkey border and other ongoing pipeline repairs (including so-called “intelligent pigging”) on the 46-inch line. The EIA reports this work is well behind schedule. Iraq is now bypassing the crucial but damaged IT-2 pumping station, located about 93 miles south of the Turkish border, making it more difficult to reach the 1.6 MMBD dual-line capacity. To make IT-2 operational, Iraqi officials have said that they need controls and associated valves costing around $50 million. The IT-1 pumping station near Kirkuk received lighter damage and is presently functional.

Iraq and Syria have often had hostile relations, and Syria fought against Iraq in the Gulf War. They have established “friendly” relations in recent years, however, and reopened their border in June 1997 -- after a 17-year closure—for trade and official visits. They signed a memorandum of understanding on August 20, 1998 for the possible reopening of the Banias oil pipeline from Iraq’s northern Kirkuk oil fields to Syria’s Mediterranean port of Banias and Tripoli, Lebanon. In October 1999, Iraqi experts reportedly assessed the pipeline as being initially capable of pumping up to 300,000 bbl/d (out of potential capacity of 400,000 bbl/d). Iraq would
need UN permission to export any oil via Syria. As of August 2000, work reportedly was still underway on repairing the Syria-Iraq line.

Iraq also has major export facilities in the Gulf. It has three tanker terminals in the Gulf: at Mina al-Bakr, Khor al-Amaya, and Khor al-Zubair (which mainly handles dry goods). Iraq also has additional dry goods ports at Basrah and at Umm Qasr, which is being outfitted to accommodate crude tankers. The EIA reports that Mina al-Bakr has been repaired in large part and the terminal currently can handle up to 1.3-1.4 MMBD. Iraq’s Khor al-Amaya terminal was virtually destroyed during the Iran-Iraq War, and has been out of commission since then. As of July 2000, reports indicated that Iraq was repairing two berths at Khor al-Amaya, with a goal of reaching export capacity of 700,000 bbl/d by the end of 2000. Upon full completion of repairs, Iraq projects Khor al-Amaya’s capacity will rise to 1.2 MMBD. Iraq will need UN Security Council approval to export from Khor al-Amaya, since it is not part of the approved export outlet of Mina al-Bakr.

**Iraq’s Energy and Sanctions**

In short, the world faces a continuing dilemma between the need to contain Saddam Hussein and the need to help Iraq develop and expand its energy exports. It is a dilemma that is made far worse by the humanitarian crisis in Iraq, but it is necessary to keep this crisis in careful perspective.

Iraq’s economy has been destroyed by the consequences of Saddam Hussein’s military adventures and refusal to meet the terms of the ceasefire in the Gulf War, and not by post-Gulf War sanctions. Iraq’s per capita income peaked just after the Iran-Iraq War began because Iraq has been able to exploit the rise in oil prices following the fall of the Shah. At this point, Iraq had a per capita income in excess of $4,000 in 1997 US dollars. It was also spending about 34% of its national budget and 25% of its GNP on military forces.
By 1982, Iraq faced with a serious risk of losing the Gulf War to Iran and was spending over 70% of its budget and 45% of its GNP on military forces. These extraordinarily high spending levels were sustained and finally enabled Iraq to win the Iran-Iraq War in 1988. By that time, however, a massive drop in oil exports and the failure to develop the economy had cut Iraq’s per capita to around $2,200 dollars, or roughly in half. Iraq had exhausted its national savings and financial reserves on Saddam Hussein’s military adventures and was now a major debtor. During the Iran-Iraq War, the Iraqi government had neglected every sector of its economy -- especially agriculture -- and was importing two-thirds of its food. Iraq did cut its military expenditures following the cease-fire in August 1988, from levels of around $24 billion in 1988 (in constant 1997 dollars) to levels around $16 billion in 1989 and the first half of 1990.24

Peace, however, led to a major drop in oil prices and revenues, and Iraq’s per capita income dropped to levels around $1,500 in 1989. Nevertheless, there was no “peace dividend” in spite of Iran’s massive defeat, its loss of 40-60% of its major land weapons, and its failure to launch a major post-war rearmament program. Military spending remained as high as 60% of the national budget. The build-up of Iraq’s military forces in 1990 then raised military spending back to 75% of the national budget. The national mobilization and the oil embargo following Iraq’s invasion of Kuwait then cut the per capita income to around $750 before any fighting began in the Gulf War.

After its defeat in the Gulf War, Iraq resisted international efforts to establish the oil-for-food program for five years. The Security Council attempted to create a version of the oil-for-food program as early as 1991 to allow Iraqi oil to be sold, with proceeds deposited in a UN-controlled account and used to purchase humanitarian goods for the Iraqi people. The Iraqi regime rejected the Security Council's original proposal and those that followed. The Iraqi government refused to accept any humanitarian relief on the grounds any controls on how it used the money interfered with its sovereignty. Finally, the Security Council adopted the oil-for-food resolution discussed earlier in 1995, and did so over Iraq's protests. The Iraqi regime again

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refused to accept it. It was only after another year and a half of Iraqi delays and international pressure that the Iraq regime agreed to accept oil-for-food.

Between 1991 and Iraq’s acceptance of the “oil for food deal” in May 1996, the “war of sanctions” kept Iraq’s per capita income to levels of $500-900 dollars, increases in prices impoverished most Iraqis, and shortages occurred in food and medical care. Once Iraq did accept “oil for food,” its oil exports did not earn anything like its revised quota of $5.26 billion in oil revenues every six months until 1999. The total value of its sales was less than $3 billion during the last six months of 1998. This was a matter of oil prices, however, and not sanctions per se. The Iraqi people would probably have been even worse off if Saddam had been free to spend his usual amount on military forces, weapons of mass destruction, and luxury imports for his supporters.

There are, however, good reasons to make major changes to the present sanctions. They place severe limits to how Iraq can allocate the revenue it does receive from “oil for food.” While two thirds of the money raised from oil sales is available for buying food and other humanitarian goods, another 30 percent goes into the Kuwait compensation fund and the remainder is spent on the arms inspectors and administrative expenses. There are also constant problems with the approval of orders and the failure to issue the proper orders, while the Iraqi people continue to suffer.

There is considerable controversy over how real the “hardship” issue is, and some on-the-scene observers feel Iraqi is politicizing it and exaggerating the suffering of its people. According to UN figures published in the spring of 1997, Iraq imported 6.5 million tons of food and $330 million worth of medical goods since the first shipments began in March 1997. Nevertheless, the UN concluded that it needed to allocate more money to food, and less to other humanitarian needs like medicine and health care, to succeed in raising the nutritional value of the food ration each Iraqi receives from 2,030 calories a day in 1997 to 2,268 calories this year. (2,000 calories is regarded as about the minimum for healthy living.)
The United Nations Children's Fund warned in September 1997 that unless Iraq properly implemented the new UN oil-for-food plan, it would do little to offset worsening malnutrition suffered by Iraqi women and children. The UN report also claimed that the infant mortality rate had almost tripled between 1990 and 1998, while the number of mothers dying while giving birth rose from 117 to 310 per 100,000 births between 1990 and 1996. According to a UNICEF survey, over one million Iraqi children under five are suffering from malnutrition. Iraq's Health Ministry has claimed, some 57,000 Iraqi children under the age of five were dying every year. These reports – and similar reports by the World Health Organization and Food and Agricultural Organization – have severe defect and rely so heavily on Iraqi data that they are almost totally unreliable. They also do not mention Iraq’s ongoing civil war against its Shi’ites, treatment of its Kurds, or any of the other painful realities of Saddam’s regime. Nevertheless, they do contain enough actual research to indicate that there were problems with malnutrition, infant mortality, and medical services.²⁶

The Iraqi regime has not only used these hardships as a political weapon, it has done as terrible a job of managing its portion of the oil for food program as it has of managing every other aspect of the economy. UN officials held repeated discussions with Baghdad during 1997 and 1998 asking it to prioritize its humanitarian purchases. Iraq responded by complaining about delays in contract approvals and deliveries of goods. Iraqi health officials have charged that less than 1 percent of the $200 million in medical supplies that Baghdad was permitted to buy during the first six months of 1998 had arrived in the country. UN spokesman Eric Falt acknowledged that medicine deliveries were “slower than expected,” but said $17 million, or 9 percent of the medical supplies, had arrived during the third phase.

Iraq exploits the situation almost regardless of what actually happens in the oil for food program. In spite of a steady improvement in the flow of goods during 1998, Health Minister Umeed Madhat Mubarak claimed in August that more than one million Iraqi children had died as
a result of sanctions. He said an average of 6,452 children under the age of five were now dying each month, compared with 539 a month before the Gulf crisis.

The Iraqi Health Ministry claimed on December 29, 1998, that more than 8,800 Iraqis had died in November as a result of UN sanctions and that, “6,269 children below five years and 2,584 elderly persons died during November 1998...as a result of different sorts of diseases caused by the continuation of the embargo imposed on Iraq more than eight years ago.” The Ministry said its data showed that in November 1989, the year before the imposition of sanctions, only 258 Iraqi children and 422 adults died, and that its statistics for children's deaths in November 1998 revealed that 1,631 died from complications of diarrhea, 2,419 of pneumonia and 2,219 of malnutrition. Of the adult deaths, 579 were due to heart diseases and high blood pressure, 413 to diabetes and 1,592 to “tumor diseases.”

With similar statically absurd precision, Iraqi charged in June 1999 that the “mortality among Iraqis due to the sanctions…totaled 1,159,807 citizens.” It claimed that infant mortality totaled 92.7 cases for every 1,000 deliveries, and that 117 women died in childbirth.27

In spite of the major increases in oil revenues, and deliveries of food and medicine, throughout 1999, Iraq continued to report monthly death rates of from 8,000 to 13,000, mostly among children and the elderly. According to official Iraqi figures, the toll of premature deaths due to sanctions has reached 1.2 million. An August 1999 report from UNICEF asserted that child mortality rates had more than doubled since the Persian Gulf War in the parts of Iraq controlled by Baghdad, from 56 deaths per 1,000 births in 1984-89 to 131 deaths in 1994-99.28 (Child mortality rates in the autonomous Kurdish north, by contrast, appear to have dropped by more than 20%.)

It is also important to note that this report included areas in Southern Iraq where Iraqi troops had been fighting the Shi‘ites since 1991, and that the Iraqi government has never given its rural Shi‘ites anything like the funding it has provided to mixed urban areas and Sunnis in the
north. The UNICEF report, like far too much UN and humanitarian report, was flawed to near
total incompetence by (a) reliance on official Iraqi statistics for 1984-1989, and (b) the total
failure to look at the impact of the Iraqi governments actions in dealing with Shi’ites and Kurds,
treatment of the Marsh Arabs, and use of the military, security forces, and deliberate restrictions
in government funding to ensure regime control and survival.29

Speaking in October, UNICEF chief Carol Bellamy said both Baghdad and the
international community were to blame for death resulting from the slow distribution of
humanitarian aid.30 Meanwhile, British Labour MP George Galloway publicized Iraq’s claims with
his so-called “Maryam” campaign, decrying UN sanctions as genocide and urging Arab states to
break the embargo. Other critics, such as Hans von Sponeck, the UN humanitarian coordinator in
Iraq, made similar charges without ever bothering to examine the conduct of the Iraqi regime.31

There is no question as to whether the Iraqi people have truly suffered, but there are three
critical problems with the kind of dramatic claims made by Iraqi officials, and some UN
organizations and NGOs.

- First, they almost always ignore the sharp and steady drop in Iraqi living standards after 1983 that
  occurred because of the Iran-Iraq War, and that the real per capita income of Iraq dropped by over 60%
  between 1982 and 1989 because of the Iran-Iraq War, and before the Gulf War and UN Sanctions began.

- Second, the Iraqi and UN data usually assume that Iraqi figures for pre-sanctions health, education, and
  nutrition data are correct – which is little more than mindless rubbish given the impact of the Iran-Iraq
  War and Iraq’s obsessive propaganda during that war.

- Third, Iraqi official census figures show that the population of Iraq rose from 16.3 million in 1987 to 22
  million in 1997. If such figures are taken seriously, Iraq has had the highest rate of population growth in
  its history during a period of extreme hardship and high infant mortality, and would have to have
  sustained one of the highest population growth rates in the world for over eight years if its mortality
  statistics are correct.

Many of Iraq’s own statistics contradict some of the more dire reports about the hardship
in Iraq. In October 1997, Iraq imposed a curfew to conduct its first census in 10 years. The
census concluded that Iraq had a total of some 22 million people, including an estimated 3.2
million in Northern Iraq. The figures also failed to reflect anything approaching the rate of child
mortality that some reports had warned about, or the impact of diseases and malnutrition. In fact, outside estimates indicated that Iraq had a population growth rate of 3.69%, one of the highest rates of growth in the world.\textsuperscript{32}

Ironically, Iraq’s figures also tend to support CIA estimates. The CIA estimated in 1996 that Iraq had a birth rate of 43.07 births/1,000 population, a death rate of 6.57 deaths/1,000 population, and an infant mortality rate of 60 deaths/1,000 live births. Iraq’s life expectancy at birth was 66.95 years for the entire population, 65.92 years for males, and 68.03 years for females. In 1989, using exactly the same methodology, the CIA estimated that Iraq had a birth rate of 46 births/1,000 population, a death rate of 7.00 deaths/1,000 population, and an infant mortality rate of 67 deaths/1,000 live births. Iraq’s life expectancy at birth was exactly the same for males and females. In short, if the CIA estimates are correct, the death rate in Iraq dropped slightly of more than half a decade of sanctions, and infant mortality and life expectancy were exactly the same.\textsuperscript{33}

It is also important to note what was actually happening in 1999, when the sudden massive rise in oil prices gave Iraq a massive windfall in oil revenues. The one meaningful US critique of Iraq’s charges, which was written in September 1999 – long after Iraq’s oil revenues had risen to high levels – makes the following points about the impact of sanctions and the state of the oil for food in late 1999:\textsuperscript{34}

- Iraqi oil exports are now at near pre-war levels and revenues are above what Iraq was receiving during the Iran-Iraq war. For the six-month period June-November 1999, Iraqi oil exports are projected to exceed $6 billion.

- Previously Iraq had said it was unable to produce enough oil to meet oil-for-food ceilings because the UN refused to approve contracts for spare parts for its petroleum industry. The facts demonstrate otherwise. In the two and a half years that the oil-for-food program has been functioning, Iraq has been able to sell over $14.9 billion in oil. Iraqi oil exports are near pre-war levels, and rising world oil prices are allowing more oil-for-food goods to be purchased. The oil-for-food program has delivered $3.7 billion worth of food, $691 million worth of medicine, and more than $500 million worth of supplies for electrical, water/sanitation, agricultural, education, oil industry, settlement rehabilitation and demining projects.
• Over 94% of all requested oil-for-food goods have been approved. That is $8.9 billion worth of humanitarian items for the Iraqi people. No holds are placed on food and medicine.

• The 6% of goods which are on hold include contracts for dual-use items that Iraq can use to rebuild its military capabilities. Holds are placed on contracts that do not have enough information to determine whether they include dual-use items. Once that information is provided, these holds are often released. In other cases, holds are placed on contracts submitted by firms with a record of sanctions violations. Contract holds are not the problem. It is Saddam Hussein who continues to reject UN recommendations for ordering adequate amounts of food and other basic humanitarian goods. Instead, he seeks to use the oil-for-food program to rebuild his army and export oil in order to build palaces and obtain luxuries for his family and regime supporters. Holds on inappropriate contracts help pre-vent the diversion of oil-for-food goods to further Saddam’s personal interests.

• Proposed oil-for-food contracts must be approved by all members of a committee made up of Security Council member states. Only a small number of such contracts are put on hold.

• Since its inception, the Sanctions Committee has approved 94% of all requested oil-for-food goods. That is over $8.90 billion worth of contracts. The Sanctions Committee has put holds on less than 6% of the goods submitted to it. None of the contracts on hold are for food. Iraq now imports about as much food as it did before the Gulf War.

• Over 9,200 contracts have been reviewed by the Sanctions Committee; all but 694 have been approved. Many of these 694 contracts are delayed pending receipt of additional information from the contracting companies.

• Iraq usually delays submission to the UN of the list of goods it wants to order during each six-month phase of the oil-for-food program until the last minute. In this way it tries to sneak in proscribed items by forcing the UN either to halt the flow of oil-for-food goods or to approve dubious contracts.

• The 448 contracts on hold as of August 1999 include requests for items that can be used to make chemical, biological and nuclear weapons. Many of these items are on the list described in UNSCR 1051, the list of goods which must be notified to and inspected by UNSCOM and the IAEA. As Iraq is not permitting either organization to perform its UN-mandated functions, there can be no assurance that Iraq would not divert these dual-use items.

• The most frequent reason for placing a hold on a contract is the information that accompanies the contract. There are currently over 250 contracts on hold because the technical information or the end-use information in the contract is insufficient to judge the dual-use potential of the ordered goods.

• The United States has placed a hold on over 200 contracts that include dual-use items. The Security Council has created a list of items which can be used to build weapons of mass destruction and which the Security Council has said must be monitored by UNSCOM or the IAEA. With Iraq blocking those agencies from performing these missions, it would be dangerous to allow dual-use items into Iraq.

• There are 55 contracts on hold which are destined for the Basrah refinery, where Iraq produces gasoil which it smuggles out of Iraq in violation of UN sanctions. The profits from this illicit trade are used by the government of Iraq to procure items prohibited by sanctions, including luxuries for members of Saddam’s inner circle, and continued construction of elaborate palaces.

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• The Iraqi government claims that sanctions prevent it from getting spare parts needed to repair its oil industry and that this is to blame for low production levels. The activities of the Basrah refinery prove that such claims are false. Clearly, Iraq has no problem getting spare parts for its oil industry. The problem is that the regime of Saddam Hussein prefers to produce and export oil illegally, outside the oil-for-food program so that he can control the revenues and use them for his own personal aggrandizement.

• Since repairing the Basrah refinery, Iraq has steadily increased the amount of oil illegally exported via the Persian Gulf. Illicit oil exports averaged about 50,000 b/d for much of 1998, until they ended with the attack on the Basrah refinery in December of 1998. Iraq resumed exports in August of 1999. Smuggling reached 70,000 b/d in December and averaged about 100,000 b/d in January 2000. We estimate that Baghdad has earned more than $25 million in January alone. There is no evidence that any of this money has been spent to improve the humanitarian situation of the Iraqi people.

• There are 90 contracts on hold because we have information that they are linked to a company that is operating or has operated in violation of sanctions.

• The United Nations has reported that $200 million worth of medicines and medical supplies sit undistributed in Iraqi warehouses. This is about half the value of all the medical supplies that have arrived in Iraq since the start of the oil-for-food program. Saddam can move his troops and missiles around the country, but claims that he doesn't have enough transportation to distribute these medicines, even as he alleges that children are dying due to sanctions.

• Despite reports of widespread health problems, the government has still not spent the full $200 million for medical supplies allocated under phase five of the oil-for-food program (which ended in May). Only 40% of the money was used to purchase medicines for primary care, while 60% was used to buy medical equipment.

• While the average Iraqi needs basic medicines and medical care, the government of Iraq spent $6 million on a gamma knife, an instrument used for complicated neurosurgery that requires extremely advanced training to use. Another several million was spent on a MRI machine, used for high-resolution imaging. Such exotic treatment is reserved for regime bodyguards and other members of the elite. This total of $10 million could instead have benefited thousands of Iraqi children if it had been spent on vaccines, antibiotics, and the chemotherapeutics necessary to treat the large numbers of children that are allegedly dying due to lack of medicine.

• Despite Iraqi obstructionism, oil-for-food has raised by 50% the daily calorific value of the ration basket and has steadily improved health care for Iraqis. Infrastructure repair in areas such as agriculture, electricity, and water and sanitation is being under-taken. Iraq has claimed it was unable to produce enough oil to meet oil-for-food ceilings because the UN refused to approve contracts for spare parts for its petroleum industry. The fact is that hundreds of millions of dollars of spare parts have been delivered and Iraqi oil production is expected to exceed pre-Gulf war levels.

• Since the start of the oil-for-food program, of the 7,560 contracts received, 5,901, or 78.1%, have been approved. Their total value is $7.7 billion.

• The UN has reported that, despite Iraqi claims of infant malnutrition, the government of Iraq has ordered only a fraction of the nutrition supplies for vulnerable children and pregnant and nursing
mothers recommended by the UN and for which money has been set aside under the oil-for-food pro-
gram. Only $1.7 million of $25 million set aside for nutritional supplements has been spent by Iraq. 
In the past eighteen months, Iraq has ordered no nutritional supplements.

- Despite a 50% increase in oil revenues, Iraq has increased the amount earmarked for food purchases 
by only 15.6%.

- Baghdad has reduced from $8 million to $6 million the amount allocated to the supplemental 
nutritional support program for malnourished children and pregnant and lactating mothers.

- In Northern Iraq, where the UN administers humanitarian assistance, child mortality rates have fallen 
below pre-Gulf War levels. Rates rose in the period before oil-for-food, but with the introduction of 
the program the trend reversed, and now those Iraqi children are better off than before the war.

- Child mortality figures have more than doubled in the south and center of the country, where the Iraqi 
government -- rather than the UN -- controls the program. If a turn-around on child mortality can be 
made in the north, which is under the same sanctions as the rest of the country, there is no reason it 
cannot be done in the south and center.

- Iraq is facing its worst drought in 50 years. As a result, the government is restricting the planting of rice 
and told farmers not to plant summer crops without permission from the Ministry of Irrigation. The water 
levels of the reservoirs supplying Saddam Hussein’s region of Tikrit, however, were at normal seasonal 
levels, while the flow of water to the southern cities was dramatically lower than during the previous two 
years. Saddam is diverting water to serve his political objectives, at the expense of the general population.

- Iraq is actually exporting food, even though it says its people are malnourished.

  - Coalition ships enforcing the UN sanctions against Iraq recently diverted the ship M/V MINIMARE 
  containing 2,000 metric tons of rice and other material being exported from Iraq for hard currency 
  instead of being used to sup-port the Iraqi people.

  - Baby milk sold to Iraq through the oil-for-food pro-gram has been found in markets throughout the 
Gulf, demonstrating that the Iraqi regime is depriving its people of much-needed goods in order to 
make an illicit profit.

  - Kuwaiti authorities recently seized a shipment coming out of Iraq carrying, among other items, baby 
powder, baby bottles, and other nursing materials for resale overseas.

  - Iraq has claimed it was unable to produce enough oil to meet oil-for-food ceilings because the UN 
refused to approve contracts for spare parts for its petroleum industry. The fact is that hundreds 
of millions of dollars of spare parts have been delivered and Iraqi oil production is expected to 
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described in UNSCR 1051, the list of goods which must be notified to and inspected by UNSCOM and the IAEA. As Iraq is not permitting either organization to perform its UN-mandated functions, there can be no assurance that Iraq would not divert these dual-use items.

- Saddam celebrated his birthday this year by building a resort complex for regime loyalists. Since the Gulf War, Saddam has spent over $2 billion on presidential palaces. Some of these palaces boast gold-plated faucets and man-made lakes and waterfalls, which use pumping equipment that could have been used to address civilian water and sanitation needs.

- In April 1999, Iraqi officials inaugurated Saddamiat al Tharthar. Located 85 miles west of Baghdad, this sprawling lakeside vacation resort contains stadiums, an amusement park, hospitals, parks, and 625 homes to be used by government officials. This project cost hundreds of millions of dollars. There is no clearer example of the government’s lack of concern for the needs of its people than Saddamiat al Tharthar.

- In July, Baghdad increased taxes on vehicle ownership and marriage dowries, after earlier increases in taxes, fees, and fuel and electricity prices. This is in part what pays for Saddam’s palaces. Saddam also uses food rations, medical care, and other state resources to buy the loyalty of his inner circle and security forces.

- Iraq has refused to allow the UN’s Special Rapporteur for Human Rights to return to Iraq since his first visit in 1992. The government of Iraq has refused to allow the stationing of human rights monitors as required by the resolutions of the UN General Assembly and the UN Commission on Human Rights. The regime expelled UN personnel and NGOs who, until 1992, ensured the delivery of humanitarian relief services throughout the country. Iraqi authorities routinely practice extrajudicial, summary or arbitrary executions throughout those parts of the country still under regime control. The total number of prisoners believed to have been executed since autumn 1997 exceeds 2,500. This includes hundreds of arbitrary executions in the last months of 1998 at Abu Ghraib and Radwaniyah prisons near Baghdad.

- In the 1970s and 1980s, the Iraqi regime destroyed over 3,000 Kurdish villages. The destruction of Kurdish and Turkomen homes is still going on in Iraqi-controlled areas of northern Iraq, as evidenced the destruction by Iraqi forces of civilian homes in the citadel of Kirkuk. In northern Iraq, the government is continuing its campaign of forcibly deporting Kurdish and Turkomen families to southern governorates. As a result of these forced deportations, approximately 900,000 citizens are internally displaced throughout Iraq. Local officials in the south have ordered the arrest of any official or citizen who provides employment, food or shelter to newly arriving Kurds.

- Iraq’s 1988-89 Anfal campaign subjected the Kurdish people in northern Iraq to the most widespread attack of chemical weapons ever used against a civilian population. The Iraqi military attacked a number of towns and villages in northern Iraq with chemical weapons. In the town of Halabja alone, an estimated 5,000 civilians were killed and more than 10,000 were injured.

- The scale and severity of Iraqi attacks on Shi’a civilians in the south of Iraq have been increasing steadily. The Human Rights Organization in Iraq (HROI) reports that 1,093 persons were arrested in June 1999 in Basrah alone. Tanks from the Hammourabi Republican Guards Division attacked the towns of Rumaitha and Khudur on June 26, after residents protested the systematic maldistribution of food and medicine to the detriment of the Shi’a. Iraqi troops killed fourteen villagers, arrested more
than a hundred more, and destroyed forty homes. On June 29, the Supreme Council for the Islamic Resistance in Iraq reported that 160 homes in the Abul Khaseeb district near Basra were destroyed.

- In March 1999, the regime gunned down Grand Ayatollah al Sayyid Mohammad Sadiq al Sadr, the most senior Shi’a religious leader in Iraq. Since 1991, dozens of senior Shi’a clerics and hundreds of their followers have either been murdered or arrested by the authorities, and their whereabouts remain unknown.

- In the southern marshes, government forces have burned houses and fields, demolished houses with bulldozers, and undertaken a deliberate campaign to drain and poison the marshes. Villages belonging to the al Juwaibiri, al Shumaish, al Musa and al Rahma tribes were entirely destroyed and the inhabitants forcibly expelled. Government troops expelled the population of other areas at gunpoint and also forced them to relocate by cutting off their water supply.

While Iraq’s press called these charges a “desperate lie,” there is little to indicate that they are anything but true. Nothing has really changed since that time including most of Iraq’s charges – which are endlessly recycled in spite of the flow of oil export revenues and oil for food deliveries.

In March 2000, the US released photos showing that Saddam Hussein had built a massive new headquarters for the MEK costing tens of millions of dollars. The photos show the main headquarters complex. was located in Falluja, is approximately 40 kilometers west of Baghdad. Construction was begun in late 1998 and is still going on. The site covered approximately six square kilometers and included lakes, farms, barracks; administrative buildings and other facilities. The facility can accommodate between 3,000 to 5,000 MEK members. When this headquarters complex becomes operational, it will be used to coordinate MEK terrorist activities and to plan attacks against targets in Iran and elsewhere.

This did not stop the UN Sub-Commission on the Promotion and Protection of Human Rights from calling for the lifting of sanctions in a report in August 2000 – or following in the UN and other human rights group tradition of totaling failing to examine the history and nature of the actions of the Iraqi government or the probable real world impact of lifting all controls on Saddam Hussein’s behavior. It also did not stop Tariq Aziz from lying about the oil for food program, and charging that same month that Iraq had sold more than $30 billion worth of oil and had
received only $8 billion worth of goods. (He said that the UN had deducted more than $9 billion for compensation and the “administrative costs of spies.”)\(^{38}\)

Fortunately, the top leadership of the UN has been far more realistic and objective. UN Secretary General Annan has recognized the real suffering of Iraq’s people and has called for “smarter sanctions.”\(^{39}\) His reports on oil for food, however, have also highlighted the problems in Iraq’s behavior. He released a new report on the humanitarian oil-for-food program released September 11, 2000, and it describes the same unacceptable situation.\(^{40}\) His report states that the Iraqi government continued to refuse to discuss arrangements for using oil-for-food funds to purchase Iraqi goods and services and to give visas for UN experts on this issue. It notes that Iraq executed contracts for approximately 360.9 million barrels of oil with an estimated value of $8,500 million during the first three months of the latest 180-day period, which began in June 2000.

The report also indicates that Iraq was able to increase the allocations for the food, nutrition and health requirements, allocating $498 million to the health sector -- a 63.3% percent increase. It increased target level of food to 2,472 kilocalories per person per day. (The report does not deal with Iraq’s revenues from smuggled oil which goes out by tanker through Turkey, and which had tankers back up for lengths as long as 30 kilometers along the border in 2000.\(^{41}\) It did not cover similar revenues from product smuggled out through the Gulf via Iranian waters – as was demonstrated by the seizure of the Russian tanker Volga-Neft-147 on February 2, 2000.\(^{42}\)

At the same time, the report indicated that 70 percent of families bartered or sold some of the items in the food basket to obtain other essential goods. The World Food Program (WFP) also reported that Iraq's Umm Qasr port, the railways, trucks, and mills related to food production are "in a deplorable state" because of age, poor maintenance, and lack of spare parts. This was partly a result of sanctions but also of Iraq’s delays in beginning work on replacing the mills and submitting applications to improve the warehousing and handling of humanitarian supplies including applications for trucks and forklifts. The report indicated that Iraq's infrastructure
remained heavily incapacitated despite Iraq's recent ordering of essential equipment and supplies, often because Iraq kept complementary items have frequently been kept on hold long after the main items to go with them had been delivered.

The Secretary General’s report also indicated that there had been a steep decline in health care more because of the departure of both foreign and Iraqi health professions, and difficulty in distributing medical supplies and medicines, that a lack of funds. It also found that education is one of the most intractable problems facing the country, and that school enrolment in the center and south of the country has dropped as families send their children to work to bring home needed income. In contrast, in the northern Kurdish provinces where the UN runs the humanitarian program, school enrolment has actually risen because of sustained rehabilitation of educational facilities, availability of school supplies, and general economic improvement, he reported.

In regard to the approval contracts, the Secretary General found that despite "the commendable efforts" made to reduce the number of contracts on hold, 647 contracts worth $1,500 million for humanitarian supplies and 504 contracts for oil and spare parts worth $279 million were on hold at the end of August, 2000. Most were on hold because nations have not responded to UN requests for clarifications on the contracts. The Secretary General also pointed out that the oil-for-food program did not allow for financial investments to rehabilitate infrastructure and that has placed limitations on what the program can do to deliver supplies and see they are used effectively. That limitation must be address "if the humanitarian challenge is to be met in full."

It seems clear that the present terms of UN sanctions should be changed both to provide a different kind of flow of oil revenues that will allow Iraq to develop and meet the needs of its people. Saddam will not act in the interest of his own people and Iraq must meet the requirements of Security Council Resolution 687 (paragraph 22) in order for the present UN sanctions on development and energy investment to be lifted. The resolution states that the oil embargo will
continue until Iraq meets all the conditions that UN has set, including the destruction of all weapons of mass destruction such as nuclear, chemical and biological weapons and long range missiles.

Saddam Hussein has made it repeatedly clear that Iraq will resist such compliance. Iraqi officials repeatedly have stated that UN Resolution 986 should lead to an immediate and complete lifting of all UN sanctions against Iraq, and have repeatedly threatened to halt exports unless all sanctions are lifted. Iraq has also opposed any resumption of the UN inspection effort that halted in 1998, and continuing to pay reparations, and has opposed any real effort to measure the effects of the sanctions. On September 10, 2000, Iraq refused Secretary General Anan’s request to allow a neutral UN team into Iraq to assess its true level of hardship, even though this might have led to major relief on sanctions if Iraq’s constant charges had proven correct.

Unless some new approach is taken to sanctions, they will continue to block the development, economic recovery, and expansion of Iraqi energy and Saddam will be able to manipulate more and more oil for food money for immediate expenses in ways that are difficult to trace and where it is almost impossible to assess the true need and eventual use of the money. A rigid approach to sanctions will continue to give the Iraqi regime a powerful oil weapon. As has been discussed previously, Iraq has signed lucrative oil and gas deals with companies from Russia, France, China in anticipation of the lifting of sanctions. The EIA reports that dozens of foreign oil companies from a wide variety of countries have been in discussions with the Iraqi government, and the Iraqi’s have also invited foreign firms to invest in natural gas projects that are worth $4.2 billion.

The Challenge of Iraq’s Military Forces and Proliferation

Further military confrontations with Iraq are not a threat, they are an ongoing reality. Fortunately, Iraq has many military problems, some of which may help ultimately bring down its regime. The heavily politicized structure of Iraq’s high command is one of them. Saddam
bypasses or alters its formal structure as he pleases. The system emphasizes political loyalty and the security of the regime over military effectiveness. It is filled with checks and balances to ensure Saddam’s safety, promotion emphasizes loyalty, and positions are regularly rotated to ensure that no officer develops enough personal loyalty to threaten the regime.

Iraqi defectors have made it abundantly clear that major procurement, deployment, organizational decisions are often made by Saddam and his personnel coterie with little staff work and professional review.\textsuperscript{45} Saddam repeatedly bypasses the formal chain of command down to the small unit level, and major operational decisions are made on the basis of perceived loyalty or personal whim. Major procurement, technical, and industrial decisions are often made by Saddam on the basis of personal contact, and Saddam has often shown that the most ambitious promise brings more rewards than the real-world prospect of success. Loyalty and the image of success are more important than the reality of success, and many of Iraq’s efforts are divided into secret compartments with little coordination of oversight.

Political control of the Iraqi military was a major part of the problem Iraq had faced in creating effective forces before and during the Iran-Iraq War. While Iraq has a formal command structure very similar to that of other regional military forces, with all the usual C\textsuperscript{4}I/BM (command, control, communications, computer/battle management) facilities, the Iraqi armed forces have been treated as much as if they were an instrument of state control as a means of national defense. They are a key tool in the ruling elite’s efforts to secure means of power, to coerce the Kurds, and to suppress systematically any threat from Iraq’s Shi’ites, and this has led to repeated tensions between Saddam and his more professional military officers.

It is difficult to confirm many of the details of Saddam’s actions in asserting his control over the military. What does seem clear is that Saddam has continued his policy of shifting and rotating commanders to ensure that no group of military or internal security forces would become loyal to a potential rival. Saddam has also moved members of his family to senior positions, and
ruthlessly purged any officer who became too suspect or acquired too much of a reputation for professional success.\textsuperscript{46}

**The Continuing Threat the Iraqi Military Poses to Saddam**

There have been many reports of coup attempts, arrests, and executions from late 1991 to the present -- some of which involve the Juburi clan. For example, reports appeared in mid-September 1992 that Saddam Hussein had executed a total of 26-30 more officers, including General Abed Mutleq Juburi.\textsuperscript{47} In October, he was accused of executing 19 more officers, including Brigadier Anwar Ismael Hentoosh and Brigadier Amir Rashid Hasson, two officers blamed for being insufficiently ruthless in putting down the Shi'ite rebellion in the south.\textsuperscript{48}

Unconfirmed reports appeared of the execution or arrest of former Interior Minister Samir Abd al-Wahab al-Shaykhali in April 1993 and another series of arrests and executions of military officers and civilians took place during August through September 1993. These arrests and executions seem to have begun on August 20, 1993, and to have eventually involved a mixture of military officers and civilians associated with the Juburi clan, Ubayd clan, and Saddam Hussein's home town of Tikrit. Up to 100-150 men were involved, evidently including Jassim Mawlud Mukhlis and Saqr Mukhlis. Saqr was the son of the Mawld Mukhlis who was the Tikriti landlord and the original patron who had opened up the officer corps to Tikritis under the monarchy. Another well known Iraqi executed was Brigadier General Raqhib Tikriti, a military physician who was head of the Iraqi Physician's Association.

While only uncertain reports of fighting and troop movements indicate a major coup attempt took place, there were reports that these arrests followed an effort to obtain Western support for a coup. These reports indicate that the plotters asked for Western air support over Baghdad and assurances that the Kurds would not seize Kirkuk and that Iran would not intervene in the south.\textsuperscript{49} A number of US and British experts feel that these arrests were the result of a serious assassination attempt. Yet Saddam Hussein and the Ba'ath elite may have been reacting to threats that had not yet been transformed into plans. Saddam made little effort to lower his
visibility, and continued to indulge in media events that seemed designed to show his wealth in spite of Iraq's growing economic problems.\textsuperscript{50}

A new series of defections occurred in 1995 and 1996, as well as reports of bombings and fighting within military barracks. The most publicized defection was Hussein Kamel al-Majid, Saddam's son-in-law, a Lt. General, and the head of the Military Industrialization Commission and Special Security Service (Amn Al-Khass). Hussein Kamel's flight to Jordan in the summer of 1995, his return to Iraq, and his “execution” created a bizarre sequence of events that exposed both the extent of the internal conflicts within Saddam's family and the true scale of Iraq's chemical and biological warfare programs. Another senior officer, General Nizar al-Khazraji, a former chief of staff, fled to Jordan in late March 1996.

In late June-early July 1996, reports surfaced that Saddam Hussein survived another coup attempt by the military, which included a plan to assassinate the Iraqi leader. While it is difficult to sort fact from fiction, it seems that elements of the elite Republican Guards were involved, as well as officers from several other army corps. The group took the name of “The Popular Uprising Movement” (harakat al-intifadah al-sha’abiyyah), and some reports indicate that it included a number of senior army officers who had decided to rid Iraq of Saddam and who felt Iraq's external opposition groups were impotent and subservient to foreign powers.\textsuperscript{51} Other reports indicate that they had at least some backing from King Hussein of Jordan, the US, and the Iraqi National Accord -- a factor which allowed Iraqi security agents who had penetrated the Iraqi National Accord to warn Saddam.\textsuperscript{52}

The Iraqi National Security Council seems to have set up a special committee headed by Qusay and with representatives of the General Intelligence Directorate (Mukhabarat), Military Intelligence Service (Al-Estikhabarat al-Askariyya), General Security Service (Amn al Amm), and Military Security Service (Al Amn al-Askariyya). Saddam seems to have given this group the power to make arrests regardless of family and tribal connection, and Qusay seems to have taken the lead in directing its operations.\textsuperscript{53}
Scores of officers were detained. Some reports indicated that as many as 120-160 officers were arrested and held in Salamiyeh prison in Mosul. Other reports indicated that the total included 12 from the Republican Guards and three from the Special Republican or Presidential Guards. Three senior officers who were also provincial governors were arrested as well. The US State Department reports that some 400 officers were killed, including senior Republican Guard officers and Tikritis, and that Saddam’s eldest son Uday supervised the implementation of his father’s orders. It seems likely, however, that Qusay played at least as important a role.\textsuperscript{54}

**The Continuing Threat to the Regime from the Iraqi Military**

In mid-July 1996, Saddam took the unusual step of making a regular army officer the commander of the Republican Guard, and of appointing a native of Mosul as his office chief-of-staff. This latter appointee was Awwad al-Bandar, the former head of Iraq’s Revolutionary Court, and he seems to have been appointed to counterbalance the internal political impact of Saddam’s earlier execution of several officers from Mosul.\textsuperscript{55} At the same time, Saddam seems to have tightened his direct control of the “Special Republican Guard” he uses for his immediate security, increased its readiness and heavy equipment, and possibly strengthened its control over Iraq’s surviving covert holdings of biological and chemical weapons and missiles.

The coup and assassination attempts were followed by the Ba’ath regime’s customary large-scale purges and dismissals of officers from clans or tribes suspected of dissident behavior. Once again, much of the regime’s wrath fell upon officers from the Dulaim and al-Duri tribes of Al-Anbar province. Moreover, Saddam Hussein began to admit large number of officers from the Al-Sa’dun Sunni Arab tribe from Al-Basrah province into the Presidential Guards. Saddam also used his August 31 invasion of the Kurdish security zone to round up and execute Iraqi deserters. This included at least 96 deserters in one town outside Irbil. Ironically, the Revolutionary Command Council (RCC) issued a decree on August 5 suspending the use of amputation as a punishment for desertion.\textsuperscript{56}
Since that time, there have been many other reports of military unrest, although none that seem to have reached levels as serious as those in the early and mid-1990s. Saddam’s ability to use money made available by the “oil for food program” – which allows him to devote other revenues to the military – may have helped. Saddam has also carefully encouraged tribalism within the armed forces from those tribes he feels remain loyal or whose loyalty can be purchased. He seems to have changed and rotated many of the intelligence and security officers responsible for surveillance over the armed forces, and to have strengthened Qusay’s role in controlling both the presidential security forces and reviewing security reports on all aspects of the Republican Guard and regular military forces.

**Prospects for a Coup and “One Bullet Election”**

There is little prospect that Saddam can ever fully secure his control over the military, or can ever eliminate the risk that an assassination or coup attempt will finally succeed. However, Saddam retains a massive apparatus to protect himself from the military, and continues to demonstrate that he can use the military as an instrument of state control. The Iraqi military continues to deploy nearly 14 of its 23-24 divisions along the border of the area under Kurdish control, and to deploy several divisions that conduct military operations against Shi’ite rebels in the marshes in the south.57 Saddam has repeatedly demonstrated that he can deploy the Republican Guard for internal security missions, and that he can ruthlessly purge potential power centers within the military.

Moreover, the kind of opposition to Saddam that has surfaced within the military shows little sign of being “democratic.” It is the product of clan-oriented struggles for power or a desire to preserve power by getting rid of a man that is perceived as the reason that sanctions continue. The military may be more “pragmatic” than Saddam, but it will only be as moderate as it has to be. The military will also inevitably use any increase in its political power to favor its own interests.
The Size and Character of Iraq’s Military Efforts

One thing is all too clear, Iraq’s economic hardships have not prevented its regime from continuing to mobilize much of its manpower pool and make heavy expenditures on military forces. Iraq still has an active force structure with over 380,000 men, with the IISS reports showing 429,000. It has another 650,000 in reserve. It has 6-7 corps with 17-19 regular army divisions, six Republican Guard divisions, 7-10 Special Forces and commando brigades, and a Presidential Guard/special security force. Iraq’s equipment holdings include roughly 2,200-2,700 tanks, 3,300-4,400 other armored vehicles, 1,980-2,100 major artillery weapons, 120 attack helicopters, and over 330 combat aircraft. Iraq has also made a major effort to rebuild its military industries and to compensate for its lack of arms imports with domestic production.

The readiness of Iraq’s manpower, major combat formations, and equipment is uncertain. Iraq has slowly improved its training at the company and battalion level, has created cadres of officers with considerable training and experience, has reorganized its forces, and has repaired and overhauled much of its equipment. Nevertheless, more than half a decade without significant military imports is steadily reducing Iraq’s military capabilities. While Iraq was able to rebuild and consolidate its forces after the Gulf War, its rate of recovery declined in late 1993 to early 1994. Iraq made little progress after this time until the fall of 1996, when it again began to increase its readiness and training activity. It also either obtained some imports of spare parts or made more effective use of existing stocks.

Iraq’s Military Expenditures and Arms Transfers Since the Gulf War

There are no reliable estimates of Iraq’s military expenditures since the Gulf War, and such estimates are almost impossible to make because Saddam Hussein has used his control over Iraq’s economy to shift assets to the military in ways that are not reflected in any Iraqi budget document.
The sources that are available indicate that Iraq was forced to make massive cuts in its military expenditures after the Gulf War. The US Department reports that Iraq’s military expenditures totaled $35 billion in 1987, $33.2 billion in 1988, $25.5 billion in 1989, $26.4 billion in 1990, $2.0 billion in 1991, $2.0 billion in 1992, $2.0 billion in 1993, $1.5 billion in 1994, $1.3 billion in 1995, $1.25 billion in 1996, and $1.25 billion in 1997. The International Institute of Strategic Studies (IISS) has produced different figures. It estimates that Iraq’s military spending shifted from $11 billion in 1/88, to $2.5 billion in 1992, $2.6 billion in 1993, $2.7 billion in 1994, $2.7 billion in 1995, $2.7 billion in 1996, $1.3 billion in 1997, $1.3 billion in 1998, and $1.4 billion in 1999.

These figures seem to severely understate the cost of Iraq’s forces in terms that are comparable to other Gulf nations. They assume, however, that manpower costs are extremely low, do not include the opportunity cost of expending military equipment and ammunition without replacement, and ignore many of the real-world expenditures Iraq’s makes on military forces in a command economy. Iraq simply does not pay market prices for many of its expenditures, or formally include them in its budget, because it has used low-paid conscripts and directly allocated state resources.

It is all too clear, that the Iraqi has continued to maintain an extremely large force structure for nation of its size and one that is extremely expensive. It is also clear that it has had to pay to keep these forces active in the field for much of the period since 1991 -- fighting with its Shi’ite opposition, surrounding the Kurds, and major exercises. These forces have had to be paid a premium to ensure their loyalty. As a result, Iraq’s military expenditures have almost certainly been a massive economic burden for a nation that had only token oil exports during the first half of the 1990s. It has also had to pay a high economic opportunity cost to divert resources away from its civil economy.
If Iraq’s efforts are costed from these perspectives, Iraqi expenditures may have “cost” from $6 billion to $9 billion annually in terms of their dollar value equivalent. Many of Iraq’s armed forces have been constantly involved in civil wars against the Kurds and Shi’ites, or in expensive field deployments near the Kurdish security zone in the north, and in the urban and marsh areas in the south. Iraq has poured massive resources into rebuilding its military industry, and trying to maintain its operational readiness. The government has also offered salary increases and other incentives that have become progressively more expensive with time. While no firm data are available, Iraq has probably spent about 33% to 45% of its post-Gulf War GDP on military expenditures in spite of the economic crisis created by the UN sanctions and Saddam Hussein’s refusal to sell oil.

Fortunately, UN sanctions have had a major positive effect in limiting what the Iraqi regime can do. Until the Gulf War, arms imports served as Iraq’s substitute for effective organization and military competence. Iraq's arms imports placed a major burden on Iraq's economy during the decade before the Gulf War and the beginning of UN sanctions. It was a massive flood of arms imports that kept Iraq alive during the Iran-Iraq War. Similarly, it was Saddam’s refusal to accept major reductions in these arms imports that was a major factor in his decision to invade Kuwait. Ironically, the Gulf War had just the opposite effect.

Iraq has now been cut off from major arms deliveries for well over half a decade. It has been unable to modernize, react to many of the lessons in the Gulf War, match the military build-up of its neighbors, and deal with the ‘revolution in military affairs.’ It has also been unable to use arms imports as a substitute for effective maintenance and repair capability, or for an effective logistics system.

Iraq has also faced growing problems with obsolescence and wear. While Iraq was able to recover and rebuild substantial amounts of the military equipment it left behind on the battlefield after the Gulf War, it has since had to fight against its Shi’ites, maintain extensive field
deployments against its Kurds and Iran, and attempt to rebuild its fighting capabilities through major exercises. The end result has been continuing wear coupled with the growing obsolescence of Iraq's older equipment, and the build-up of a cumulative backlog in the recapitalization of its forces that now total nearly $20 billion.

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.\(^{62}\) Iraq's arms imports then vastly exceeded those of Iran and rivaled those of Saudi Arabia in total cost.

Iraq had good reason to reduce its arms imports following the cease-fire in the Iran-Iraq War. Iraq had immense debts and badly needed funds for civil development and reconstruction. Iraq's victories over Iran during the spring and summer of 1988 had cost Iran 40-60% of its major land force weapons. Iraq had captured 1,000s of Iranian tanks, other armored vehicles, and artillery weapons that had been abandoned on the field, many with little or no combat damage. Iraq also had an immense backlog of orders it had placed during the peak of the fighting and which were scheduled for delivery during 1988-1992.

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.

Iraq 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. It would also have ordered much more, however, if it had been able to make some strategic choices between civil development or “butter” over military power or “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 still felt threatened by Iran. Their reasoning was based on the fact that the cease-fire was not a full peace, and Iran had a backlog of new arms orders of its own. Iran took delivery on $1.4 billion worth of arms a year during 1989-1990. More importantly, Iran began to place major new orders of a size that indicated that it was actively attempting to make up for its equipment losses. Iran placed a total of $6.7 billion in new orders during 1989-1992, and continued to remain on the “top ten” arms buyers list. In contrast, Iraq was forced to drop off of the “top ten” list for the first time in a decade.63

There were other strategic pressures from an Iraqi perspective. Iraq’s leaders saw the US as a potentially hostile power that did not belong in the Gulf, that had betrayed Iraq in the Iran-Contra arms deal, that had only backed Iraq to checkmate Iran, and that was turning on Iraq now that Iran was no longer the primary threat. They saw Israel as a nuclear threat to Iraq, and Iran’s search for weapons of mass destruction as a potentially existential threat.

Iraq’s leaders were involved in an incredibly expensive program to develop and mass produce biological, chemical, and nuclear weapons and long-range missiles. They were committed to maintaining an immense military machine that needed roughly $900 million to $1.2 billion a year worth of spares, replacements, and upgrades a year -- even given the much lower requirements of peacetime operations. They wanted to complete the conversion of Iraq’s military forces to more advanced weapons and technology similar to the kind of first line equipment used by NATO European forces and Russia. They were particularly concerned with creating an air force using the latest French and Russian aircraft, with upgrading Iraq’s obsolescent surface-to-air
missile force, and with expanding and modernizing Iraq’s Republican Guard and regular heavy divisions with advanced tanks, armored combat vehicles, and self-propelled artillery.

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 used imports designed to help develop and produce weapons of mass destruction.⁶⁴

At the same time, these pressures steadily increased the tensions between Iraq’s leaders and their Southern Gulf neighbors. Saddam and his supporters saw Iraq as the natural military leader of the Gulf and as the emerging leader of the Arab world. They felt that continuing aid to Iraq was a legitimate obligation on the part of the wealthy Gulf states like Kuwait, Saudi Arabia and the UAE that had stood aside from the fighting in the “Arab cause” against Iran. They felt that Iraq’s wartime debts should be treated as aid, and not as a financial burden that helped to crippled Iraq’s military modernization.

Iraq’s invasion of Kuwait was partly a result of these perceptions and pressures and the resulting ironies are obvious. The invasion scarcely met its goals of relieving Iraq’s financial problems and consolidating its role as the dominant military power in the Gulf. Instead, Iraq has had no major arms deliveries since it invaded Kuwait, and has been unable to place any major orders.⁶⁵ It has only had limited and erratic deliveries of “black market” parts and munitions, none of which have been significant. US government unclassified estimates report than Iran had less...
that $50 million in new conventional arms orders and deliveries between the time sanctions were imposed and the end of 1999.\textsuperscript{66}

The Gulf War has now 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. As Figure VI-1 shows, 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.\textsuperscript{67}

An arms cut off also had a special impact on Iraq’s military effectiveness. The arms embargo that the UN imposed in August 1990 meant that Iraq suddenly ceased to be one of the largest importers in the Gulf and became one with only token imports -- lagging behind even the smallest Southern Gulf states. Virtually without warning, Iraq was cut off entirely from access to several of its most important pre-Gulf War suppliers after 1990.

This imposed a considerable shock on the Iraqi military machine. It had never organized effectively to support and repair its equipment before the Gulf War. It could not deliver the complex mixes of spare parts required by modern military technology in an orderly and efficient fashion, and it had solved many of its logistic and resupply problems by flooding the Iraqi military forces with new imports and entire replacements.

While many of Iraq’s internal supply, logistic, and repair capabilities have slowly improved, UN sanctions have had steadily more impact on a military force structure that required 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

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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 in the cost estimate, it would have required about $2-2.5 billion a year worth of arms deliverers 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 cumulative 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 $8 billion between 1990 and 2000. 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 2000 totals at least $21-25 billion.

The scale of Iraq’s “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 have 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.

Iraq’s holdings of obsolete and obsolescent equipment now total 60-70% of the entire inventory in the Iraqi army, air force, and air defense force, and virtually every combat system in the Iraqi Navy except for some of its anti-ship missile forces. By this standard, sanctions have
been anything but a failure. They have serious weakened Iraq’s military forces, and it will take Iraq at least half a decade to compensate for the resulting problems once sanctions are lifted.

While Iraq did step up its smuggling of spare parts after late 1996, and sustained this level of effort during 1997 and 1998, its military consolidation has come almost solely through cannibalizing its pre-Gulf War equipment and stocks and equipment and spare parts. Iraq has been unable to “recapitalize” its forces by importing major deliveries or new equipment or producing advanced weapons systems in Iraq. Iraq has not been able to import or manufacture the massive deliveries of parts, new equipment, and munitions it needs to make up for the inefficiency of its maintenance and logistics capability. Nevertheless, the quality and strength of most units have declined sharply, and even Iraq’s elite units have suffered. Iraq has had to cannibalize equipment and take equipment out of some units to maintain the readiness of others.

It is important to note, however that these problem are still relative, when measured by the standard set by Iran and by the effectiveness reached in Southern Gulf forces. Iraq is anything but a paper tiger, but it is hardly the military power that won the Iran-Iraq War. Some areas of Iraq’s order of battle is becoming a hollow shell. In those areas where Iraq has consolidated its resources effectively, its forces still have to deal with the fact that UN sanctions are denying Iraq the new technology, new equipment, and spare parts it needs. Iraq has lost one aspect of the “war of sanctions. It is steadily reducing the conventional military threat Iraq can pose to Iran, Kuwait, and other states.
Figure VI-1

The Iraqi Cumulative Arms Import Deficit Enforced by UN Sanctions
(Measured in $US 97 Constant millions)

The Iraqi Army

There are a number of different estimates of the current strength of Iraqi land forces. US experts indicate that the Iraqi Army had a total of around 375,000 full time actives (including 100,000 recalled reserves) in 2000, and a total of seven corps, with two Republican Guards corps and five regular army corps. Iraq had a total of 23 divisions. These divisions included six Republican Guard divisions (3 armored, 1 mechanized and 2 infantry) and 1 Presidential Guard/Special Security Force division. There were also 15 independent special forces or commando brigades.

US experts indicate that the land forces had a total of fourteen divisions in the north, three divisions in central Iraq, and six divisions south of An Najaf. The Republican Guards had a total of three armored divisions deployment in the vicinity of Baghdad -- one near Taji, one near Baghdad, and one near As Suwayrah. These estimates seem to provide the most accurate current picture of Iraqi strength. 70

Earlier estimates by USCENTCOM are somewhat similar, but indicate the Iraqi land forces had a total strength of 700,000 personnel including reserves. These estimates indicates that Iraq’s major combat formations include 17 regular army divisions (6 heavy and 11 light), and 6 Republican Guards Divisions (3 heavy and 3 light). USCENTCOM also estimated that the total Iraqi Army order of battle included six armored divisions 4 mechanized divisions, 10 infantry divisions, 2 special forces divisions, 1 Special Republican Guards or Presidential Guard Division, 19 reserve brigades, 15 People’s Army Brigades, and 25 helicopter squadrons. 71 Both sets of estimates gave Iraq a total force of approximately 23 divisions versus 35-40 divisions in the summer of 1990, and 67-70 divisions in January 1991 -- just before the Coalition offensives began in the Gulf War. 72

USCENTCOM and other US experts estimated that Iraqi divisions had an authorized strength of about 10,000 men, and that about half of the Iraqi 23 divisions had manning levels of
around 8,000 men and “a fair state of readiness.” Republican Guards Divisions had an average strength of around 8,000 to 10,000 men. Brigades averaged around 2,500 men -- the size of a large US battalion. USCENTCOM also indicated that Iraqi army company and battalion level training increased significantly after November-December 1996.  

USCENTCOM experts indicated that Iraq’s 23 divisions were arrayed north-to-south in February 1997, with a mix of regular and Republican Guards divisions. All of the divisions near the Kuwait border were regular, although some Republican Guard divisions could move to the border relatively rapidly. All Republican Guards divisions were located above the 32 degree line. Several additional Republican Guards divisions were located around Baghdad to play a major role in internal security. Several more Republican Guards divisions were located north of Baghdad closer to the Kurdish area.

A total of twelve Iraqi divisions were effective enough to be used in an attack on Kuwait or combat operations against Iran. There were five regular divisions -- three relatively combat-ready -- in the southern border region north of Kuwait. There were two Republican Guards divisions that could be rapidly deployed to support the three more capable regular divisions in an attack on Kuwait which USCENTCOM labeled the “Basrah breakout.”

The IISS estimates that the Iraqi army had some 375,000 actives in later 2000, including 100,000 recalled reserves, plus over 600,000 reserves. It also estimates that Iraq has seven corps headquarters, six armored and mechanized divisions, 12 infantry divisions, six Republican Guard Force divisions, four special Republican Guard Brigades, seven commando brigades, and two special forces brigades.

The Republican Guards are Iraq’s most effective land forces and the most effective land forces in the Gulf region, although their combat capability must be kept in perspective. Iraq’s regular army heavy divisions scored many of Iraq’s defensive victories during the Iraq-Iraq War, and many of the breakthroughs and victories in the last months of the Iraq-Iraq War.
Nevertheless, the Republican Guards did fight well in many battles in the Iran-Iraq Wars and the Gulf War, and spearheaded Iraq’s invasion of Irbil. Like the Soviet Guards and Waffen SS, they may not be more effective than the best regular army units, but they must be taken very seriously.

Iraq has consolidated its Republican Guards forces down from a total of 12 divisions to a current total of six divisions equivalent since the Gulf War, and has eliminated a number of smaller formations. In the process, it has given the Republican Guards units priority in terms of equipment, resupply, training, and operational funding. This has increased the gap between the Republican Guards units and regular army units in material terms, although the warfighting results are untested.

In late 2000, the Republican Guards divisions included three heavily armored divisions (the Al Nida division, the Hammurabi division, and the Al Medina al Munawarrah division), and two lighter divisions (the Nebuchadnezzar division and the Baghdad division.) Two special forces brigades seem to have survived from the pre-war special forces division. There are a number of other independent infantry formations. 77

According to US and Israeli experts, the surviving Republican Guards have a total of between 60,000 and 80,000 men, and 26-30 brigade equivalents (7 armored, 4 mechanized, and the rest infantry). This total manning indicates that Republican Guards have about 65-75% of the total manning needed for their combat units, and about half the total manpower needed to deploy and sustain a force of seven full divisions. 78 This is an indication that Iraq continues to have some manpower problems with even its most prestigious force. The Al Adnan Mechanized Division in the Northern Corps area has also had to be strengthened by consolidating the manpower and equipment of the Al Abed Infantry Division, based at Kirkuk, into the Adnan Division. 79

US experts note that some of the forces for coup attempts have come from the Guard, that pay and privileges for junior officers and other ranks have declined in real value since late 1993, and that more Shi’ites and non-Takritis are being recruited into the force. Further, Saddam
Hussein increasingly seems to be attempting to ensure the security of the Republican Guards by tribalizing the command and manning structure to mix “loyal” tribes in ways that emphasize tribal loyalty to Saddam while ensuring that units have a wide enough mix of tribes so that no tribal element might serve as a basis of a coup attempt.

There is also a division-sized “Special” or “Presidential” Republican Guards force, under a military command structure reporting directly to Saddam, that acts as a palace guard. This force is deployed in a number of battalions whose mission is to protect Saddam Hussein. It is largely infantry, but has some T-72s, BMPs, D-30s and 122 mm artillery weapons. Reports of its strength are uncertain, but one report claims a strength of some 13 battalions and 26,000 men. It is deployed in units which guard Saddam’s palaces, guard his movements, and provide emergency response forces. These emergency response forces may include a brigade-sized unit to provide Saddam with personal protection if he is threatened by some element of Iraq’s military forces.\(^{80}\) The "Special Republican Guard" is quite different from the regular Baghdad-based Republican Guard division. The former has three brigades which guard the southern, northern and western arteries into the city.

Saddam’s son Qusay is the effective commander of this force, just as he is of the regular Republican Guards. If the regular Republican Guards act as the “ring” of forces that defends Baghdad and Saddam Hussein, the Special Republican Guards act as Saddam’s last line of defense. According to one report, Qusay has also set up a Joint Operations Room in the Presidential Palace, under the Iraqi National Security Council, to coordinate the operations of the Special Republican Guards with the Republican Guards and the key paramilitary elements of Iraq’s security forces. These paramilitary units include the Amn Al-Khass Brigade in the General Security Service, a “brigade” in the General Intelligence Directorate, a paramilitary formation in the Military Security Service, and a “battalion” in military intelligence.\(^{81}\)
There is also a formation called the Fedayeen Saddam (Saddam’s Men of Sacrifice that reports directly to the palace, although its strength and status is unclear. Saddam’s other son, Uday formed this force in 1995, and some reports of its strength go as high as 40,000. It seems to consist more of young thugs than a paramilitary force, and its members carry out “patrols” that often amount to little more than extortion and terrorism of any potential opposition. It seems to report to the Presidential Palace and to now be under the control of Qusay.  

The equipment holdings of the surviving Republican Guards units are almost impossible to estimate, but they seem to be about 66%-75% of their prewar size. A rough estimate of the total equipment holdings of the Republican Guards would be around 650-800 tanks (at least 550 T-72s), 800-1,100 other armored vehicles (about half BMP 1/2s and 25% MTLBs), and 350-500 artillery weapons. Unlike other Iraqi Army units, these equipment holdings have also been kept largely operational since 1993, largely by consolidating operational equipment out of other combat and support units.

Most estimates of Iraq’s tank strength credit it with around 2,200-2,700 active main battle tanks, although it is not clear what portion of this total is really fully operational. An estimate by other US experts indicates that Iraqi Army's major equipment holdings included about 2,200-2,700 tanks, substantially less than half of the 6,700 tanks it had before the war. About half these tanks were T-54s, T-55s, T-59s and T-69s. Iraq also had about 600-700 M-48s, M-60s, AMX-30s, Centurions, and Chieftains captured from Iran or which it obtained in small numbers from other countries. The IISS estimates that Iraq has roughly 1,000 T-54, T-55, T-77 and Chinese T-59 and T-69 tanks, plus 200 T-62s, and 700 T-72s. It also estimates that Iraq has some Chieftain and M-47 and M-60 tanks it captured from Iran, most of which are inoperable.

One thing is certain. Iraq lost much of its pre-war T-72 strength during the Gulf War. US experts feel that only about 500-600 T-72s and 200-300 T-62s remained after the war, versus nearly 1,500 T-72s and T-62s before the war. According to some estimates, less than 2,200 of
Iraq’s tanks are fully operational. Iraq has retained over 1,500 tank transporters and heavy vehicle trailers out of the several thousand it bought during the Iran-Iraq War, and has continued to make effective use of them during exercises.\textsuperscript{83} Iraq does, however, have a poor history of field repairs for tanks, and of aggressively attempting to recover and repair tanks in battle.

Iraq’s current doctrine and tactics for using these tanks is unclear. In the past, Iraqi corps and division commanders often set personal standards for training and employing tanks, tailoring them to the specific battlefield conditions they encountered. This worked well during the Iran-Iraq War when selected, battle-experienced unit commanders who were given the time to withdraw from the front, retrain, and exert their own initiative. It also worked well when Iraq had the initiative against slow moving, infantry-dominated Iranian forces, and could attack using pre-planned and well rehearsed attack plans against a relatively static and slow-reacting enemy. These techniques also compensated for Iraq’s poor performance and readiness in combined arms and joint operations.

Iraqi armor was almost totally unprepared for the kind of AirLand battle it encountered during the Gulf War, however, and for the rapidly moving US Army forces it encountered during the Gulf War. Iraqi tanks showed little ability to deal with anti-tank weapons like the TOW during the battle of Khafji. Iraq was never able to commit most of its best regular army armored and mechanized tank units effectively to the defense of the forward area and then had to rush the surviving elements out of the Kuwait Theater of Operations. Even the Republican Guard tank units had to retreat or attempt to fight from ambush without adequate forward scouting and combined arms support. They were almost totally unprepared for the M-1A1’s ability to locate Iraqi tanks at long-ranges and fire effectively using nothing more than the “hot spot” on their thermal vision devices, or the threat posed by similar systems on the AH-64. Even when Iraqi tanks did encounter US Army units at shorter ranges, they were not able to engage rapidly enough to avoid massive losses or inflict significant damage.
Experts estimated that Iraq has some 3,500 other armored vehicles in.\textsuperscript{84} Iraq had 1,600 armored reconnaissance and command vehicles (BDRM-2, EE-3, EE-9, AML-60, AML-90, MTLB) versus 2,500 before the war. It had 800-900 armored infantry fighting vehicles (BMP-1, BMP-2, and AMX-10P) versus 2,000 before the war, and 2,300 armored personnel carriers (BTR-50, BTR-60, BTR-152, OT-62, OT-64, MTLB, YW-531, M-113, M-3, EE-11) compared to approximately 7,100 before the war.\textsuperscript{85}

The IISS estimates that Iraq retains some 900 BMP-1 and BMP-2 armored fighting infantry vehicles, plus an unknown number of BRDM-2, AML-60, AML-90, EE-9 Cascavel, and EE-3 Jararaca reconnaissance vehicles. It is estimated that Iraq still has about 2,000 armored personnel carriers, including BTR-50s, BTR-60s, BTR-152s, OT-62s, OT-64s, MTLBs, YW-532s, M-113A1s, M-113A2s, Panhard M-3s, and EE-11 Urutus.\textsuperscript{86}

Regardless of their number, it is clear that Iraq faces a logistic and maintenance nightmare in supporting so many types of vehicles with such different firepower, mobility, and endurance. Many of these weapons are old or obsolete, and cannot keep up with tanks. Many are also deadlined due to lack of spares or have only limited operational capability. Furthermore, Iraq is forced to equip its heavy divisions with different mixes of armor, with different maneuver capabilities and often with different training requirements for both the weapons crew and maintenance and support teams. It also has difficulties in ensuring that its infantry can keep up with its tanks.
Iraq's surviving artillery includes about 1,900-2,005 major artillery weapons in late 2000. It has 1,500-1,800 towed artillery weapons (105 mm, 122 mm, 130 mm, and 155 mm), and around 150 to 250 self-propelled artillery weapons (2S1 122 mm, 2S3 152 mm, M-109A/1/A2 and GCT AUF-1 155 mm). A significant number of these self-propelled weapons may not have been fully operational. These totals compare with Iraqi holdings of 3,000-5,000 towed weapons, and 500 self-propelled tube weapons before the war. In addition, Iraq had some 4,000-5,000 (60 mm, 81 mm, 120 mm, 160 mm) mortars.

The data on Iraq’s holdings of multiple rocket launchers are too contradictory to make any estimate of wartime losses possible, but it is clear that many such weapons were destroyed or abandoned in the Kuwaiti Theater of Operations. Iraq now retains at least 120-140 such weapons (240 mm, 140 mm, Astros I, Astros II, BM-21, 122 mm), and may have over 270. Iraq also seems to retain many of its pre-war holdings of the FROG surface-to-surface rocket launchers, and at least several hundred rockets.  

It is obvious from Iraq’s artillery holdings that most units rely heavily on towed weapons, and that Iraq can only equip a few of its heavy combat units with the self-propelled artillery necessary to keep up with Iraqi tanks and Iraq’s most modern other armored vehicles. Iraq has tried to solve these problems in the past by mixing tactics and artillery organization borrowed from France, Russia and China, and tailoring the end result to a given front or campaign. The end result, however, has rarely been impressive. Only a few Iraqi units have had the radars, training, and organization to allow them to conduct effective counter-battery fire. Targeting and observed fire is heavily dependent on forward observers, and is often slow and unresponsive. The ability to use RPVs and other techniques to acquire targets beyond visual range is very limited, and artillery support of mobile Iraqi armored units has been consistently poor -- even when the forward armored unit has called in targets and requested support.
Iraq has developed effective techniques for digging in towed weapons and massing tube and multiple rocket fire against slow-moving targets like Iranian infantry. It has not, however, demonstrated the ability to quickly shift fires and deal with rapidly moving armored forces. Its towed artillery has been relatively slow-moving and has often been road bound, unless sufficient time existed to support rear areas. During the Iran-Iraq War, Iraqi artillery units usually needed extensive time to deploy large amounts of ammunition into prepared rear areas in order to maintain high rates of fire, and had to pre-survey the battlefield to mass artillery fire effectively. Iraq also relies heavily on the “feed forward” of large amounts of ammunition, without prior request from the user unit, to make up for its slow-moving and unresponsive logistic and support system.

Iraqi self-propelled artillery units have often had problems extracting themselves from prepared positions, and moving rapidly under defensive conditions. Field repair and recovery of artillery systems has been poor.

The Iraqi Army lost large numbers of its anti-tank weapons during the fighting, many of which were recovered intact by the UN Coalition forces. Nevertheless, Iraq retained substantial anti-tank warfare capability. Its guided weapons include an unknown number of HOTs, AS-11, and AS-12s mounted on PAH-1 and SA-342 helicopters and AT-2s mounted on Mi-8 and Mi-24 helicopters. It has Milan and HOT launchers mounted on VC-TH armored vehicles; Soviet AT-1, AT-3, AT-4 crew-portable anti-tank-guided missiles; and Milan man-portable anti-tank guided missiles. It has several thousand 85 mm and 100 mm anti-tank guns and heavy recoilless rifles.

Iraq has rarely employed these weapons well. Even during the Iran-Iraq War, it tended to rely on tanks and massed artillery. During the Gulf War, it showed little understanding of the range at which modern Western armored can engage, the rate of advance and scale of maneuver of modern well-led armor, the impact of night and poor weather warfare in limiting crew served weapons without night vision aids, the need to rapidly maneuver crew served weapons rather than
rely on static positions, and the need to conduct constant actual training firings of such equipment to develop and maintain proficiency. Iraq also was unprepared for the rapidly moving precision of Coalition artillery and the ability of helicopters and tanks to bypass prepared defenses using such weapons.

There are definitional problems in counting Iraq's surviving anti-aircraft guns because some estimates include machine guns, while others only include heavier weapons. Pre-war estimates put the total number of weapons including machine guns at around 7,000, and the number of heavier weapons at 4,000. Iraq lost substantial numbers of self-propelled anti-aircraft guns during the Gulf War, but it seemed to retain 300-500 heavy weapons, including some AMX-30 SAs, Egyptian-made guns and light missile launchers, and 150-200 radar-guided ZSU-23-4s. Iraq retained 4,000-5,000 other anti-aircraft guns -- although many may not be operational or may be deployed as anti-infantry weapons. This gives it a total of approximately 5,500 weapons, but such estimates do not include losses during or after the US-British air campaign operation in Desert Fox in December 1990.

There are few details available on Iraqi Army surface-to-air missile holdings, although they clearly included thousands of light and medium surface-to-air missiles. These included SA-7, SA-8, SA-9, SA-13, SA-14, and SA-16 vehicle-mounted, crew-served, and man-portable weapons, and perhaps 50-100 surviving Roland fire units on self-propelled armored vehicles. According to most estimates, Iraq retained at least 50-66% of its pre-war anti-aircraft weapons strength, or around 3,000 light surface-to-air missile launchers before Desert Fox. Estimates are not available of its losses since that time.

Iraq's holdings of such equipment, and skill in deploying and using it, is of critical importance because of the ability of the US, British, and Saudi Air Forces to use electronic warfare, precision location systems, stand-off ordnance, stealth, and anti-radiation missiles to suppress Iraq's larger radar-guided surface-to-air missiles. Iraqi Army units did have some success in using systems like the SA-8 and shorter-range air defense missiles, and “curtain fire”
from anti-aircraft guns, to force Coalition aircraft to operate at stand-off ranges during parts of
the Gulf War. In general, however, Coalition helicopters took very limited damage and losses, and
Iraqi crews rarely made effective use of the radars on their shorter-range air defense missiles
because of the fear of being hit by Coalition aircraft. Iraq has also never been able to hit a single
US or British aircraft since that time.

Iraq would need much larger numbers of the most advanced short-range air defense
systems to make a major change in this aspect of its capabilities. It would also need to change its
training and acquisition and tracking equipment to emphasize the use of infra-red and very short
bursts of radar activity restricted to firing under optimal conditions to either break up attacks or
hit aircraft after they delivered their munitions. It is unclear that such techniques would be highly
effective in any case, but this would require a level of operations research, organization and
training, and fire discipline that Iraq has not exhibited in the past.

Estimates of Iraqi operational helicopter strength are equally uncertain. In late 2000, Iraqi
Army aviation seemed to possess about 120 armed helicopters out of the 159 it had before the
war. These included 20 PAH-1 (Bo-105); attack helicopters with AS-11, AS-12 and HOT
missiles, 30 Mi-24s and Mi-25s with AT-2 missiles, 40 SA-342s with AS-12s and HOTs,
Allouettes with AS-11s and AS-12s, and 5 SA-321s with Exocet.

No reliable estimate exists of the number of surviving heavy, medium, and light transports
and utility helicopters, but it seems likely that Iraq retained 200-300.\textsuperscript{88} The IISS estimates that
Iraq has roughly 350 transport helicopters, including Mi-6 heavy helicopters, AS-61, Bell 214ST,
Mi-4, Mi-8, Mi-17, and SA-330 medium helicopters; and AB-212, BK-117. Hughes 300C,
Hughes 500D, and Hughes 530F light helicopters.\textsuperscript{89}

Iraqi helicopter operations were most effective in the north, where they only faced limited
air defenses. Even there, they were most effective against poorly armed Kurdish forces, Kurdish
civilians, and Iranian infantry forces, and in exploiting terror tactics like the use of poison gas.
Iraq never demonstrated the ability to conduct effective air assault operations or coherent long-range helicopter strikes against Iranian armored and mechanized forces.

Iraq acquired no experience in using its helicopters during the Gulf War, and its land forces showed they were almost totally unprepared for US and French operations using helicopters, particularly the kind of long-range strikes made possible by the AH-64 and long-range air assault operations into Iraqi rear areas. Iraq has conducted some training exercises involving helicopters since the Gulf War, but it is unclear that it has corrected any of these defects, and it is unclear that it will ever solve them in as rigid and stratified a command system until helicopter operations are put under the command of the Iraqi Army, and tactical control is devolved down to the Corps or front level.

Further, Iraq is operating a fleet with some 12 different types of helicopters with very different ages, technologies, and sources of spare parts. The sensor and weapons mix on Iraqi attack helicopters is now nearly 15 years old. Even those helicopters equipped with HOT lack the sensors and fire control systems to effectively use the missile without closing to ranges that make the helicopter vulnerable and then remaining in position for longer than is safe.

Taken as a whole, Iraq’s land forces can probably still defeat any major Iranian attack and should be able to defeat the Iranian army in detail in the border area if given sufficient warning. Iraq has already shown that it has the military strength to overrun its Kurds in a matter of weeks if UN forces cease to protect them and Iraq’s land forces have effectively defeated all organized Shi’ite resistance in the marshes. Contrary to politicized exile reports, it defeated both the Kurdish and Shi’ite uprisings in 1991 very quickly once it organized its forces to do so. It made minimum use of helicopters and never had to rely on them. It can also deploy two to three divisions to Syria and/or Jordan in an Arab-Israeli conflict if it has Syrian or Jordanian host-country support.
Most important, Iraq’s land forces can still seize Kuwait in a matter of days and/or occupy much of Saudi Arabia's Eastern Province, if they do not face immediate and coordinated opposition from US, Kuwaiti, and Saudi forces. Kuwait is extremely vulnerable. Iraq 23 divisions compared with a total Kuwaiti forces of only about four brigades, only 1 1/4 of which are combat ready. The total forward-deployed US strength in the Gulf is 6,500-21,000 men -- depending on the season of the year. The US only had one brigade prepositioned in Kuwait, however, and most of its personnel in the Gulf are in air force, Marines, and Navy. The US would have to rush in air power and follow-on ground forces to defend Kuwait and much would depend on strategic warning and the speed of US reaction to that warning.

Nevertheless, the Iraqi Army as a whole has severe limitations, and some of its capabilities continue to deteriorate. This deterioration is a product of basic weaknesses in its organization and structure as well as a result of wartime losses, a post-war loss of imports, political turmoil, and the decline of the Iraqi economy. Iraq’s growing readiness, sustainability, and deterioration problems have interacted with these inherent weaknesses to degrade Iraq's ability to conduct effective combined arms and mobile warfare.

The most critical mid-term limitation affecting the warfighting capability of the Iraqi Army is now the impact of the UN arms embargo. Iraq can work around some of its equipment problems, but it needs significant imports of spare parts to maintain its army and bring it back to pre-Gulf War readiness. This also makes it absolutely critical to distinguish between economic sanctions and sanctions on arms. If the UN arms embargo continues to be effective, the Iraqi Army will continue to lose force strength and warfighting quality relative to Iran, the Southern Gulf states, and its other neighbors. It is almost impossible to predict the rate at which the Iraqi army will decline, but it is clear that Iraqi forces have already lost a significant amount of their combat effectiveness and sustainability.
The Iraqi Air Force

In late 2000, the Iraqi Air Force had a total of roughly 35,000 to 40,000 men, including some 15,000-17,000 air defense personnel. Iraq has been able to rebuild many of the shelters and facilities it lost during the war, and much of the Air Force C^4I/BM system. This C^4I/BM system included an extensive net of optical fiber communications net, a TFH 647 radio relay system, a TFH tropospheric communications system, and a large mix of radars supplied by the Soviet Union. Iraq has rebuilt most of the air bases damaged during the Gulf War, and a number of bases received only limited damage. This gives Iraq a network of some 25 major operating bases, many with extensive shelters and hardened facilities.

US experts believe that the Iraqi Air Force still had 330 to 370 combat aircraft in inventory, although many of the Iraqi aircraft counted in this total had limited or no operational combat capability. IISS estimates indicate that Iraq has at least 316 combat aircraft, including six bombers, 130 fighter-ground attack aircraft, and 180 fighters.

The Iraqi Air Force’s key operational holdings seem to include a total of 255 fighters and fighter bombers, and some 80 trainers -- some of which are combat capable. Iraq’s total holdings seem to include a total of 130 J-6, MiG-23BN, MiG-27, Mirage F-1EQ5, Su-7, Su-20, and Su-25 attack fighters; 180 J-7, MiG-21, MiG-25, Mirage F-1EQ, and MiG-29 air defense fighters; MiG-21 and MiG-25 reconnaissance fighters, 15 old Hawker Hunters, a surviving Il-76 Adnan AEW aircraft, 2 Il-76 tankers, and large numbers of transports and helicopters. Estimates of its total surviving inventory by aircraft type vary by source, but Iraq probably retained about 30 Mirage F-1s, 15 MiG-29s, 50-60 MiG-23s, 15 MiG-25s, 150 MiG-21s, 25-30 Su-25s, and 60 Su-17s, Su-20s, and Su-22s.

The IISS estimates that Iraq had six H-6D and Tu-22 bombers; 130 MiG-23BN, Mirage F-1EQ5, Su-7, Su-20, and Su-25 fighter ground-attack aircraft; and 180 F-7, MiG-21, MiG-23, MiG-25, Mirage F-1EQ, and MiG-29 fighters. Iraq was also estimated to have MiG-25
reconnaissance aircraft, two IL-76 tankers, and over 100 trainers, including some Mirage F-1BQs, EMB-312s, and other trainers with combat capability.\textsuperscript{93}

Although it is unclear how many air munitions Iraq retained after the Gulf War, some estimates put this figure as low as 50\% of the pre-war total. Iraq, however, retains significant numbers of modern air-to-air and air-to-ground munitions. These stocks include AA-6, AA-7, AA-8, AA-10, Matra 530, Matra 550, and Matra Super 530 air-to-air missiles, and AM-39 Exocet, HOT, AS-11, AS-12, AS-6, AS-14, AS-301, AS-37, C-601 Silkworm; air-to-surface missiles; laser-guided bombs, and Cluster bombs.

Iraq has deployed Matra Magic 2 “dogfight” air-to-air missiles on its Mirage F-1s since the war. This is virtually its only major improvement in air force equipment since 1990. It is not clear whether these missiles were delivered before the war, were stolen from Kuwait, or have been smuggled in since. They are an advanced type similar to the more advanced export versions of the US AIM-9, with high energy of maneuver and a maximum range of three nautical miles.\textsuperscript{94}

Iraq also retained large numbers of combat-capable trainers, transport aircraft and helicopters, and remotely piloted vehicles. The trainers included some Mirage F-1BQs, 25 PC-7s, 30 PC-9s, 50-60 Tucanos (EMB-312s), 40 L-29s and 40 L-39s. Transport assets included a mix of Soviet An-2, An-12, An-24, An-26, and IL-76 jets and propeller aircraft, and some IL-76s modified to act as tankers. The remotely piloted vehicles (RPVs) included some Iraqi-made designs, Italian designs, and Soviet designs. It is unclear how effective Iraq was in using any of these RPV systems, but it did make use of them during the Gulf War.\textsuperscript{95}

These assets are numerically impressive. Iraq has not, however, been able to import any new combat aircraft, support and C\textsuperscript{4}I aircraft, advanced air munitions, surface-to-air missiles, major radars and sensors, or advanced C\textsuperscript{4}I/BM equipment since the Gulf War. Its basic technology remains frozen at the level it had achieved in 1990. Iraq’s efforts to smuggle in air munitions and C\textsuperscript{4}I/BM equipment has had very limited success. With the exception of some short-
range air-to-air missiles, it has not been able to import any of the major new technology it needed in order to react to the lessons of the Gulf War.

The Iraqi Air Force continues to suffer from the damaged inflicted during the Gulf War, and from the impact of more than half a decade of operations without major imports of parts and equipment and foreign technical support. Only about 55% of its fixed wing aircraft are fully serviceable, and helicopter serviceability was poor. While Iraq seemed to have improved its access to smuggled spare parts during some point in 1996-2000, these spares seemed to come largely for its Soviet aircraft, and not for its French-made designs.96

Although the Iraqi Air Force has occasionally surged to peaks of over 100 sorties per day since 1996, the creation and expansion of the Coalition “no fly” zones in northern and southern Iraq has severely restricted an already inadequate training program. While senior pilots do fly as many as 90-120 flying hours per year, junior pilots fly as few as 20.

In contrast, US and British aircraft have flown well over 150,000 sorties over Iraq since 1991. While the Iraqi Air Force has been limited largely to standard small fighter formations, pairs of aircraft, or single aircraft, the US routinely flies sophisticated formations involving strike fighters, RC-135 Rivet Joint electronic warfare and sensor aircraft, EA-6B electronic jammers, specially equipped F-16s with high-speed anti-radiation (HARM) missiles, and tankers like the KC-10. The contrast between these US packages of 15-25 aircraft, operating as synergistic high technology formations and the Korean-War vintage Iraq formations is acute. In fact, even the Turkish Air Force has flown far more sorties across the Iraqi border to attack hostile Kurdish targets in Northern Iraq since the Gulf War than the Iraqi Air Force has been able to fly over the northern part of its own country.97

Iraqi pilots fly less than 60 hours a year versus the 180-250 considered normal in advanced air forces. When they do fly, the Iraqi Air Force exhibits few signs of reacting to the lessons

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learned during the Gulf War. Further, the participation of some air force officers in coup attempts has led Saddam to carefully monitor and control the resources given to the Iraqi Air Force.\textsuperscript{98}

The Iraqi Air Force has limited overhaul and repair capabilities facilities for many of its Soviet-made fighters -- which had previously been overhauled by Soviet technicians or rebuilt in the former Soviet Union. It has significant shortages of spare parts -- particularly for its French-made and newest Russian fighters -- and no access to the Russian and French technical support which it had relied on before the war. The Mirage F-1 is difficult to maintain, and Iraq is likely to have severe problems in keeping its avionics and weapons subsystems fully operational without access to French technical support and new deliveries of parts and equipment.

In short Iraq cannot rebuild its air force to anything approaching its pre-Gulf War strength without massive arms imports and foreign assistance. At some point, Iraq will also need substantial deliveries of more modern French or Russian combat aircraft, and missiles and electronics for beyond-visual-range (BVR) air to air combat and stand-off air-to-ground attacks. It will the airborne sensor, electronic warfare, and C\textsuperscript{4}I\textsuperscript{BM} assets to end its dependence on ground controlled intercepts, strike deep behind the forward battle zone, and operate as a coordinated force.

Taken as a whole, the Iraqi air force. It still can probably dominate the skies over the Iran-Iraq border area. It can play a major role in defeating the Kurds, and rapidly defeat the Kuwaiti air force. It probably cannot defeat the Saudi and Turkish air forces in the border areas, but they might need US support to win a quick and decisive victory.

The Iraqi Air Force has little ability to engage US airpower or a US-led Coalition, but it can conduct limited long-range air attacks against its neighbors, retain some refueling capability, and can use some precision-guided weapons, chemical weapons, and possibly biological weapons. Iraq could use these capabilities to mass a few air raids against selected targets in Iran or across the Gulf, and could use its remaining Exocets to attack tankers and other naval targets in the Gulf.
Like Iran, Iraq is also at least half a decade away from fully rebuilding its air force. Some of its capabilities are frozen in place by its lack of access to new weapons and technology at a time when its Southern Gulf neighbors have relatively free access to the most advanced Western and Russian systems and when Iran has better access than Iraq. Its mission-oriented weaknesses are compounded by a lack of effective central air planning and battle management, a clear concept of how to employ large numbers of aircraft, and a lack of any effective concept for joint operations. The Iraqi Air Force still tends to fight as individual combat elements, and not as a force.

**Iraqi Ground-Based Air Defenses**

There is no expert consensus on how much of Iraq’s land-based air defense assets and air defense system survived the Gulf War, Desert Fox, and the long campaign of attrition that has followed. Many facilities survived the Gulf War because the Coalition concentrated more on the suppression of air defense activity than the physical destruction of land-based facilities and trying to hunt down and kill individual air defense weapons. The US and Britain have launched thousands of strike sorties since that time, however, and have not provided detailed, unclassified estimates of Iraqi losses.

In late 1998, Iraq retained 130-180 SA-2 launchers, 100-125 SA-3 launchers, 100-125 SA-6s, 20-35 SA-8s, 30-45 SA-9s, some SA-13s, and around 30 Roland VI and 5 Crotale surface-to-air missile fire units. Some of these systems were operated by the army. In addition, Iraq had some 2,000 man-portable SA-7s and SA-14s, and some SA-16s. Most of these surface-to-air missile units were operational, and there was evidence that Iraq had improved their readiness and training after 1996.

Iraq has occasionally redeployed some missiles to create surface-to-air missile "traps" near the "no-fly zones". These traps are designed to attack aircraft with overlapping missile coverage when they attacked launchers deployed near the no-fly zones. While these Iraqi efforts have failed -- and have led to the destruction of a number of the missile launchers involved -- it again is not clear what portion survived or what other detailed redeployments Iraq has made in recent years.
Iraq has made extensive efforts to improve its use of shelters, revetments, dummies, and other passive defenses. It has used such defenses since the beginning of the Iran-Iraq War, and has deployed new decoys after the Gulf War in an effort to reduce its vulnerability. According to most experts, it has repaired many of the bases and air facilities that were destroyed or damaged during the Gulf War. It has 16-20 major air bases, with H-3, H-2, and Al Asad in the West; Mosul, Qayarah, and Kirkuk in the north, Al Jarah, Talil, and Shaybah in the south, and 5-7 more bases within a 150 kilometer radius of Baghdad. Many of these bases have surface-to-air missile defenses.

Iraq has been able to restore much of its battle control and management system, reactivate its damaged airfields, and even build one new military airfield in the south.101 Many of its sheltered air defense and air force command and control centers remain operational. Iraq’s French-supplied KARI air defense communications and data-link system is not particularly effective, but it uses fiber optics and many of the links between its command elements either have survived the bombing or are now repaired.102

Many radars and elements of Iraq’s air defense C4I system are also still operable, including such pre-war systems as the Soviet Spoon Rest, Squat Eye, Flat Face, Tall King, Bar lock, Cross Slot, and Thin Skin radars. Iraq also had Soviet, Italian, and French jamming and electronic intelligence equipment. There is no way to know how many of Iraq’s underground command and personnel shelters survived the Gulf War, but it seems likely that at least 50-66% survived the Coalition bombing campaign and that at least 30%-40% have survived the US and British attacks since December 1998.

Iraq has been reported to be working on its own system and to be attempting to smuggle in radars from Eastern Europe than can detect cruise missiles and stealth aircraft and a “Mother of All Battles (MOAB) system that could provide the KARI system with much better electronic warfare and low altitude coverage for the area around Baghdad and key military facilities. Iraq has
also been reported to be working on defenses against anti-radiation missiles and long-range radar
guided air defense missiles. Like many of Iraq’s efforts, however, it is unclear how real such
programs are and whether they will ever have any success. If, as some sources suggest, the system
has to rely on modifications of the SA-2 and of the Contraves Skyguard system, there is little
chance that it can have great effectiveness. 103

Iraq has also lost much of the capability it rebuilt between 1991 and December 1998. US
and British aircraft hit at many Iraqi major air defense sites during the US-British attacks in
Operation Desert Fox in December 1998. Since that time, the US has flown well over 16,000
sorties over the Northern “No Fly Zone”, dropping over 1,000 bombs and striking at more than
250 targets. 104 It has flown similar levels of sorties over the Southern “No Fly Zone,” and has
reported that it has “degraded” Iraq’s remaining land-based air defense forces by anywhere from
30%-50% since Desert Fox began in December 1998.

“Degrade” does not always mean destroy, however, and Iraq still retains strong ground-
based defenses concentrated around Baghdad, Basra, and Kirkuk. Furthermore, the US and
British forces have changed tactics since May 1999, when an F-15 accidentally fired at a
shepherd’s camp it though was an air defense site. Since that time, the US and British aircraft
have tended to fly around key Iraqi air defense units rather than over them, and have largely
avoided striking at Iraqi land-based air defenses near populated areas and/or dropping concrete
bombs that are more symbolic than destructive against relatively small and well dispersed land-
based air defense weapons.

One thing is clear: Iraq faces massive problems in making its land-based air defense forces
effective, in modernizing them, and in reacting to the lessons of the Gulf War. Most of Iraq's
surface-to-air missile units, radars, automated data processing and transfer system, and central
command and communications facilities are now obsolescent to obsolete have only limited to
moderate operational capability. Iraq must rehabilitate and improve its radar-guided anti-aircraft
guns and most of its short-range air defense systems. It must replace its surviving patchwork
system of radars and command and control equipment, and in the short-term, it must find a
reliable source of parts for its SA-3s and SA-6s.
What Iraq really needs is the ability to buy a truly modern air defense system. Iraq has recognized this requirement as a lesson of the Gulf War, but is confronted with the problem that the only way it can create an effective system is to buy the Patriot, sold by the US, or the S-300 sold by Russia. The C⁴/BM aspects of such a system would also have to be tailored to Iraq's needs, integrate its purchase of the Patriot or S-300 fully into its other air defenses, and provide suitable new sensors and air defense computer technology and software. This would take a major effort in terms of software, radar deployment and technology, as well as adaptation of US or Russian tactics and siting concepts to make such a system fully combat effective.¹⁰⁵

**Iraq’s Naval Forces**

The Iraqi Navy has never been a major force, and it was virtually destroyed in the Gulf War. Its headquarters remain in Baghdad, and it still seems to have three flotillas that include its large ships, its patrol ships, and mine warfare forces. It also has intelligence, fleet support, land-based anti-ship missile, and training directorates. The Iraqi Navy has naval bases at Basrah, Az Zubayr, and the commercial dock at Umm Qasr. Many of its ships are based as Az Zubayr, although a small channel to Basra along the Shatt al-Arab is used to base some patrol boats.

In late 2000, however, the Iraqi Navy only had a core strength of about 1,900-2,500 men, although some estimates indicate a total manning of 5,000. This manpower strength included the manpower used to guard naval bases and man Iraq’s land-based anti-ship missiles. It did not, however, include the naval infantry and marine forces, which are subordinate to the army.

The Navy’s surviving forces only included the frigate *Ibn Khaledun*, one Osa-class missile boat, 13 light combat vessels, 5-8 landing craft, the *Agnadeen*, 1 Yugoslav Spasilac-class transport, a floating dry-dock, and possibly one repairable Polnocny-class LST. The IISS and *Jane's* report that Iraq also had three 5,800 ton roll-on roll-off transport ships with helicopter decks, a capability to carry 250 troops and 18 tanks, and the ability to embark small landing craft. These ships may be under commercial flags, but they do not have the ability to beach.¹⁰⁶
This inventory gives Iraq virtually no naval combat capability. The Agnadeen and dry-dock are still in Alexandria. The Ibn Khaldun is a comparatively large 1,850 ton ship with a maximum speed of 26 knots, but it is designed only for training purposes. Its armament consists of one 57 mm Bofors gun, one 40 mm Bofors anti-aircraft gun, and a four barrel 16/20 mm anti-aircraft gun. The Ibn Khaldun can carry a quadruple launcher for Exocet missiles, but this launcher has never been fitted. There are reports that the Ibn Khaldun may have been rendered largely inoperable during the fighting in 1991, and even if it was not, it probably has only very limited operational capability because it lacks spares for its Rolls-Royce main engines.

The Iraqi Navy does, however, have some mine warfare capability and at least five batteries of HY-2 “Silkworm” anti-ship missiles. In spite of repeated air attacks, there is no evidence that the Coalition destroyed any of Iraq’s land-based anti-ship missile launchers, missiles, or fire control equipment during the Gulf War.

Iraq conducts virtually no naval training, and rarely has more than one ship on patrol at any given time. Its small bases are vulnerable, and most of its ships, technology, and weapons are at least a decade old. These limitations are so severe that there is no near-term prospect that the Iraqi Navy will acquire more than the most marginal warfighting capability. It can conduct limited raids and fire some anti-ship missiles, but if it attempts to fight Iranian or Western naval and air forces, it is almost certain to be rapidly destroyed.

Iraqi naval forces are so weak that they pose only a limited priority for containment. At the same time, careful attention is needed to two kinds of Iraqi imports: Advanced mine laying capabilities and advanced anti-ship missiles. Any supplier regime should focus on such imports as a significant potential risk to the flow of oil and shipping in the Gulf. There are equally good reasons to deny Iraq submarines and modern surface combat ships. Every effort should be made to prevent Iraq from joining Iran as a regional naval threat.
Unconventional Warfare and Terrorism

Iraqi security and paramilitary forces, and the terrorist groups Iraq supports, could be a key tool in Iraq’s efforts to use force to put pressure on its Gulf neighbors and the West. Iraq has long manipulated extremist groups and movements to serve its ambitions and ideological goals. Like other radical Middle Eastern states, Iraq has found such exploitation to be a cheap and effective substitute for overt political and military action. Such activities allow Iraq to partially decouple its actions from public responsibility, and to suddenly shift support from one group to another, and to disavow a given group at will.

Reporting by the US State Department indicates that Iraq continues to provide haven and training facilities for several terrorist clients. Abu Abbas' Palestine Liberation Front (PLF) maintains its headquarters in Baghdad. The Abu Nidal organization (ANO) has an office in Baghdad. The Arab Liberation Front (ALF), headquartered in Baghdad, continues to receive funding from Saddam's regime. Iraq provides a home for the former head of the now-defunct 15 May organization, Abu Ibrahim, who masterminded several bombings of US aircraft. It allows the Mojahedin-e Khalq (MEK) -- a terrorist group of Iranian exiles opposed to the current Iranian regime-- to maintain a base in Iraq and carry out several violent attacks in Iran from these bases.

The 1999 edition of the US State Department report on Patterns in Global Terrorism describes Iraq’s current involvement in terrorism as follows: 107

Iraq continued to plan and sponsor international terrorism in 1999. Although Baghdad focused primarily on the antiregime opposition both at home and abroad, it continued to provide safehaven and support to various terrorist groups.

Press reports stated that, according to a defecting Iraqi intelligence agent, the Iraqi intelligence service had planned to bomb the offices of Radio Free Europe in Prague. Radio Free Europe offices include Radio Liberty, which began broadcasting news and information to Iraq in October 1998. The plot was foiled when it became public in early 1999.

The Iraqi opposition publicly stated its fears that the Baghdad regime was planning to assassinate those opposed to Saddam Hussein. A spokesman for the Iraqi National Accord in November said that the movement’s security organs had obtained information about a plan to assassinate its secretary general, Dr. Iyad ‘Allawi, and a member of the movement’s political bureau, as well as another Iraqi opposition leader.

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Iraq continued to provide safehaven to a variety of Palestinian rejectionist groups, including the Abu Nidal organization, the Arab Liberation Front (ALF), and the former head of the now-defunct 15 May Organization, Abu Ibrahim, who masterminded several bombings of U.S. aircraft.

Iraq provided bases, weapons, and protection to the MEK, an Iranian terrorist group that opposes the current Iranian regime. In 1999, MEK cadre based in Iraq assassinated or attempted to assassinate several high-ranking Iranian Government officials, including Brigadier General Ali Sayyad Shirazi, Deputy Chief of Iran’s Joint Staff, who was killed in Tehran on 10 April.

**Weapons of Mass Destruction**

As in the case with Iran, Iraq’s efforts to proliferate are so serious that they are discussed separately in a different chapter. There are, however, several key points that must be kept carefully in mind in shaping the broader aspects of policy towards Iraq.

The UN inspection effort is dying, if not dead. On August 5, 1998, Iraq announced that it was suspending cooperation with UNSCOM and its weapons inspectors in Iraq. On October 31, 1998 Iraq went even further, vowing to cease all cooperation with UN arms inspectors and monitors unless the UN embargo were lifted. On December 16, 1998, the United States and Britain launched air strikes against Iraq following a report by Richard Butler, head of the UN Special Commission in Iraq (UNSCOM), stating that Iraq was not cooperating on several fronts.

There has been a low-level air war over Iraq’s northern and southern “No Fly” zones ever since. There has been equally little progress in restoring inspections. On December 17, 1999, the Security Council adopted resolution 1284, replacing UNSCOM with the United Nations Monitoring Verification and Inspection Commission, or UNMOVIC). This effort to compromise by replacing UNSCOM with a “kinder and gentler” UNMOVIC has done nothing to persuade Iraq to readmit UN arms inspectors. In fact, UNMOVIC has become “unmoving.”

Saddam Hussein has had ample time to quietly develop major covert development program and possibly some production facilities. Furthermore, Iraq has never focused on one type of weapon of mass destruction or one type of delivery system. Iraq has always sought a wide range of biological, chemical, and nuclear weapons and has investigated a wide range of ways of...
employing them -- ranging from short-range battlefield use to strategic attacks on cities. Iraq has never demonstrated that it links its development efforts to some specific employment doctrine, view of escalation, or some concept of deterrence, retaliation, and conflict termination. Instead, Iraq has simply attempted to proliferate in every possible way by all available means.

Iraq is not normally reckless, but it has demonstrated in the past that it is willing to take extreme risks with little warning. Iraq’s attack on Iran, its near-genocidal attacks on its Kurds, and its invasion of Kuwait were all high-risk steps taken with little warning by a small decision-making elite, and possibly by one man. All of these decisions seem to have been taken relatively quickly, and to have expanded in scope during the months or weeks between the initial decision to act and actual execution. While Iraq was not indifferent to risk, it often proved willing to escalate in ways that neither its neighbors nor Western experts predicted.

Like other proliferating nations, this does not mean that Iraq cannot be persuaded to sign more arms control agreements, or appear to honor them. Like diplomacy, Iraq is likely to see arms control as an extension of war by other means. It will attempt to use arms control to place limits on its rivals and opponents, while it treats arms control regimes and controls on technology transfer as problems it must solve with lies, concealment, and covert programs. If Iraq’s case, and perhaps that of other Middle Eastern proliferators, trust will be impossible and verification will be extremely difficult.

Accordingly, Iraq has good reason to covertly pursue biological weapons as a substitute for nuclear weapons, as well as for their intrinsic warfighting capabilities. Indeed, the more effective outside powers are in denying Iraq nuclear materials, the more Iraq is likely to pursue biological weapons as a substitute -- particularly because any Iraqi leadership will know that Iran is making similar efforts and that no present arms control or export control regime offers any meaningful prospect of denying either Iran or Iraq the ability conduct a silent arms race in this area.
Iraq’s leaders also have to be aware that the perceptual balance is of major importance in determining Iraq’s ability to use proliferation to achieve political and strategic ends, and that both regional and Western political leaders perceive nuclear weapons as the most “lethal” form of weapon and that nuclear weapons confer the most status in terms of how the other nations in the region will view Iraq. As a result, it is neither prudent nor cost-effective for Iraq to make hard choices between its final mix of biological and nuclear weapons, and key delivery systems, until it knows what it can and cannot acquire and the probable lethality of such weapons.

The Continuing Iraqi Military Threat

Iran may be the rising military power in the Northern Gulf, but Iraq’s conventional military forces continue to pose a major threat and have regained a substantial part of their pre-war military capabilities. Iraq can still deploy massive land forces against Kuwait and the Eastern Province of Saudi Arabia, and Iraq’s conventional forces remain the largest in the Gulf in many areas of conventional force strength.

Iraqi military capabilities also take on a special meaning because Saddam Hussein and his coterie have repeatedly demonstrated that they are willing to take political and military risks. Iraq’s near-genocidal attacks on its Kurds, and decision to use chemical weapons against Iran, are examples of its willingness to take such risks and ignore world opinion. Iraq’s attack on Iran, its invasion of Kuwait, and its sudden missile strikes, are secret shifts in policy made by a small decision-making elite, possibly even one man. In each case, the warning indicators were ambiguous and many regional leaders and experts argued that Iraq would take a much more moderate course of action.

It is equally dangerous to try to predict the extent to which Iraq will escalate a crisis once it begins. The scope of Iraqi military action expanded sharply during the course of its war with its Kurds, the Iran-Iraq War, and invasion of Kuwait. Iraq’s leaders have not been indifferent to
threats to their own survival, but they have often proven willing to escalate in ways that neither their neighbors nor Western experts predicted.

Accordingly, Iraq must be regarded as a continuing major military threat to the security of the world’s supply of oil exports. There is little hope that Kuwait can be safe as long as any leader like Saddam Hussein is in power, unless the U.S., its Gulf allies, and other Coalition powers maintain a strong deterrent and war-fighting capability to deal with the Iraqi threat. There is a continuing risk of a further conflict between Iraq and Iran, although no one can dismiss the possibility of some alliance of convenience between the two regimes. The Kurds remain a major issue, as does the instability along the Iraqi-Turkish border. Saudi Arabia has a long and vulnerable border with Iraq, and has done far too little since the Gulf War to improve the defense of its oil-rich Eastern province. Iraq remains a potential threat to Israel and Jordan, and the Arab-Israeli peace process.

Iraq will make every effort to conceal its true plans and the full nature of its military efforts, and only Saddam Hussein and a few trusted supporters will have any overview of Iraq’s military progress and capabilities. Furthermore, Iraq’s plans and polices will remain opportunistic and erratic. Iraq’s leaders will be unable to predict the exact areas where they will be successful in evading or vitiating UN sanctions and controls. As a result their strategy, military doctrine, and force development efforts can be expected to evolve on a basis of opportunity. The only thing that seems certain is that Iraq will make a continuing effort to obtain advanced conventional arms and to proliferate in every way that Iraq can conceal.

Implications for US Policy

The US needs to modify, not change, its basic policies towards Iraq. Containment may be frustrating but the US is correct in making this its basic policy towards Iraq. There is no royal road to overthrowing Saddam and converting Iraq into a unified and moderate nation whose leaders focus on the welfare of their people and not on their own ambitions and grandiose military
efforts. The US faces many of the same real-world problems it did at the end of the Gulf War. It has no mandate to invade Iraq by force. It has little or no allied support for either such efforts or for US use of Iraq’s weak and divided opposition groups as a proxy. It is not ready or capable of occupying Iraq and indulging in a massive effort in nation-building and Iraq will not magically reform itself.

This means, however, that the US must continue to maintain a strong military presence around Iraq, to make every possible effort to deny it arms and the ability to proliferate, to try to create suitable counterproliferation capabilities, to continue to work closely with Britain, and to encourage its Gulf allies to do what they can to improve their own defense capabilities. The US must plan to contain Iraq for as long as it takes for some kind of truly moderate regime to both emerge and convincingly prove it can hold on to power. This may easily be a decade or more.

Some aspects of the execution of US policy, however, are faltering and inept. Some as is the case with Iran, are the fault of Congress rather than the Clinton Administration. The Iraq Liberation Act is the key case in point. At the same time, the Administration has been far less in flexible and effective dealing with Iraq than with Iran, and there are many areas where major improvements are needed in US policy.

- The most important single set of actions the US can take is to fully recognize that it is involved in a worldwide struggle to sustain international support for containment, sanctions on arms, and the control of Iraq’s oil revenues. The Clinton Administration and State Department has conducted only a low-level political struggle to sustain world support for effective containment of Saddam Hussein. It has assumed that repetitive demonization, generalized charges and series of references reference to past UN resolutions, are a substitute for a massive political campaign to win “hearts and minds” and detailed proof of the US case against Saddam’s regime.
The US has made only one coherent effort since the end of the Gulf War to demonstrate that Saddam was responsible for the suffering of the Iraq people, was exaggerating their suffering while ignoring the Shi’ites and Kurds, was systematically allocating funds to his supporters to win political support, and was misusing funds under the oil for food program. This document – “Saddam Hussein’s Iraq” -- was issued in September, 1999 – nearly a decade into the war of sanctions – and even it is more a glorified press release than an in depth analysis. It should have been issued nine years earlier, justified in detail, and followed up with constant new data and reports.

Senior State Department and Department of Defense officials have made some important speeches on this subject, but they have generally had limited coverage and some have done little more than make unsubstantiated charges. The US government as a whole has failed to convincingly refute a growing flood of UN and “humanitarian” echoes of Iraq’s charges about infant death rates, medical problems, death rates, and casualties in any detail. It has not made it clear that nearly 50% of the cut in Iraq’s peak per capita income took place during the Iran-Iraq War and before the Gulf War even began. It has not taken UN and “humanitarian” reports to task when they rely blindly on Iraqi data for the situation in 1990 before the Gulf War and ignore Iraq’s actions against its Shi’ites and Kurds. The US has not provided coherent, detailed, ongoing reporting on what is actually happening under the oil for food program or refuted charges by UN personnel involved in this program who show a remarkable, if not deliberate, indifference to Iraq’s history and the character of its regime.
The US needs to begin a major, well funded, and continuing effort to win the battle of perceptions in Iraq, the Gulf, and the Arab World. This requires far more than statements senior policymakers, and having the State Department put on a web page. It requires a massive, continuing, well-funded, and well-organized public information effort. The US should counter every Iraqi political and propaganda move. It should educate its allies as to the full nature of the Iraqi conventional and WMD threat. It should counter Iraq’s exploitation of the hardship issue, and its misuse of UN institutions to get support for its propaganda.

The US should change its approach to sanctions, humanitarian issues, and Iraq’s economic and energy development as follows:

The US should actively seek major revisions of the present UN sanctions designed to allow oil revenues, foreign investment, and imports to be used to redevelop Iraq and aid the Iraqi people. The US also needs a far more comprehensive and coherent plan to deal with Iraq’s humanitarian crisis and future development that does not wait for the fall of Saddam to change the structure of sanctions. For nearly a decade, the US has failed to deal realistically with the needs of the Iraqi people and give them the proper priority. It has waited on regime changes to solve the problem, and has badly undercut its own moral case through seeming moral indifference. The US needs to take the kind of action necessary to make it clear to the world, the Gulf, and the Iraqi people that it respects Iraq as a nation and a people. The US should continue to attack Iraq’s regime and Saddam, but should firmly and repeatedly state that it could treat Iraq as an ally under a different regime. It should make it clear that the US recognizes Iraq’s importance in the region and legitimate forms of Iraqi nationalism. The US should declare that it understands that Iraq is one of the leading states of the Middle East and the Arab world, and that it feels a new regime in Iraq would allow it to become one of the leading forces for peace and stability in the region.
• The US should seek to transform sanctions, however, not end them. The US should not give up on those aspects of UN sanctions that control Saddam’s access to oil money and arms until it is absolutely forced to. It should use its veto if necessary to block any effort to eliminate such sanctions. It should be prepared to keep UN controls on Iraqi imports and exports in ways that affect Iraq’s arms and ability to proliferate as long as Saddam is in power, or as long as the UN can be persuaded to act, even if this means vetoing a lifting of sanctions. What the US should do is take the action necessary to transform sanctions in ways that can allow Iraq to resume economic development and nation building. This could include the following measures:

• Allow Iraq and foreign firms to freely invest in economic development and new government and educational facilities of all kinds provided they do not serve military purposes.

• Restoring freedom of movement, and commercial air and naval traffic.

• Allowing approved outside investment under UN supervision.

• Allowing approved foreign aid missions as long as imports are inspected.

• Ways that prevent their use to buy arms and proliferate.

• As part of transforming sanctions, the US should actively support the rehabilitation and expansion of Iraqi energy production and export facilities as long as this is done under UN supervision, and allow the Iraqi government to carry out oil and gas development projects, and obtain foreign investment and technical support, as long as the imported equipment and export revenues are controlled in ways that prevent their use to buy arms and proliferate.
The US approach to regime change, overthrowing Saddam Hussein, and dealing with Iraq’s opposition groups should change as follows: 

- **The US should clearly and publicly define its future goals for dealing with Iraq, and for changing its regime.** None of these policies mean that we should abandon our strategic objectives, our friends, or our principles. The US should state unambiguously and repeatedly that it is only prepared to work closely with a regime that will (a) respect the sovereignty of Kuwait, (b) live in peace with all its neighbors and avoid all acts of terrorism, (c) carry out the terms of the cease-fire in regard to UNSCOM and weapons of mass destruction, and (d) respect the basic human rights of Iraq’s citizens.

The US should continue to reiterate its desire for Iraq to move towards a more representative government that respects the rule of law and the human rights of all citizens. It should express its hope that a new regime will investigate past abuses to determine how to ensure that they will not be repeated. The US might cite the South African approach to such investigations and amnesties as an example that Iraq should consider. At the same time, the US must accept the fact that there is no practical way to hold war crimes trials, or to deal with the complex heritage of human rights violations stemming from the Gulf War, Iran-Iraq War, persecution of the Kurds, and persecution of the Shi’ites.

- **The US should continue efforts to bring down the regime of Saddam Hussein, but should take a different approach and create powerful incentives for efforts to overthrow Saddam from within Iraq.** The US should make it unambiguously clear that it does not set impossible standards for a new regime, and create real world incentives to change the Iraqi government and bring down Saddam Hussein. It must act on the principle that any new leader is better than Saddam, although it should clearly state that certain members of
Saddam’s coterie like Tariq Aziz and Ramadan are unacceptable. It should state that it understands it cannot dictate who will replace Saddam.

The US should state that it believes an “amnesty” should be granted to all Iraqis other than Saddam and members of his extended family, who directly participated in crimes against the Kurds, Shi’ites, and Kuwaitis or caused the invasion of Iraq and Iran. There are too many potential rivals near Saddam to rule them out. It should avoid condemning all the members of bodies like the Ba’ath Party, Revolutionary Command Council, or other centers of Iraq’s current power elite.

The US should offer support for the restoration of full sovereignty as an incentive for creating a new regime. It should state that it is prepared to bring an end to the Northern no-fly zone as soon as a new regime emerges in Iraq that makes it clear that it is willing to respect the human rights of the Kurds and their right to preserve their own culture. It should state that it is willing to limit the Southern No Fly Zone once a new regime emerges and to end it once a new regime demonstrates its recognition of the border with Kuwait and willingness to live in peace with all of its neighbors.
• Political incentives, however, are not enough to bring change in Iraq. The US needs to work with its allies to provide a comprehensive mix of economic incentives and disincentives that will inspire Iraqis inside Iraq to act and reassure the rest of the world that the US really does care about the Iraqi people. The disincentives are easy. Sanctions already provide more than enough “sticks” in place to motivate any opposition within Iraq. What the US needs are “carrots.” It needs to create serious economic incentives that can cause a coup from within. Furthermore, we need to move beyond the punitive aspects of the cease-fire and offer a just peace. Iraq’s present combination of debt and reparations totals in excess of $150 billion and could cripple Iraq’s economic recovery and development for years. Any attempt to enforce such an uncollectable debt could recreate many of the conditions that destroyed Weimar Germany and create a new “peace to end all peace.”

• The US may well be able to offer such economic incentives that are relatively cost free to the US: One key incentive would be to encourage allied forgiveness of debt and reparations - a burden that falls largely on Kuwait and Saudi Arabia, but which also affects France and Russia. This kind of forgiveness will pay off in regional security and the stability of the world oil market and global economy. In any case, it may be largely a paper transaction Iraq is never going to fully repay all of its debts and reparations.

• The US should take a different approach to dealing with the external Iraqi opposition and repeal or waive the provisions of the Iraq Liberation Act of 1998. The Iraqi opposition the US now officially recognizes –the Iraqi National Accord, the Iraqi National Congress, the Islamic Movement of Iraqi Kurdistan, the Kurdistan Democratic Party, the Movement for Constitutional Monarchy, the Patriotic Union of Kurdistan, and the Supreme Council for the Islamic Revolution in Iraq -- is often well intended and sometimes courageous. The fact remains, however, that it is now badly divided into weak groups that are further divided on ethnic and religious lines. The opposition groups
outside Iraq have several ambitious leaders with military pretensions and claims to be able to unify Iraq’s diverse factions.

As for the “military” forces of this opposition, once one cuts through the rhetoric of the Iraqi National Congress and Iraqi National Accord, the only opposition with real military forces is the Supreme Assembly of the Islamic Revolution or SAIRI. This is a religious Shi’ite faction of the Iraqi opposition which has been trained and equipped by Iran since the Iran-Iraq War, and claims to have a brigade with 4,000 men. This force, however, is only a shadow of the force Iran had built-up before 1998. Iraqi forces smashed the SAIRI force in a matter of hours when it attempted defensive combat during the last battles of the Iran-Iraq War. SAIRI has also made it clear that it remains tied to Iran and to its religious heritage and is not prepared to work with the US.

There is little real leadership or unity, and little chance of achieving it. The Kurds may claim some 25,000 men, but are still divided into the Kurdish Democratic Party and the Patriotic Union of Kurdistan. They have only a few small battalions with light armor. By and large, the Kurds do not do particularly well even when they fight fellow Kurds.

The US must also face the reality that most of Iraq’s real power elite is drawn from a relatively small group of extended Sunni families from rural areas around Takrit, and that Iraq’s military and security forces are carefully structured to maintain Sunni control, and are anything but representative of the deep ethnic and religious divisions in Iraq. The total population is 75%-80% Arab; 15%-20% Kurdish, Turkoman, and Assyrian, and 5% other. It is 97% Muslim, but the ruling Sunni elite is only 32% to 37% of the population, while some 60% to 65% is Shi’ite, and the remaining 3% is Christian or other. Most of the population speaks Arabic, but portions speak Kurdish (official in Kurdish regions), Assyrian, and Armenian. Any efforts to replace Saddam comes up against the reality that these ethnic and religious divisions tend to paralyze the outside opposition, while internal power is concentrated in a minority elite.
Changing this situation requires patience, not adventures. It also requires sensitivity to Iraqi nationalism, religious issues, and Arab sensitivities. The US should make it clear that its seeking Saddam’s fall by supporting the slow build-up and unification of the Iraqi opposition, rather than by backing one faction at the expense of others or by covert military adventures by the US. The US should actively deal with the opposition and provide overt funding where this is not counter-productive. There is a clear need for overt and covert intelligence collection, a dialogue with opposition movements outside Iraq, and contacts with Iraqis inside Iraq.

- *The Iraq Liberation Act of 1998 is a practical and conceptual failure. It should never have been passed and should be repealed. The US should, however, replace it with an effective covert action program.* There is something farcical about trying to overthrow the regime of a highly nationalistic nation by openly providing one set of its opposition factions with the kind of official support that says “made in America.” US should replace the ILA with a major covert action program directed at all opposition groups both inside and outside Iraq. It should provide funds, broadcasting facilities, and other support on a covert basis, but should avoid paramilitary adventurism. It should take every step it can at this late date to avoid making the US appear to be the dominant force behind the Iraqi opposition and brand the elements the US supports as potential traitors. Money and support such reward success, not good intentions and promises. If a strong opposition evolves, and a major target of opportunity arises, it should be supported. If not, supporting forlorn hopes will discredit the US and discourage the rise of more effective opposition. It also risks playing with the lives of those the US supports and creating the equivalent of another Bay of Pigs.

- *The US has stated in the past that it believes in maintaining the territorial integrity of Iraq. The US should consistently reiterate this statement in its declaratory policy.* It should make it clear that it is concerned with the human rights of the Kurds and Shi’ites
and protection of minorities. It should make it equally clear that it will not support any division of Iraq as a state. This is critical to creating effective pressure to change the regime from within Iraq.

- Once again, the US should make it emphatically clear that it will not take sides between Iran and Iraq, and that it is goal is that they establish peaceful relations and there be no further Iranian-Iraq conflicts. A US military tilt towards either power is a recipe for disaster.

- The US must come firmly to grips with the Kurdish issue in ways that help protect the Kurds, but which do not make them the kind of threat to Iraqi unity that will prevent other opposition to Saddam from acting. The US should declare that it believes that any new regime in Iraq must respect the rights of the Kurds to a separate cultural identity as part of the Iraqi nation, and must respect the rights of all religious sects and minorities to equitable treatment.

The US should also make it clear, however, that it does not support Kurdish independence or political autonomy beyond the level that Iraqi governments have agreed to in the past. It should not provide support for Kurdish groups of a kind that implies any US commitment to Kurdish independence. It should state that it has no national security interest in Kurdish independence for either Iraq’s Kurds or those of Turkey, and should also state that creating a non-viable mini-state will neither aid the Kurds nor bring regional stability.

The US has abandoned the Kurds in the past, at great cost to Kurdish civilians. Even if they are willing, we cannot take the risk of using them as pawns. The only thing worse than another Bay of Pigs is the prospect of a “Bay of Kurdistan,” and Saddam Hussein is scarcely likely to be the only Iraqi Arab leader with a long memory and a thirst for revenge.
The US approach to the military aspects of containment and the threat of Iraqi terrorism should change as follows:

- **The US must take the necessary military measures to ensure it can continue to contain and defeat Iraq, and prepare a military contingency capability for any possible collapse of sanctions** As is described in the following chapters, the US is not modernizing and improving its overall power projection capabilities at the level required to support containment. This may or may not require substantial additional expenditure, but one thing its clear, the US must maintain a decisive conventional and technical superiority over Iraq, and pay what it takes to do so.

- **The present “air war” over the “No fly” zones is a wasting asset, and fritters US and British power and credibility away to limited benefit. The US should either actively attempt to deescalate or escalate to levels that strike seriously at leadership and key military targets** Between the end of Desert Fox in January 1999 and September 2000, USCENTCOM reports that aircraft supporting Operation Southern Watch have responded to some 650 Iraqi violations or provocations on 80 different occasions, while aircraft supporting Operation Northern Watch have responded to more than 110 violations or provocations on some 40 occasions. The end result has been over 16,000 sorties over the Northern Fly Zone alone, which used over 1,000 weapons to strike at some 250 “targets.” At the same time, Ikraq has claimed that over 300 Iraqi civilians have died, and while these claims have been exaggerated, there have been cases – like a strike on May 12, 1999 when a combination of F-15 and F-16 strikes against civilian areas that appeared to have air defenses seem to have killed nearly 20 civilians and wounded over 40 others.109

  These efforts have had an increasingly marginal impact. Since May 1999, the sorties over the “no fly zones” have become steadily less effective. The US has gone to extraordinary lengths to select targets to minimize collateral damage to civilians. It started using
symbolic “weapons” like concrete bombs in populated areas, and then largely abandoned even these exercises in symbolism when it became clear that they might hit politically sensitive targets and air Iraq’s hardship and martyrdom campaign.

Of the two options, deescalation seems best. This means flying limited numbers of sorties to demonstrate capability without directly overflying or provoking major Iraqi air defenses– a measure already introduced in a limited form in October 2000. It means not using weapons unless absolutely necessary. This offers the best hope of keeping some kind of US military presence over the “No Fly Zones” while minimizing Iraq’s ability to exploit “imperialism” and “hardship” as issues, as well as the risk of any loss of US or British aircraft and crews.

Aggressive “microcontainment” is too politically and financially costly a strategy, and maintaining any kind of activity over the No Fly Zones is a secondary priority. It is far more important to maintain Turkish and Southern Gulf support for forward presence and power projection for contingencies where Iraq takes aggressive action than it is to keep flying by the numbers over the “No Fly Zones.”

- The US needs to work closely with Kuwait and Saudi Arabia to create more effective regional defenses against Iraq. It should consider seeking Egyptian and Jordanian power projection support. As part of its effort to strengthen containment, the US should make a major new effort to prepare Saudi Arabia and Kuwait to defend against Iraq, and to develop an integrated Saudi-Kuwaiti-US-British approach to joint defense. This is an essential step both to deal with the current weaknesses in Saudi and Kuwaiti forces, and to prepare for any easing or break down of military sanctions. It may also now be worth revisiting the idea of Egypt providing major contingency forces and possibly Jordan.

- The US should carefully monitor Iran’s actions, and support of terrorism, and attempts to use asymmetric warfare and be prepared to retaliate in force. As Iraq opens up, it will
inevitable find it easier to carry out acts of terrorism and covert operations – as well as support terrorist and extremist groups. Iraq may well prove to be a significant danger and the US and its Southern Gulf allies should prepare for this threat.

Finally, the US should change its policy towards countering Iraqi proliferation as follows:

- **The US should continue in its efforts to block the transfer of dual-use, missile, fissile material and high technology weapons to Iraq.** The US has already given high priority to trying to restart the UN inspection effort and create an effective UNMOVIC to replace UNSCOM. It needs to recognize that the chances of inspection are now very limited indeed. It needs to shift its focus to provide all of the intelligence and diplomatic effort necessary to block Russian, Chinese, European, and other transfers of weapons, dual-use technology, fissile material, and high technology weapons to Iraq – just as it should to Iran. Once again, the US should continue with efforts like Nunn-Lugar and trade incentives. The US should make it clear that it is one thing to ease economic sanctions and quite another to remove the threat of arms sanctions. Any nation which acts as an aggressive and destabilizing supplier of advanced arms and military technology to Iran should face massive trade and investment penalties.

- **The US should find new ways to internationalize its anti-proliferation efforts, and provide a far more aggressive and detailed campaign to win international support.** The US should make a broad declaratory statement indicating that it is seeking an end to proliferation throughout the region, that it believes in the continuing enforcement of all relevant arms control treaties, and that the tightest possible controls must be maintained on dual-use exports to all countries in the region. It should be made clear to the region, and the world, that the US is not singling out Iraq alone and that it has a clear global and regional strategy. At the same time, it should make a comprehensive and detailed effort to
educate the region and the world into the details of Iraq’s actions and efforts, just as it should for Iran.

- **The US needs to restructure its approach to fighting Iraqi proliferation.** To add a strong off-sensive deterrent threat. The US should make it clear that it will never tolerate the use of weapons of mass destruction, and will respond with force. It should declare that it will seek to prevent all transfers of advanced conventional arms and dual-use technology to both Iran and Iraq and other proliferators in the region until they have proven their peaceful intentions and are fully integrated into a regional security structure. (Which might be a long, long time.)

- **The US must develop better counterproliferation capabilities to replace the lack of an effective UNSCOM, UNMOVIC, and an IAEA inspection regime.** Whatever happens to UNMOVIC, the US faces an evolving threat that is a clear reason to strengthen the funding of US counterproliferation programs, including theater missile defense, as has been suggested earlier. At the same time, the US must make it clear that it will work with Britain and other allies to replace UNSCOM and the IAEA in providing a constant stream of warnings about Iraq’s efforts to proliferate. It must provide regular white papers and unclassified intelligence that makes it clear that Saddam has not given up on proliferation and that explains what the threat really is. We also should make it clear that US support for any new regime will be heavily dependent on the degree to which it does or does not proliferate.

There are two broader aspects of US policy towards Iraq will illustrate broad problems that the US needs to change not only in dealing with Iraq, but with other countries in the world. First, too much of US diplomacy in dealing with Iraq has been filled with vacuous moral posturing that has not been supported by American action and decisiveness, or supported with detailed evidence that can convince the world the US is right. Loudly stating moral principles, and insisting that the US knows what is right, is not effective policy. It at best is posturing for the media and political constituencies that deal in ideology rather than reality. “Demonizing” Saddam Hussein...
while only making a faltering and incompetent effort to demonstrate his real failings, is not effective diplomacy. Neither is insisting he is weak because the US thinks he should be weak, sanctioning the Iraqi people while claiming to sanction its leaders, giving opposition groups a puffed-up status they do not deserve, talking grandly about principle while not creating a tangible plan of action, and making sweeping statements about policy without a detailed tactical plan and end game are all part of this tendency to declare moral victory without winning a real one. The US needs to give far fewer moral lectures, conduct truly professional diplomacy, and let its actions speak louder than its words when action is really required.

Second, the use of military force is neither a game played with toys or an exercise in gradual, carefully escalated surgery. If force is used at all – and it is best used very rarely indeed it must be used with enough shock and ruthlessness to achieve its objectives. Furthermore, these objectives must be clearly designed and achievable, not based on the kind of moral posturing just described. Since the Gulf war, the US has tended to play at military tokenism. Desert Fox is the only example of US use of force against Iraq after the Gulf that started at a sufficient level to convey a decisive message. Its execution came after so many false starts and petty strikes, and was ultimately so limited in the scope of its targeting, that it ended with a whimper rather than a bang. While the concept of gradual, carefully tailored escalation may be intellectually desirable, it is almost always a failure when the stakes really count. Similarly, obsessive concern for media sensitivities, collateral damage, and casualties contributes to failure, almost always and raises the ultimate cost in human suffering. Once again, American policy should be based on the principle that force will be used at level, and in the way, necessary to meet its objective or should not be used at all.
1 Reuters, October 4, 2000, 0530.
7 Reuters, September 28, 2000, 2212; Kyodo News Service and Associated Press, September 29, 2000, 0000EDT.
8 Reuters, February 9, 2000, 1913.
25 There is sometimes confusion over the fact the UN made repeated efforts to offer the Iraqi government humanitarian relief. The chronology of such resolutions is summarized below:
   • Resolution 1302 of 8 June 2000 - renews the oil for food program for another 180 days until 5 December 2000.
Resolution 1293 of 31 March 2000 - increases oil spare parts allocation from $300 million to $600 million under phases VI and VII.

Resolution 1284 of 17 December 1999 - stresses the importance of a comprehensive approach to the full implementation of all relevant Security Council resolutions regarding Iraq and the need for Iraqi compliance with these resolutions. Establishes, as a subsidiary body of the Council, the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC) which replaces the Special Commission.

Resolution 1281 of 10 December 1999 - renews the oil for food program for a further six months.

Resolution 1280 of 3 December 1999 - extends phase VI of the oil for food program for one week, until 11 December 1999.

Resolution 1275 of 19 November 1999 - extends phase VI of the oil for food program for two weeks, until 4 December 1999.

Resolution 1266 of 4 October 1999, permits Iraq to export an additional amount of $3.04 billion of oil in phase VI to make up for the deficit in revenue in phases IV and V.

Resolution 1242 of 21 May 1999 - renews the oil for food program for a further six months.

Resolution 1210 of 24 November 1998, renews the oil for food program for a further six months from 26 November at the higher levels established by resolution 1153 and including additional oil spare parts.

Resolution 1175 of 19 June 1998, authorizes Iraq to buy $300 million worth of oil spare parts in order to reach the ceiling of $5.256 billion.

Resolution 1158 of 25 March 1998, permits Iraq to export additional oil in the 90 days from 5 March, 1998 to compensate for delayed resumption of oil production and reduced oil prices.

Resolution 1153 of 20 February 1998, allows the export of $5.256 billion of Iraqi oil.

Resolution 1143 of 4 December 1997, extends the oil-for-food Program for another 180 days

Resolution 1129 of 12 September 1997, decides that the provisions of resolution 1111 (1997) should remain in force, but authorizes special provisions to allow Iraq to sell petroleum in a more favorable time frame.


Resolution 1051 of 27 March 1996, establishes the export/import monitoring system for Iraq.

Resolution 986 of 14 April 1995, enables Iraq to sell up to $1 billion of oil every 90 days and use the proceeds for humanitarian supplies to the country; and sets terms of reference for the Oil-for-Food Program.

Resolution 778 of 2 October 1992, authorizes transferring back money produced by any Iraqi oil transaction on or after 6 Aug 90 and which had been deposited into the Escrow account, to the states or accounts concerned for so long as the oil exports take place or until sanctions are lifted.

Resolution 712 of 19 September 1991, confirms the sum of $1.6 billion to be raised by the sale of Iraqi oil in a six month period to fund an oil for food program.

Resolution 706 of 15 August 1991, sets outs a mechanism for an oil-for-food program and authorizes an escrow account to be established by the Secretary-General.

Resolution 687 of 3 April 1991, sets terms for a cease-fire, maintains the terms of the embargo.

Resolution 661 of 6 August 1990, imposes comprehensive economic sanctions on Iraq exempting food and medicine and establishes the 661 Committee to oversee implementation of the sanctions.

The text of the recent WHO and FAO reports is available on the Internet, as well as from UN bookstores, and the reader should carefully examine the original reports. They uncritically accept Iraqi figures for the base year of 1990, ignore the previous impact of the Iran-Iraq War, ignore Iraq’s civil wars against its Kurds and Shi’ites, do not describe the sampling techniques used in detail, ignore the real-world increase in food output available in Iraqi markets in 1994-1997, imply Iraq’s agricultural problems are totally import-driven rather than the result of Iraqi government policy and even sometimes argue that a shift away from reliance on food imports is damaging the Iraqi economy.  

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environment. Data for recent years are often lacking or drawn from Iraqi inputs that are directly contradicted by Iraqi reporting in other sources. For example, the WHO reports make claims about lasting damage to Iraqi water purification plants without any analysis of the actual damage done during the Gulf War or mention of Iraqi claims to have repaired the infrastructure involved. The standards of reporting and analysis used by the WHO and FAO are so unbelievably low and politically naive that they could not survive minimal peer group review in any normal research effort and cast doubt on the professional integrity of both organizations.

27 Reuters, June 22, 1999, 0942
29 For a picture of the resulting confusion in using the UNICEF report, and more statistical detail, see Middle East Research and Information Project, Press Information Note 7, September 21, 1999, gkbishara@mindspring.com.
30 The Associated Press, October 20, 17:56.
31 Reuters, October 29, 2000, 0453.
35 Reuters, September 17, 1999, 0321.
37 Reuters, August 18, 2000, 1050.
38 Reuters, August 21, 2000, 1118.
41 Economist, February 12, 2000, pp. 41-42.
45 Many of the details in this analysis are based on discussions with Amatzia Baram.
47 The Sunday Times, April 18, 1993, p. 19; discussions with Amatzia Baram.
49 Many of the details in this analysis are based on discussions with Amatzia Baram.

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57 USCENTCOM map, supplied June, 1996.
61 IISS, Military Balance, various editions.
67 Author's estimate based on interviews, EIU reports, the IISS, Military Balance, and CIA, World Factbook.

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70 Based on interviews.


79 Jane’s Pointer, May 1998, p. 6


85 A few experts estimate that Iraq only has about 2,000-2,300 fully operational other armored vehicles. Additional sources include interviews in the US, London, Switzerland, and Israel.


Some estimates go as high as 500. It is doubtful that this many are operational and/or armed.


Many different lists exist of the names of such bases. Jane’s lists Al Amarah, Al Asad, Al Bakr, Al Basrah - West Maqal, Al Khalid, Al Kut, Al Qayyarah, Al Rashid, Al Taqaddum, Al Walid, Artawi, As Salman, As Samara, As Zubair, Baghdad-Muthenna, Balada, Bashur, Erbil, Jalibah, Karbala, Radif al Khafi, Kirkuk, Mosul, Mudyasis, Nejef, Qal’at Sikar, Qurna, Raymaylah, Safwan, Shibah, Shyaka Mayhar, Sulyamaniya, Tal Afar, Tallil-As Nasiryah, Tammuz, Tikrit, Ubdaydah bin al Jarrah, and Wadi Al Khirr. Many of the bases on this list are of limited size or are largely dispersal facilities. See Jane’s Sentinel: The Gulf States, “Iraq,” London, Jane’s Publishing, 1997, p. 22.


104 Based on interviews with British, US, Russian, and Israeli experts.

105 This analysis draws heavily on interviews and various editions of US Naval Institute, The Naval Institute Guide to the Combat Fleets of the World, Their Ships, Aircraft, and Armament, Annapolis, Naval Institute; Jane’s Fighting Ships, the IISS, The Military Balance, IISS, London; USNI Data Base.

106 Office of the Secretary of State, Office of the Coordinator for Counterterrorism, Patterns of Global Terrorism; 1999, Department of State Publication 10687.
