



**WAR IN THE PERSIAN GULF:
THE U.S. TAKES SIDES**

A STAFF REPORT

TO THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**



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THE HISTORY OF THE

The history of the world is a vast and complex subject, encompassing the lives of countless individuals and the evolution of societies over time. It is a journey of discovery, from the earliest hominids to the modern age of science and technology. The story of humanity is one of resilience, innovation, and the pursuit of knowledge. Each era brings its own challenges and triumphs, shaping the course of our species. The study of history allows us to understand the forces that have shaped our world and to learn from the experiences of those who came before us. It is a testament to the enduring human spirit and the quest for a better future.

LETTER OF TRANSMITTAL

OCTOBER 9, 1987.

Senator CLAIBORNE PELL,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: At your direction, the staff of the Committee on Foreign Relations conducted a review of the present situation in the Persian Gulf. Toward that end, staff members visited Iraq, the Soviet Union, and all six of the nations on the western side of the Gulf. Staff also visited the United States Central Command in Florida, the headquarters of the Middle East Force in the Persian Gulf, and the U.S.S. *Ranger* task group in the Gulf of Oman.

The resulting report covers the range of Persian Gulf issues before the Committee, including the military and political implications of reflagging and escorting 11 Kuwaiti tankers, recent developments in the war between Iran and Iraq, the status of U.S. naval deployments in the Persian Gulf, prospective arms sales to Gulf littoral nations, the status of diplomatic efforts to end the Iran-Iraq war, and the political and military consequences of Reagan Administration arms sales to Iran.

In connection with the study, Peter W. Galbraith traveled extensively through Iraq to gain a picture of that country's vulnerability in the conflict with Iran. His itinerary took him to Basra and the southern region, through the principal Shi'a cities of the South, to Baghdad, and deep into Kurdistan. In Baghdad, Galbraith had appointments with senior Iraqi officials in the Foreign Ministry, Oil Ministry, and National Assembly. Galbraith also visited Moscow, where he had discussions with Soviet officials on the Gulf.

Meanwhile, George W. Ashworth and Gerald E. Connolly traveled to all the Southern Gulf littoral states—Kuwait, Bahrain, Saudi Arabia, Qatar, UAE, and Oman. At each stop they had appointments with ministerial rank officials responsible for foreign policy, defense, and petroleum issues. In addition, Messrs. Ashworth and Connolly visited U.S.S. *LaSalle*, the flagship of United States naval forces in the Persian Gulf, and U.S.S. *Ranger*, the aircraft carrier stationed in the Gulf of Oman.

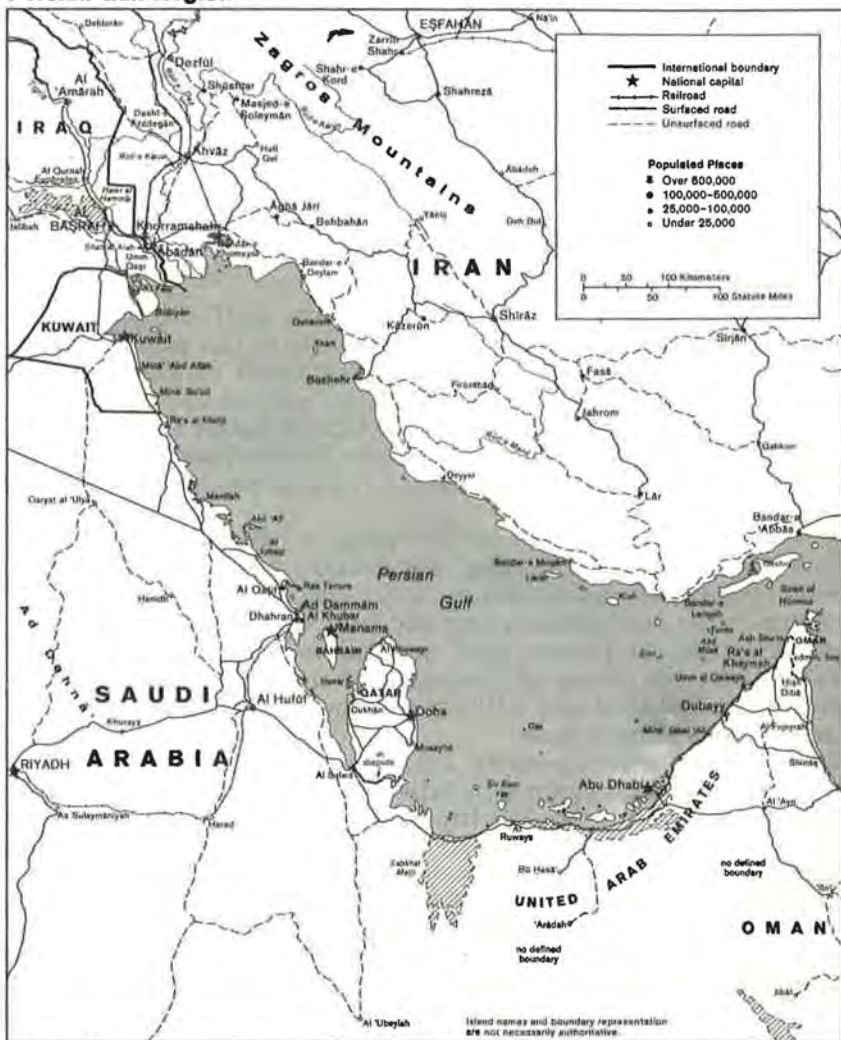
Throughout the region, staff benefitted from the expertise and logistical assistance of able U.S. diplomats.

Our trip coincided with a time of increasing tension in the Persian Gulf, and the Committee will undoubtedly be seized with Gulf related issues for some time to come. We hope this report will assist the Committee in its deliberations.

Sincerely,

GEORGE W. ASHWORTH.
GERALD E. CONNOLLY.
PETER W. GALBRAITH.

Persian Gulf Region



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EXECUTIVE SUMMARY

OVERVIEW

The United States seriously risks being drawn into war in the Persian Gulf. Although the stated purpose of the huge American fleet in the region is narrowly defined—to escort U.S.-flagged vessels through the Gulf—this mission, given the circumstances, is dangerously nebulous.

The U.S. is perceived by Iranians and Arabs alike as having sided with Iraq, and the expanded U.S. naval presence is likely to invite more Iranian attacks of increasing severity. Moreover, the greater the Iraqi assault on Iranian shipping, the greater the likelihood of Iranian retaliation against U.S. forces. Thus, American naval forces in the Gulf are now, in effect, hostage of Iraqi war policy.

WESTERN OIL DEPENDENCY

Although the Gulf states possess nearly two-thirds of the free world's known oil resources, the Gulf itself, as a passageway for oil, is of sharply diminishing importance because the Iran-Iraq war has spurred a shift to pipelines through Iraq, Saudi Arabia, and Turkey. By the end of this year, Gulf pipeline capacity will reach 6.3 million barrels per day (mbpd) as compared to some 9.2 mbpd of Gulf production.

The 2.9 mbpd disparity between production and pipeline capacity represents only 9% of the 32.5 mbpd consumed by the United States, Western Europe, and Japan, and only 16% of their imports. Thus, the Strait of Hormuz should no longer be viewed as the "jugular" of the Western economies.

The West's short-term vulnerability is further diminished by the current world glut in oil, which has created large inventories, a downward pressure on prices, and underutilized production capacity among such non-Gulf producers as Mexico, Nigeria, and Venezuela, as well as the United States.

THE GEOPOLITICAL DANGER IN THE IRAN-IRAQ WAR

The principal danger to Western interests lies not in an oil cut-off through conflict in the Gulf waterway, but in the geopolitical implications of an Iranian victory in the Iran-Iraq war. An Iraqi defeat, which must now be regarded as a realistic possibility, would immediately threaten the sparsely populated Arab Gulf monarchies.

All along its 900-mile front with Iran, Iraq is under heavy military pressure and its ability to withstand Iran's assaults indefinitely is an open question. On the southern front, Iraq's loss of Basra looms as a distinct possibility with enormous consequences. From Basra, Iran would be easily positioned to cut the roads to Kuwait, a

key part of Iraq's military supply pipeline. Moreover, as Iraq's largest Shi'a city, Basra could also provide Iran with a capital to set up an Islamic Republic of Iraq.

Meanwhile, in the north, Iraq's position has deteriorated dramatically due to the Kurdish insurgency. And in the central sector, Iraq's superiority in armor could be challenged by Iran with the help of TOW anti-tank weapons supplied to Iran by the Reagan Administration and as yet unused.

Thus far, Saddam Hussein's minority Ba'athist government continues to control Iraq. But if the military situation dramatically worsens, resentment against Saddam Hussein and his cult of personality could boil over in both the civilian population and the military.

THE GEOPOLITICS OF THE GULF STATES

Two recent events have heightened Gulf fears of Iran: (1) Iran's 1986 occupation of the Faw peninsula and its surprisingly successful offensive toward Basra this past winter, which brought Iranian forces into easy striking distance of Kuwait; and (2) this summer's Iranian-sponsored riot in Mecca, Islam's holiest city, which intensified the conviction among Arab Sunnis that Iran's Shi'a government is a hostile power that must be prevented from spreading its revolutionary message.

At the same time, however, the weakness of the Gulf Cooperation Council mirrors the political fragility of its members. Consensus is elusive, and individualized defense capabilities range from moderately effective to weak. Within those states are substantial Shi'a minorities, which could at some point be activated by the fervor of Khomeinism. For the foreseeable future, outside assistance will be required for the Gulf's defense.

While the other Gulf states were initially critical of the Kuwait-U.S. decision to reflag, they now generally agree that the U.S. should not retreat from its public commitment to protect Kuwait's vessels. Because of doubts about American reliability, however, the Gulf states continue to manifest ambivalence toward American policy. The United States continues to pay a heavy price for the Administration's secret arms sales to Iran.

There is little likelihood of Soviet political encroachments among the Arab Gulf states, which possess a deep, abiding suspicion of Soviet power and purpose.

Most of the Gulf states are currently placing high priority on improved air defenses. Several are actively considering F-16s or similar aircraft. Arab acquisition of 60 or more top-of-the-line fighter aircraft would constitute a force equal in number, and far superior in fire-power and readiness, to the entire Iranian air force.

THE U.S. ROLE IN THE GULF

President Reagan's so-called "strategic initiative" to Iran was multiply flawed. As a matter of principle, it represented a capitulation to outrageous Iranian behavior. As a means of engaging Iran, it constituted a policy of weakness which invited not moderation but radical contempt. In the context of geopolitics, and in relation to the Iran-Iraq war, it served only to arm and fuel an Iranian bel-

ligerency that threatens the entire region. And finally, from the broader perspective of global American responsibilities, it has generated deep and far-reaching doubts—among our democratic allies and moderates throughout the Arab world—about U.S. reliability as leader of the West.

The Administration's decision to reflag Kuwaiti vessels appears to have been made hastily, with a two-fold motivation: to restore a U.S. credibility in the Gulf that had been badly damaged by the revelations of the Iran-Contra affair; and to preempt Kuwaiti efforts to involve the Soviet Union in a protection regime for Kuwaiti shipping. Other Gulf states generally regard Kuwait's "feint" toward Moscow as a shrewd gambit to involve the United States more heavily on the side of Kuwait and Iraq.

Overall, American policy toward the warring nations has comprised first a tilt toward Iraq, then arms sales to Iran, and now an even stronger involvement on Iraq's side. This incoherent policy has been confusing to the nations of the region and debilitating to American credibility.

Pursuant to the reflagging decision, the United States has now assembled the largest single naval armada deployed since the height of the Vietnam war. At least 15,000 U.S. naval personnel are directly involved in Gulf operations, and their numbers are growing.

Policy issues aside, the U.S. was ill prepared to handle its new military role in the Gulf. Most glaring was the lack of an effective minesweeping capability, even though an Iranian mine threat was recognized even before the *Bridgeton* incident during the first U.S. convoy.

Administration officials have articulated three explanations for the objectives of current policy: (1) ensuring the free flow of oil, (2) preventing Soviet encroachments, and (3) defending freedom of navigation. On all these three counts, this rationale is dubious:

- (1) Particularly given the increased use of pipelines, the flow of oil is not in serious jeopardy.
- (2) The potential for Soviet gains in the region is minimal—except with regard to Iran where, ironically, American policy is not *encouraging* a Soviet-Iranian rapprochement.
- (3) The threat to navigation from Iran, which depends heavily on its own Gulf shipping, is a retaliatory response which would likely cease if Iraq halted its attacks in the Gulf.

Meanwhile, shipping in the Gulf now appears less safe than before the U.S. naval build-up began. With perhaps 100 Western warships arrayed in the region, chances are high for both mishaps and retaliatory escalation.

In contrast to Iraq, which has shifted solely to pipelines, Iran relies almost exclusively on oil exports to finance its war effort. Iran would therefore be unlikely to try to cut off Gulf shipping, except under circumstances of complete Iraqi success in destroying Iran's export capabilities. Moreover, Iran's ability to accomplish that goal is sharply limited by the assembly of a large Western naval armada in the region.

Nonetheless, prospects at present are for an escalating war. Iraq will intensify its strikes on oil installations and tankers to ham-

string Iran's ability to pay for the land war, and Iran will retaliate against Kuwait and any others seen as supporting Iraq.

The best means to prevent Iraqi defeat and Iranian advance is to end the Iran-Iraq war. Although generally ignored as a factor in U.S. policy, the United Nations now constitutes the best means to accomplish the task of bringing concerted world pressure to bear toward this objective. A broad, mandatory arms embargo—and, if possible, an economic boycott—would significantly limit Iran's war fighting capabilities.

I. OVERVIEW: THE STAKES IN THE GULF

A. SIGNIFICANCE OF THE GULF AS RESERVOIR AND PASSAGEWAY

The strategic importance of the Persian Gulf is twofold: as a reservoir, because the countries bordering it possess at least 63% of the free world's known oil resources; and as a passageway for one-eighth of the free world's oil imports.

In the years immediately ahead, the importance of the Gulf as *reservoir* will almost certainly increase as the world's other oil reserves—such as Britain's North Sea or Alaska's North Slope—are depleted, and as new gas and oil discoveries are made in the Gulf itself. For example, according to several oil industry experts we encountered during this visit, new estimates of oil reserves for Abu Dhabi may actually double previous estimates, exceeding even those of Kuwait (long listed as second only to Saudi Arabia as a source of proven reserves in the Gulf).

At the same time, the Gulf's strategic importance as *passageway* for Western oil supplies is steadily decreasing due to the use of pipelines. In the past three years, attempts by both Iran and Iraq to disrupt tanker traffic have accelerated this process. At present, some 9.2 million barrels of oil are exported daily from the Gulf region, three-quarters through the Gulf itself and the Strait of Hormuz. By the end of this year, however, pipeline capacity through Iraq, Saudi Arabia and Turkey could bring maximum pipeline exports to 6.3 million barrels per day (bpd)—more than double the maximum pipeline capacity that existed just one year ago.

Of the two belligerents in the Iran-Iraq war, only Iran is dependent on the Gulf as passageway—a dependence that at present is virtually total. For the last five years, Iran has shipped about 1.5–1.8 million bpd by sea. By late 1986, heavy Iraqi attacks had reduced Iranian exports to about 700,000 bpd. This summer's pause in Iraqi attacks enabled Iran's exports to rise to previous levels and possibly to as much as 2.5 million bpd, but with the resumption of full-scale Iraqi attacks, that volume is again decreasing. In an effort paralleling Iraq's shift to pipelines, Iran has announced plans to convert an existing gas pipeline in order to export crude oil through the Soviet Union, thus bypassing the Kharg Island terminal which has been a favorite Iraqi target.

Iraq's oil exports are now entirely carried by pipeline. In 1980 Iran effectively shut down Iraq's Basra oil complex and Iraqi exports collapsed. By 1982, however, a pipeline through Turkey was carrying one million barrels a day—a capacity now expanded to 1.3 million bpd—and in 1988 a parallel line through Turkey will further expand that capacity to 2.2 million bpd. Moreover, in 1986 the Iraqis added a 500,000 bpd link to a Saudi pipeline, and are currently negotiating with the Saudis for construction of a new pipe-

line to handle Iraqi oil only. As a result of these activities, Iraq now exports more oil than Iran and has excellent prospects of widening the gap.

The growing use of pipelines by Gulf oil producers means that in the near future some two-thirds of Gulf oil could be shipped without reliance on the Strait of Hormuz chokepoint. Such a development would significantly alter international perspectives about the role of the Gulf as a key transit for oil exports, and diminish the significance of Iranian threats to Gulf shipping.

B. COMPARATIVE SIGNIFICANCE FOR WESTERN OIL IMPORTERS

A prominent concern in American debate has been the burden-benefit disparity between the United States and its Western allies, as the U.S. assumes the dominant Western military role in the Gulf while the allies appear far more reliant on Gulf oil. Japan is most heavily dependent, relying on the Gulf for nearly 50% of its oil imports; Gulf oil represents nearly 30% of West European imports. In contrast, the United States relies on the Gulf for less than 6% of daily oil consumption.

Oil, however, is a fungible commodity. If Japan, for example, were denied its Gulf oil imports, which average about 2.1 million barrels per day, it would be forced into other export markets, bidding with other consuming nations, including the United States, for a diminished world oil supply. Already, the U.S. imports 37% of its consumption—a figure that is expected to increase to 50% by the mid-1990s as U.S. demand grows and domestic production continues to decline. This substantial and expanding U.S. dependence on the world export market means that any significant disruption in Gulf oil exports would be of direct interest to the United States as well as its allies.

C. SIGNIFICANCE OF THE IRAN-IRAQ WAR

Thus far, the Iran-Iraq war has caused no such disruption. Despite air attacks on oil facilities and tankers, the mining of shipping channels, hit and run sea attacks by revolutionary guards, and the emplacement of Chinese Silkworm missiles near the Strait of Hormuz, there has been no appreciable diminution of oil exports from the Gulf. Indeed, since the commencement of the tanker war five years ago, attacks have affected less than one percent of all transits through the Strait of Hormuz. Meanwhile, far from rising, the price of oil has dropped significantly. In fact, notwithstanding the shut-down of both Iraqi and Iranian oil exports at various points over the past seven years, oil prices have fallen by 50% since the Iran-Iraq war began.

Now entering its eighth year, the Iran-Iraq war has taken more than a million casualties, and is widely perceived as a standoff which could continue indefinitely. But a perpetual stalemate is by no means inevitable. Though benefitted thus far by a technological edge in military hardware, Iraq is now stretched dangerously thin across a 900-mile front inside its own borders. Meanwhile, Iran remains capable of massed attacks at any of several weak points along Iraq's entrenched lines and capable also of exploiting a breakthrough. Given Iraq's manpower shortages, and a serious

question as to the sustainability of its army's morale, Iraq can no longer win the war against Iran. But Iraq can lose it. Indeed, among Iran's militant fundamentalist rulers, or among the enormous pool of fervent Iranian youths, there is scant evidence of any willingness to accept an outcome short of victory.

U.S. policymakers express near universal agreement that incalculable harm would be done to Western interests in the event of an outright Iranian victory over Iraq. Such an outcome would inevitably renew the radical fervor of the Iranian revolution and almost surely place at risk the moderate governments in the smaller Gulf states, threatening their replacement either with radical Islamic regimes or, at least, regimes pliant in the face of Iranian demands.

D. SIGNIFICANCE OF THE TANKER WAR

Having begun the Iran-Iraq war in 1980, Iraq extended the war into the Gulf in 1982, seeking to cripple Iranian oil exports, and thereby the revenues on which the Khomeini regime's war effort depended. For some five years, Iran's response was limited—confined to selected attacks on ships transiting at Kuwaiti ports or ships operating within Iranian-claimed waters. In part because of Iran's selectivity, overall shipping in the Gulf remained largely unaffected by the tanker war. Insurance rates and oil exports remained relatively stable, and oil prices actually declined. From both a commercial and a geopolitical perspective, the tanker war was seen by producing and consuming nations alike as little more than a nuisance, a risk to be endured as part of the price of doing business in the Gulf.

The likelihood of Iranian escalation in the tanker war has seemed limited by self-interest. It is Iran, not Iraq, which remains dependent on free-flowing navigation to maintain its oil exports, which are absolutely essential to its continuance of the war. Moreover, any prolonged drop in oil revenues could threaten not only Iran's fighting capability but also public support for the Khomeini regime.

The change in Iranian tactics in the Gulf traces directly to the Administration's decision, announced in April 1987, to reflag 11 Kuwaiti oil tankers. Subsequently, key locations in the Gulf—Kuwait's Ahmadi channel, UAE's anchorage off Fujayrah, and the waters south of Farsi island—were found to have been laced with a total of perhaps 60 mines.

Given Iran's dependence on unfettered channels for its own oil exports, some observers were led to speculate that the mining constituted proof of the irrationality of Tehran's regime and leadership. On closer examination, however, Iran's action in mining Kuwait's main shipping channel in July appears to have been a calculated decision—a warning to Kuwait and its new-found protector, the United States, that reflagging alone would not mitigate Kuwait's vulnerability as a de facto ally of Iraq.

Whether by design or happenstance, the Iranian tactic revealed a glaring weakness in the American plan to escort the reflagged tankers: The U.S. naval vessels were themselves completely unprotected against mines. On July 24, a World War I-vintage mine struck the first reflagged supertanker *Bridgeton*. According to the

head of U.S. Middle East Forces (Admiral Harold Bernsen, with whom we met on board his flagship *LaSalle* in Bahrain), had it instead hit one of the escorting naval vessels, "it would likely have sunk it with terrible loss of life." As it was, damaging *Bridgeton* proved an Iranian propaganda victory, as the world witnessed a crippled Kuwaiti tanker, reflagged under American protection, leading three U.S. naval vessels, ostensibly assigned to protect her, through the channel mined by Iran.

Thus far, Iran has not moved to close down the Gulf; rather, its actions seem designed to disrupt and intimidate. Indeed, when mines were discovered off the UAE port of Fujayrah, which is used by Iran itself, there were reports that Iranian Majlis Speaker Rafsanjani personally rebuked the individuals responsible.

Iranian attacks have increased, however, apparently in response to Iraq's renewed air attacks on Iranian oil facilities in August (Iraqi attacks had subsided for several weeks immediately following the reflagging). Our two-week visit to the region coincided with Iran's firing of three Silkworm missiles into Kuwaiti territory—the first such hostile action taken by Iran—and attacks on no fewer than eight ships, tankers and cargo vessels. This surpassed the intensity of Iranian attacks during any period since the tanker war began.

E. LIKELIHOOD AND EFFECT OF AN IRANIAN MOVE TO CLOSE THE GULF

Despite its ostentatious deployment of 50 Swedish-built speedboats manned by revolutionary guards, Iran cannot logically hope to constrain the Iraqi war effort through attacks in the Gulf. Iraq's income comes from pipeline exports and generous Arab financial assistance, which have enabled Saddam Hussein to replace depleted or destroyed weaponry and even to increase his arsenal. In contrast, Iran's war effort relies almost entirely on oil exports shipped by sea; oil generates 90% of total foreign exchange, almost all of which is used to purchase arms. As the price of oil has fallen these past four years, Iran has scrambled to increase its oil production and exports to make up for the lost revenue. Iran's interest in continued Gulf shipping is direct and obvious.

Only under circumstances of complete Iraqi success in destroying Iran's export capabilities would Iran have any logical motive to close off the Gulf to all other shipping. And its ability to accomplish that goal has been further limited by the large international naval armada assembled precisely to prevent any such attempt. While the acquisition of Silkworm missiles has equipped Iran to close the Strait of Hormuz, at least briefly, the sinking of any ship by a Silkworm could likely prove a Pyrrhic victory. Thus, any Iranian action which seemed to say "If we cannot export oil, no one can" would be an act of irrationality indicative of a serious military reversal or precipitous loss of domestic political support.

Even in the unlikely event of an actual shut-down of Gulf oil exports, the impact on world oil supplies and prices would be short-lived and probably minimal:

—First, any closing of the Gulf would be temporary—a few days at most—because of the Western capacity for an effective mili-

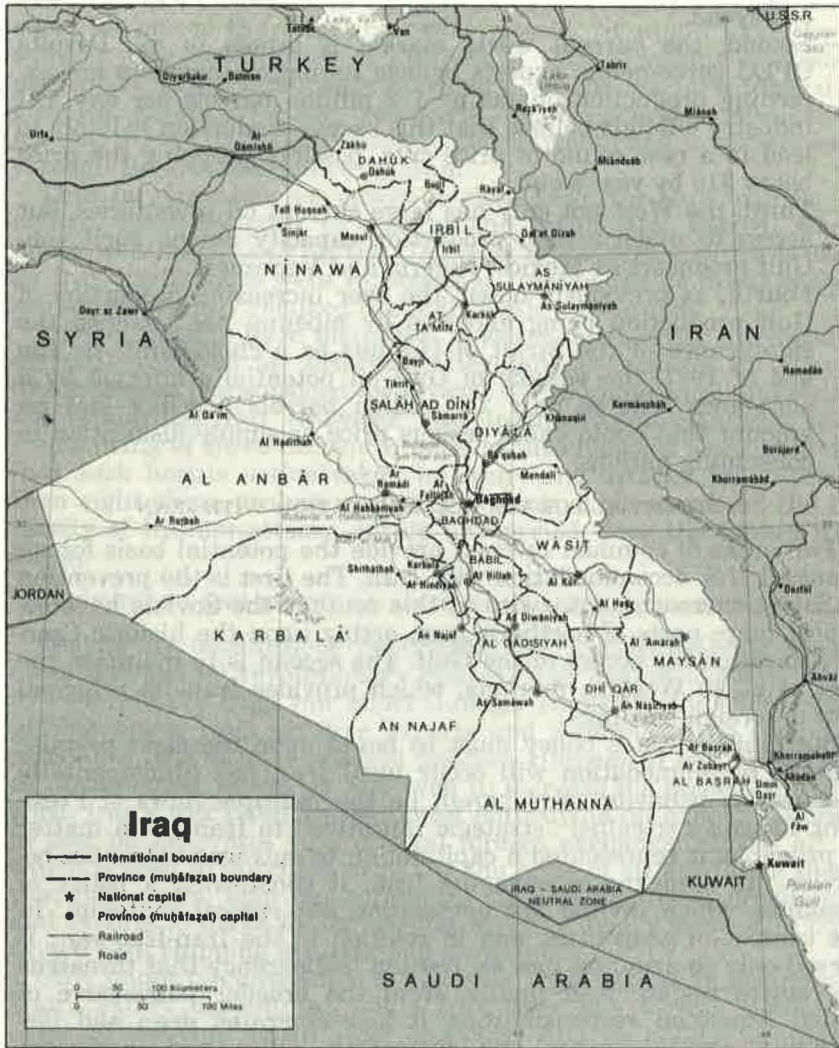
- tary response against the direct source of the Iranian attack, or beyond.
- Second, the current world market is awash in oil. Despite OPEC agreements, experts believe its nation-members are exceeding production quotas by 1-2 million barrels per day. Oil industry officials believe that this excess production is likely to lead to a new round of price cuts, possibly dropping the price below \$15 by year's end.
 - Third, the West not only has large current oil inventories, but access to underutilized production capacity among such non-Gulf producers as Mexico, Nigeria and Venezuela.
 - Fourth, as previously noted, the ever increasing proportion of Gulf production being exported by pipeline has lessened the significance of the Strait of Hormuz as a chokepoint. By the end of 1987, the volume of Gulf oil potentially affected by a shut-down will be only 2.9 million barrels per day—not an amount that could cause serious price or supply dislocation to consuming nations.

F. POTENTIAL FOR U.S. ACCOMMODATION WITH IRAN

Two areas of common interest provide the potential basis for an eventual U.S. accommodation with Iran. The first is the prevention of Soviet encroachment; twice in this century the Soviets have occupied large parts of northern Iran, acting upon the historic Czarist aspiration for access to the Gulf. The second is to maintain the flow of oil to Western markets, which provides Iran its principal flow of foreign earnings.

But United States policy must be based upon the clear premise that no accommodation will occur until Iran has fundamentally changed its behavior. And herein lie the multiple flaws of President Reagan's so-called "strategic initiative" to Iran. As a matter of principle, it represented a capitulation to outrageous Iranian behavior. As a means of engaging Iran, it constituted a policy of weakness which invited not moderation but radical contempt. In the context of geopolitics, and in relation to the Iran-Iraq war, it served only to arm and fuel an Iranian belligerency that threatens the entire region. And finally, from the broader perspective of global American responsibilities, it has generated deep and far-reaching doubts—among our democratic allies and moderates throughout the Arab world—about U.S. reliability as leader of the West.

Realistically, Iranian-American rapprochement will occur only after Khomeinism has lost dominance in Iran, only after Iran has abandoned its support of international terrorism, only after Iran has resumed adherence to diplomatic norms, and only after Iran has adopted a policy of behaving as a good neighbor which does not threaten the security and stability of its neighbors in the Gulf. Meanwhile, a strong American foreign policy must assist in deterring Iranian advances in the region, should emphasize collective diplomacy to the extent possible, and should anticipate rapprochement with Iran solely as a long-term objective for the post-Khomeini era.



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II. THE IRAN-IRAQ WAR

A. HISTORICAL BACKGROUND

On the morning of September 22, 1980, Iraqi troops crossed the Iranian border along a broad front. So began what has become one of the longest and bloodiest conflicts of the post-World War II period. Seven years later, no end is in sight.

Conflicts between Arabs and Persians go back centuries, and for centuries religion has been a factor. In the year 637, Arab Islamic armies defeated the Persian Empire in the battle of Qadisiya, and established Islam as the religion of Persia. After Qadisiya, the territory that is now Iraq became the eastern flank of the Arab world. Over the succeeding 13 centuries, the border between Arabs and Persians has shifted east and west according to the relative strength of each side. By the middle of the 17th century, the border had stabilized roughly at where it is today.

But a key dispute remained: over control of the Shatt-al-Arab, a 120-mile waterway which begins at the confluence of the Tigris and Euphrates rivers and empties into the Persian Gulf. The Shatt-al-Arab provides Iraq with its primary access to the sea.

In the 19th century, British and Russian efforts to delineate a border between the Persian and Ottoman empires foundered on the issue of control of the Shatt-al-Arab. In 1913 the British, seeking to cultivate the Ottomans, forced the Persians to accept the eastern shore rather than the Thalweg (middle channel) as the border. Because the Shatt-al-Arab provides access to the Gulf for the Iranian ports of Abadan and Khorramshahr, this was a border to which the Iranians were never fully reconciled.

In the 1960s and early 1970s, tensions between Iraq and Iran increased, partly as a result of the ongoing border dispute. Iraqi-Iranian tensions were also a reflection of the clash of ideologies between the pan-Arab Ba'athist Iraqis and the conservative regime of the Shah of Iran. With the United States backing the Shah and the Soviet Union aligned with the Iraqis, the conflict had a superpower dimension. As a means of applying pressure, both Iran and Iraq supported dissident groups in the other's territory.

By the early 1970s the balance of power had shifted strongly in Iran's favor. Iran had become a prime purchaser of sophisticated American weapons and had been cast by the Nixon Administration in the elevated role of "policeman" of the Gulf. By contrast, Iraq was becoming a backwater Soviet client, perceived—particularly after its weak performance in the 1967 war—as a player of lesser significance in the Middle East. Most important, Iraq's relative weakness was exacerbated by the threat to its very unity from the Iranian-backed Kurdish insurrection.

Under pressure from the Kurdish insurrection and recognizing superior Iranian power, the Iraqis agreed to Algerian mediation of the long-standing border dispute with Iran. The 1975 Algiers Accord established the Thalweg as the boundary in the Shatt-al-Arab, called for the transfer to Iraq of several small pieces of border territory, and required both sides to stop assisting insurgents in the other's territory. Although Iran did not return the

border territory, the Algiers agreement did end the Kurdish insurgency and contributed to a brief era of relative peace.

In January 1979, the Iranian revolution ended the interlude of mildly harmonious relations. A few months prior to the collapse of the Shah, the Iraqi regime had made a monumental miscalculation. Responding to a request from the Shah to deal sternly with an Iranian dissident who had been for 15 years resident in the Iraqi holy city of Najaf, the Iraqis avoided the issue by deporting the dissident to Paris. His name—well known to Iranians but virtually unknown in the West—was Ayatollah Ruhollah Khomeini.

In Paris, Khomeini found not only access to the Western media but also improved access to the people of Iran: Through cassettes, Khomeini's political sermons were widely transmitted, and within a matter of months he returned triumphantly as the unrivaled ruler of Iran. He also returned with a personal grudge against Iraqi President Saddam Hussein and a determination to overthrow Iraq's secular Ba'ath government and to replace it with an Islamic republic.

The revolution in Tehran was accompanied by local rebellions against Persian rule by Iran's minorities—Kurds, Baluchis, and Arabs. Baghdad moved to exploit Iran's apparent weakness by aiding dissidents in Iranian Kurdistan and in Arab-populated Khuzestan province in southwest Iran.

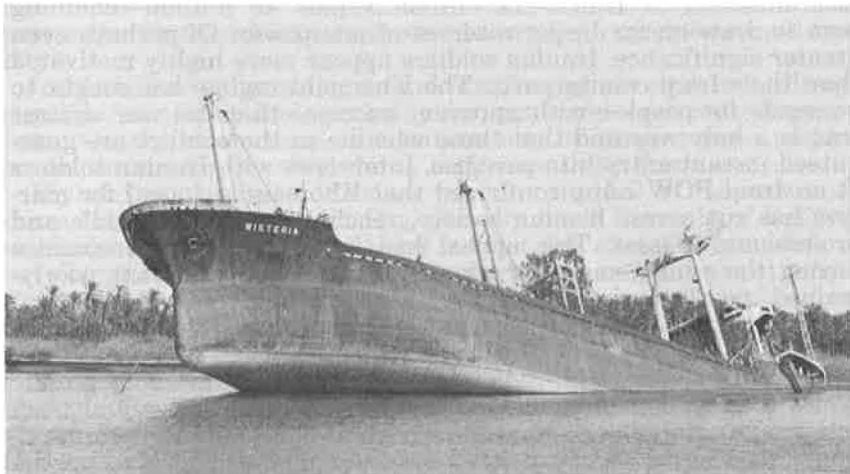
Through 1980, tensions between the two states escalated. In April the Iraqis executed the leading Iraqi Shi'a clergyman Ayatollah Mohammed Bakr Al-Sadr, evoking bitter Iranian protests. On September 4, Iran began shelling Iraqi cities and it is this date that the Iraqis mark as the beginning of the war. On September 17, Iraq denounced the Algiers Accord.

On September 22, Iraq invaded Iran—Saddam Hussein's second serious misjudgment of the Iranian scene. The Iraqis expected that the Arab population in Khuzestan would greet their troops as liberators, and that the Iranian revolution would collapse under external pressure. The error soon became apparent. Iran's Arabs did not welcome the would-be liberators, and far from undoing Khomeini the Iraqi invasion helped him consolidate power.

The Iranians responded to the Iraqi invasion with their own attacks on Iraqi economic facilities. Newly-built Iraqi oil facilities in the south were quickly put out of commission, as was Iraq's sole oil export facility on the Persian Gulf, the offshore loading platforms at Faw.

In September 1981, Iran began a series of counter-attacks against Iraqi troops who had penetrated up to 30 miles into Iranian territory. By the end of 1982 the Iranians had successfully driven the Iraqis out of virtually all Iranian territory.

Since 1983 the Iraqi posture has been almost exclusively defensive. Each year Iran has launched major offensives in the south, code-named "Karbala" for the holy city Iran hopes to liberate. Each year Iraqi troops have fought the Iranian advances to a standstill, although the offensive of early 1987, Karbala V, came close to succeeding. In 1986 Iraq sustained a serious reverse when an Iranian amphibious force moved across the Shatt-al-Arab and occupied the Faw peninsula.



Ship trapped in the Shatt-al-Arab by the outbreak of fighting on September 22, 1980. This view is from Basra's once fashionable corniche.

Iraq's original war aims were expansive: to shift the international boundary to the Shatt-al-Arab's eastern shore, to liberate Arabistan (Khuzestan), and to overthrow the Khomeini regime. Today Iraq seeks only to preserve its own territorial and political integrity. Iraq has indicated that it is prepared to accept the Thalweg as the border between the two countries.

Iran's war aims, however, remain what they were at the war's outset. Iran is demanding that Iraq be branded the aggressor, that Saddam Hussein be overthrown and punished, and that Iran be paid reparations for the damage done by the Iraqi invasion.

B. IRAQ'S MILITARY SITUATION

1. *General Observations*

Iraq is under heavy military pressure from Iran. The pressure extends along the entire 900-mile border/front with Iran. While the Iraqis are tough—and seven long years of grueling combat have seemingly made them tougher—Iraq's ability to withstand Iran's assaults indefinitely is an open question.

Strategically, Iraq operates at an enormous disadvantage. Iraq's industry, oil facilities, ports, transportation system, and population centers are almost all in the eastern part of the country—and thus close to the Iranian border. Baghdad itself is only 80 miles from the Iranian lines; and Basra, Iraq's second largest city, is on the front. From the outset of fighting, Iran has been able to deny Iraq access to the Persian Gulf.

By contrast, Iran's population and industry are mostly removed from the border. Tehran is 290 miles away; Esfahan, 225 miles; Qom, 260 miles. While Iraqi aircraft and missiles can reach Iranian cities, ports, and oil facilities, Iran has no fear of Iraqi invasion or occupation.

Iraq suffers other handicaps in the conflict. Iraq's population is just one-third of Iran's—14 million versus 45 million—enabling Iran to draw on far larger reserves of manpower. Of perhaps even greater significance, Iranian soldiers appear more highly motivated than their Iraqi counterparts. The Khomeini regime has sought to persuade its people—with apparent success—that the war against Iraq is a holy war and that those who die in the conflict are guaranteed instant entry into paradise. Interviews with Iranian soldiers at an Iraqi POW camp confirmed that Khomeini's appeal for martyrs has cut across Iranian society, reaching even the middle and professional classes. This appeal has found particular resonance among the young, many of whom have reached the front poorly-trained, poorly-equipped, carrying a plastic key said by Khomeini to unlock the gates of paradise, and determined to die for the cause.

By contrast, the Iraqi soldiers are motivated by the more prosaic desire to defend their homeland and to stay alive. Individual Iraqi soldiers—and civilians—have shown great courage and determination. But Iraq is clearly neither able nor disposed to give up the numbers of lives that Iran has squandered in its successive offensives. Nor is Iraq as ready to match the economic sacrifices the Khomeini regime has extracted in Iran.

So far Iraq has been able to offset its strategic, economic and demographic liabilities by maintaining superiority in military equipment on land and in the air. Logistically, Soviet military shipments are the mainstay of Iraq's defense, but other countries have an important role. Chief among these is France, which sells Iraq high-performance aircraft (Mirage fighters and the Super-Etendard bomber) and other high-technology weapons.

By contrast, Iran's military is largely armed with American-supplied equipment for which, except for President Reagan's arms-for-hostages program, spare and replacement parts have been relatively difficult to obtain. Iran has also developed a significant indigenous weapons industry. The shells pounding Iraq's border cities are homemade; the artillery pieces come from the United States.

2. The Southern Front: Decisive Battlefield

The Iran-Iraq war has been described as a throwback to a World War I style of warfare. Certainly in the south, where the great battles have been fought, this is true.

Since 1982, the southern front has seen repeated Iranian offenses against well entrenched and well fortified Iraqi defenses. Typically, an Iranian assault is preceded by heavy bombardment. "Human waves" of Iranian soldiers then follow, coming over the tops of the trenches and charging the Iraqi lines. The first tranche of Iranian soldiers detonate the Iraqi mines or get caught up on barbed wire and related Iraqi defenses. Eventually, however, the Iranians find a hole in the Iraqi defenses, perhaps by clambering over the bodies of their fallen comrades, and reach the Iraqi lines. In this way a small amount of territory is gained. The cost in lives is large.

Since 1982, Iran has made modest but significant territorial gains. By January 1987, Iranian forces were some 10 miles from the outskirts of Iraq's second largest city, Basra. Diplomatic observers in Baghdad believe that, at this point, Iraq nearly lost Basra.

Some speculate that had Iran launched a second assault—either to the north aiming for the eastern Basra-Baghdad road or south across the Shatt-al-Arab—Iraq would have been unable to hold the city.

Iran's failure to launch a second attack suggests that its military capabilities are limited, probably by command and control problems. On the other hand, the narrowness of Iraq's escape underscores the country's vulnerability on the southern front.

Diplomatic observers differ on whether the fall of Basra would doom the Ba'ath regime in Baghdad. By itself Basra is of limited military significance. Just to the west of the city, however, lies a very large Iraqi petrochemical, transportation, and industrial infrastructure. Moreover, from Basra Iran would be easily positioned to cut the roads to Kuwait and with it a key part of Iraq's military supply pipeline.

More importantly, the loss of Basra would have enormous psychological consequences for Iraq's defense. By taking Basra, Iran would control not only Iraq's second largest city but also its largest Shi'a city. Basra could provide a capital for an Islamic Republic of Iraq. To date, Iran's persistent appeals to Iraq's Shi'a majority to throw off the Ba'ath-Sunni yoke have evoked little response. But an Iraqi Shi'a regime based in Basra—even if Iranian dominated—could provide a focal point for Iraqi Shi'a aspirations.

Because the psychological consequences of losing Basra are potentially so high, the Iraqi government has made a major military commitment to its defense. As a result, the loss of Basra would be a major military defeat. Some observers speculate that such a loss would deal such a severe blow to Iraqi military morale that large parts of the armed forces would collapse or melt away.

Thus, while the city's military significance is limited, the battle for Basra could well determine the fate of Iraq. There is every reason to expect the battle to be joined with renewed ferocity this winter.

Without taking Basra, Iran has been able to deprive Iraq of effective use of the city and of the surrounding region. Even a brief visit to Basra underscores the staggering human and economic toll of the war in the south.

At the end of August, Iraq resumed attacks on the Iranian shipping and petroleum refining infrastructure. Iran retaliated at the beginning of September with heavy shelling of Basra. This recent shelling, following as it does on the shelling and rocket attacks from the January-February offensives, has driven much of the civilian population out of the city.

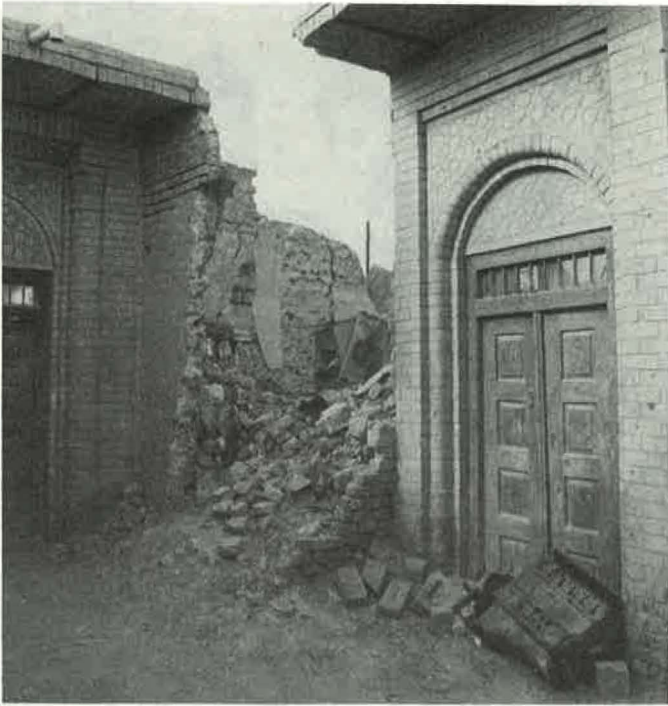
In the downtown government area and on the once fashionable waterfront corniche, most buildings show the scars of shell and rocket explosions. In September, at the time of staff's visit, no civilians were visible on the streets and there was no vehicular traffic. Iraqi authorities indicated the population of the city is as low as 200,000—down from some 1,500,000 in 1980. Today Basra provides neither shelter to its people nor significant economic opportunities. It is becoming a ghost town.

To the west of Basra is the product of billions of dollars in infrastructure investment made in the decade preceding the outbreak of the war. These investments include a massive American-built pe-

trochemical plant, two liquefied natural gas plants, a railroad designed to carry phosphates to the port at Umm Qasr, warehouses, and a modern brick factory. To the north of Basra is a new international airport and to the southwest is the spanking new port at Umm Qasr. The proximity of the war has idled all these plants and facilities. Indeed, much of the infrastructure investment in southern Iraq had not yet been placed into operation when war broke out. Today Iraq spends hundreds of millions of dollars in scarce foreign exchange to maintain this investment in tip-top condition, all in hope that the war might end and the plants can finally be started up.

Meanwhile, the war takes its toll among the people, depriving many of their livelihoods and turning hundreds of thousands into refugees.

For those who remain in Basra, the shelling is a constant feature of life. When the shelling is intense, as it was during staff's visit, the daily death toll is in the dozens and the number of wounded in the hundreds. On September 2, Iranian shells took 39 lives in Basra; on September 3, 24 died. The principal civilian hospital was filled with the survivors—men, women, and children with shrapnel wounds to the extremities, with broken limbs, with perforated bowels and stomachs, with head injuries.



House destroyed by shell in Zubayr, near Basra.



Children playing in front of shell-damaged building near Basra. The girl in the center had been struck by shrapnel an hour before this photograph was taken. Her injuries were minor.

For the victims, death and injury come suddenly. The shells give little warning. They catch people at home, at work, or on the streets. As a result, the victims often include entire families.

Iraq's ability to provide emergency services to the civilian victims is uneven. The Basra hospital is staffed with dedicated, courageous doctors who appear to have adequate supplies of medicines and medical equipment. On the other hand, one observes no ambulance or rescue services to help people at the site of the explosions. Many lie injured for hours before neighbors or families can bring them to the hospitals. Inevitably, many die waiting.

Some of the injured civilians expressed anger. One elderly Shi'a woman cursed Khomeini for shelling on As Shoura, the Shi'a mourning period for the martyred Imman Hussein.

Most shelling victims seem to accept their fate with a grim stoicism that seems characteristic of the Iraqi people in this war. One woman with abdominal injuries lay next to her young daughter, a

child with a head injury. The family had been hurt, but the mother expressed a determined expectation that all would recover. It was a reflection of the Iraqi mentality in coping with the slaughter that the mother did not mention the grandmother's death a few hours before. The grandmother was dead, and therefore no longer a part of the task of surviving.

3. The North: War and Insurrection

Since 1984, Iraq's position in the north—much of which is the Kurdish region—has deteriorated dramatically. The Kurdish insurgency has gained enormous strength, and now poses a major military threat to Iraqi control of the Kurdish region.

Iraqi efforts to contain the insurgency have greatly alienated the Kurds, who comprise some 20 percent of Iraq's population. With the Kurds spread across the strategically vital mountains along the northern half of the Iran-Iraq border, it is an alienation Iraq can ill afford. Indeed, the situation in Kurdistan could prove the Achilles heel of Iraq's defense.

The Kurdish problem is rooted in the national aspirations of a people with a distinct culture and ethnicity, whose lands have long been partitioned among Arabs (Iraq, Syria), Turks, Persians, and Russians. Historically, Iranians and Iraqis have supported each other's Kurds in rebellion against their respective central governments.

In the mid-1970s, Iraq's desire to end Iranian (and covert U.S.) support for the Kurdish insurgency led by Mustafa Barzani was the principal factor leading it to conclude the Algiers Accord with the Shah of Iran. The Accord brought Iraq relative peace in Kurdistan until the outbreak of war in 1980.

In the early years of the Iran-Iraq war, the Kurds were not a significant factor. Partly this was a result of a violent rivalry between the Barzani-led Kurdish Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK), led by Jalal Talabani. In 1983, Saddam Hussein undertook talks with Talabani, and demonstrated a willingness to make significant concessions on the issue of Kurdish autonomy. These negotiations, combined with Kurdish antipathy to the brutal policies of the new Iranian regime, enabled Saddam Hussein to avoid a major insurrection in Kurdistan.

By 1985 the Saddam-Talabani negotiations had failed. In 1986 the KDP and the PUK were able to set aside some of their differences and form a quasi-alliance. Combined with a more sophisticated Iranian policy toward the Kurds, the insurgency became a major threat to Iraqi unity.

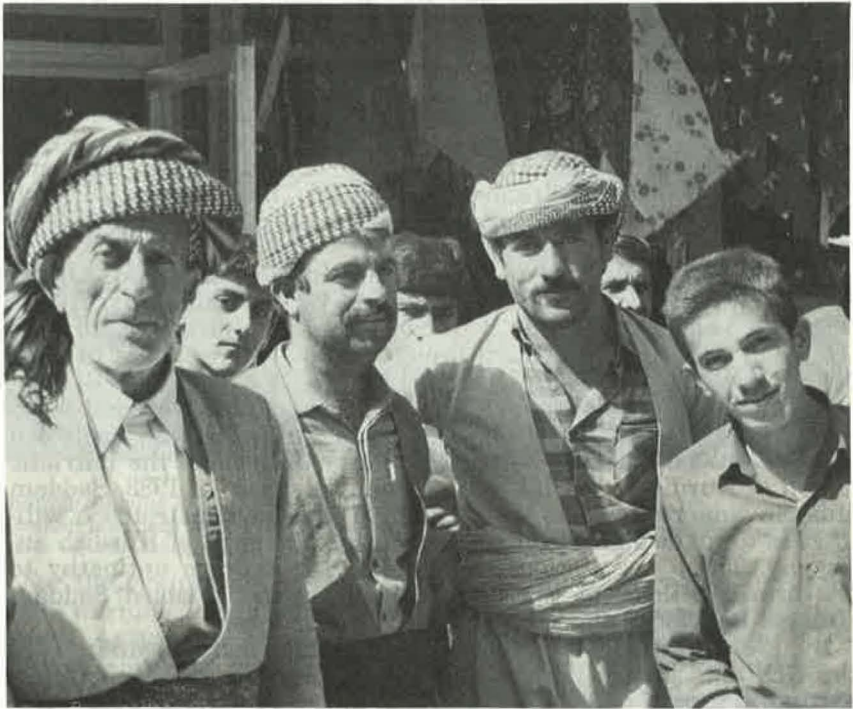
The changes wrought by the insurgency were dramatically apparent. In 1984 (the time of a previous staff trip) a visitor could travel in Iraqi Kurdistan without escort, and few of the many checkpoints and observation posts were manned. In 1987, travel in Kurdistan was possible only with heavily armed escort vehicles. All checkpoints and observation posts were manned and travel had become slow and difficult. Roads were closed to most travel by 3:00 p.m. and completely closed at dark.

The Iraqi regime has responded harshly to the Kurdish insurgency. The government is moving Kurds out of their mountain villages and resettling them in newly constructed townships in the valleys.

These sprawling settlements, which bear names like "Victory City," are designed, in the words of one Iraqi Army Officer, "to control better the Ali Baba" (a derogatory term used by Iraqi Arabs to describe the Kurds).

To insure that the Kurds stay in the new townships, the Iraqi Army has, over the past few months, been dynamiting the evacuated Kurdish villages. In at least one case the Army requisitioned earth-moving equipment from a foreign engineering firm so as to eliminate any traces of previous habitation.

With hundreds of villages leveled, the Kurdish countryside has an eery, deserted quality to it. Fruit trees, graveyards, and cemeteries stand as reminders of the absent people and livestock.



Kurdish men in characteristic attire in the souk in Sulaimaniya.

The Iraqi Army conducts itself in Kurdistan as if it were a foreign occupying army. Iraqi soldiers were observed harassing Kurds at checkpoints, demanding papers capriciously, and bullying local youths. The impression of an occupied land is reinforced by the resettlement program and by the exceptionally tight military security.

For the Iraqi regime, the resettlement program has proven costly, breeding hostility among the Kurdish people and undoubtedly broadening support for Kurdish insurgents who apparently move freely through much of the region. Coping with that insur-

gency occupies some 150,000 Iraqi troops, who are then not available to defend against Iranian attacks elsewhere.

Ironically, Iraq had been relatively benevolent in its treatment of the Kurds as compared to the policies followed by Iraq's neighbors. Whereas Turkey, for example, classifies Kurds as mountain Turks and prohibits use of the Kurdish language, Iraq has long recognized the Kurdish language. Baghdad had also sought, with some success, to win support by sharing the oil bonanza with the Kurds and through an aggressive land reform program in Kurdistan. These gains now appear lost.

Iraq's inability to control Kurdistan also provides military opportunities for Iran's army and its Revolutionary Guard. Earlier this year, Turkey intercepted a company-sized group of Revolutionary Guards attempting to infiltrate into Iraq through Turkish territory. Together, the Iranians and the insurgents pose a serious threat to Iraq's vital oil pipeline to Turkey, and also to road connections to the north. In addition, a deterioration in the situation could threaten important northern oil fields and refineries near Kirkuk.

The Iraqi regime's reticence to acknowledge its own difficulties in the north makes it difficult to gauge the full extent of the military challenge from the insurgents and Iran. But Iraq is clearly taking significant casualties in that region. Iraqi Arab families mourn their war dead by displaying black flags which show the location of death, and an observer touring Iraq for six days could see many black flags with recent dates which specified northern locations.

The dominant question which arises is whether Iraq can survive wars of attrition in both the north and the south.

4. The Central Sector: New Vulnerability

The central sector—the area east of Baghdad—has been the most stable part of the Iran-Iraq front. But here, too, Iraq faces dangers. The terrain between the Iranian border and Baghdad is flat, alluvial plain: ideal tank country.

Iraq's superiority in armor has thus far prevented Iran from threatening in the central sector. It is possible, however, that TOW anti-tank weapons supplied to Iran by the Reagan Administration could help to reverse this situation. According to analysts in Baghdad, the 2,008 TOWs have not yet been deployed by the Iranians. But were they to be used in the central sector, the TOWs could allow Iran to take advantage of its superior manpower and zeal. Particularly worrisome to Iraq is the prospect that Iran might open a second front in the central sector while simultaneously bearing down in the south. As elsewhere on the front, the question would then be how much pressure can Iraq take.

There are already signs of problems for Iraq even in the central sector. On September 7 this year, the Iraqi regime invited the diplomatic corps to a military parade in the city of Baquba, which serves as the headquarters for the army corps responsible for defense of the central sector. As the final float, thematically described as the victory float, approached the reviewing stand, persons on or behind the float opened fire on the grandstand. The identity of the attackers could not be determined, but diplomats

speculated they were Shi'a belonging to the Iranian-backed Dawa Party. Several Iraqi officials were apparently killed, fulfilling the attack's clear intent to demonstrate that the Ba'ath regime has problems even in the supposedly more secure areas.

5. The Home Front: Iraq Behind the Lines

Seven years of war have taken their toll on the home front as well. At the outset of the conflict, the Iraqi government sought to pursue a guns-and-butter strategy. Indeed, for at least the first four years, the regime seemed to want the local population, at least in Baghdad, to behave as if there were no war at all. In 1982 the skyline of Baghdad was dotted with construction cranes, and even as late as 1984 some construction, including new government buildings and luxury hotels, was still proceeding.

In 1987 such construction has largely ceased, and shortages of foodstuffs and consumer goods are becoming more chronic. Certain foodstuffs and spare parts for automobiles are among the items demonstrably scarce.

Even now, the regime goes to considerable lengths to shelter the population of Baghdad—and foreign visitors—from signs of the war. Absent from Baghdad are cripples and war injured. The government simply instructs them to stay out of sight.

Outside of Baghdad the war is much more apparent. Iraq is a heavily militarized society, and military encampments, traffic, and fortifications can be seen everywhere.

Also visible are the black flags. They are rectangular, of regulation size, and they contain in white writing the name of the dead soldier and the date and location of death. These flags are the one permitted sign of mourning, and are now prevalent in provincial towns and villages throughout Arab Iraq.



Coffin bearing the remains of an Iraqi soldier heading home from the front.

Finally, there are the coffins. The government hires taxis to transport the bodies of dead soldiers home from the front. Flag-draped coffins strapped to orange and white taxis are a common sight on Iraqi roads.

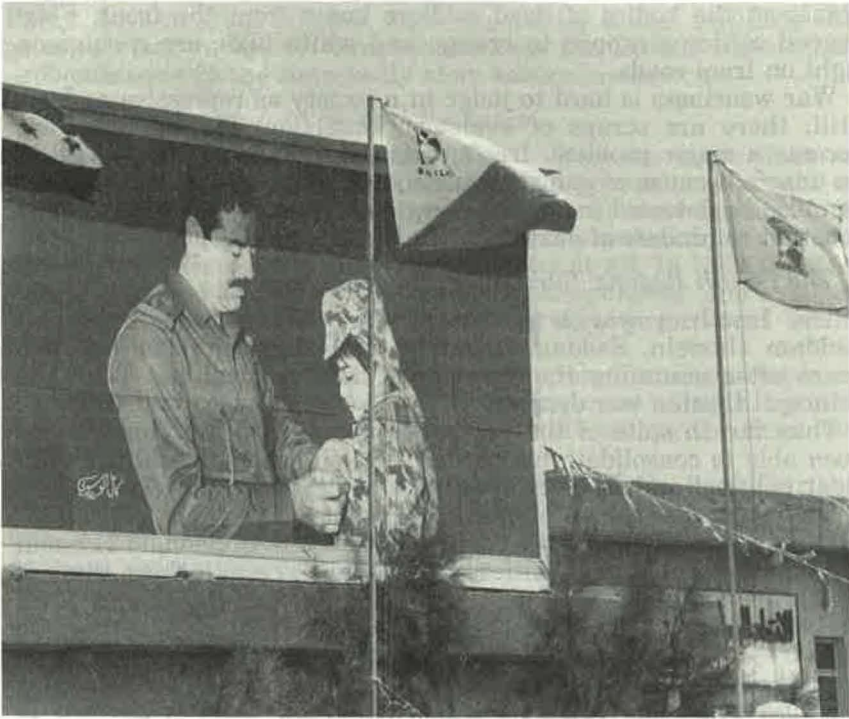
War weariness is hard to judge in a society as repressive as Iraq. Still, there are scraps of evidence. Desertion, for example, has become a major problem. Iraq's extensive marsh areas are said to be unsafe because of gangs of marauding deserters. War weariness can also be detected in the conversations of ordinary people, in the constant reminders of death, and on the faces of people.

6. The Ba'ath Regime: Survival Through Repression

The Iran-Iraq war is a test of survival for Iraqi President Saddam Hussein. Saddam launched his attack on Iran just two years after assuming the Presidency. His removal has been the principal Iranian war demand.

Thus far, in spite of the pressures of war, Saddam Hussein has been able to consolidate his position. He sits atop a ruthlessly efficient political and security apparatus dedicated to the glorification of the leader and the elimination of dissent.

Larger-than-life paintings and cut-out posters of Saddam Hussein are omnipresent in Iraqi cities and villages. The paintings, some of which are several stories high, depict Saddam in his role as Field Marshal, as a businessman, as a Bedouin Arab in characteristic headdress, as a Kurd, as a comforter of bereaved children, as devotee in prayer at the holy shrines, as an air force ace, and as a cigar smoking politician. Much of Iraq's television news is devoted to Saddam's exploits and he is venerated on screen and in print. Baghdad's new international airport is named after him; his face adorns calendars, clocks, and watches.



Billboard depicting the ubiquitous Iraqi President Saddam Hussein and a child.

Political dissent in Iraq is unknown. Ba'ath political control is maintained through a harsh penal code that imposes the death penalty for a wide range of crimes. These include economic sabotage, desertion, and publicly insulting the President. Torture, often followed by execution, is a common means of dealing with dissent. An elaborate neighborhood spy system keeps the security apparatus informed.

Saddam Hussein provides Iraq a decisive, unflinching kind of leadership. Although not a military man, Saddam has assumed direction of the armed forces for the duration. He has made both political and military miscalculations, most notably in 1980 when he assumed that the revolution-torn Iranian military would rapidly disintegrate. He also bears some responsibility for subsequent Iraqi setbacks in 1982, and in 1986 at Faw.

But Saddam Hussein has never waived or shown doubt about the course on which he has been embarked. This determination, backed by raw power, has helped keep Iraq from collapse.

In a society as repressive as Iraq, it is impossible to gauge public attitudes toward the regime. It is not hard to imagine, however, that if the military situation dramatically worsens, resentment against Saddam Hussein and his cult of personality will boil over in the civilian population and perhaps among the military.

While claiming to be pan-Arab, the Iraqi Ba'ath ruling party is in fact a minority regime. The ruling group comes from the Arab

Sunni Moslems, who constitute no more than 20 percent of the population.

As against this ruling minority, 55% of Iraq's population are Shi'a Arabs, and particularly in the south their loyalty has long been a subject of speculation. Khomeini considers his war as a struggle to liberate the Iraqi Shi'a and to bring the holy Shi'a shrines at Karbala, Najaf, Baghdad, and Samara under the control of the godly.

To date Iranian appeals to Iraqi Shi'a have evoked little response. In part this is attributable to the Arab bonds of the Iraqi Shi'a, in part because Iran's war to liberate the Shi'a in the south has also turned out to be a war waged on the Iraqi Shi'a.

Nonetheless, religiosity among the Iraqi Shi'a is intense and could, if the regime's repressive apparatus slips, prove troublesome for the secular Sunni-dominated Ba'ath regime in Baghdad. The Baquba incident cited earlier suggests that the underground Dawa Party has considerable organizational skill and determination.

The remaining 25% of Iraq's population are Kurds, Turks, Assyrians, and Christian Arabs. Among these minorities, only the Kurds appear to pose a problem—not on the basis of religion, for they are Sunni—but, as described earlier, for reasons of nationality.

While Saddam Hussein is an extremely powerful ruler who need not worry about any parliament, press, or domestic political opposition, he must remain constantly vigilant against an effort to depose him. Although there appears no immediate prospect for a coup and no quarter from which one is likely to come, a deterioration of the military situation could alter this equation.

C. AMERICAN POLICY

1. *General Observations*

Recent United States policy toward the Iran-Iraq war has been, at best, confused. Specifically, it has been characterized by a tilt towards Iraq, followed by arms sales to Iran, followed by an even stronger involvement on Iraq's side. Some observers believe the best policy is one of strict neutrality. Reagan Administration oscillations, however, may have involved the United States so deeply in the conflict that strict neutrality is no longer an option.

When Iraqi troops invaded Iran in 1980, the Iranians took their case to the United Nations Security Council. Because of Iran's own violation of international law in holding American diplomats hostage, however, the Khomeini regime did not receive a sympathetic hearing from the U.S. representative or the Council. Nonetheless, the United States did support a resolution calling for a cease-fire and proclaimed its neutrality. Having diplomatic relations with neither Iraq nor Iran, U.S. influence on either country was minimal and, in this early period, the U.S. stood out as one power not involved in militarily aiding either power.

After Iran ousted Iraqi troops from Iranian territory in 1982, U.S. policy began to shift. Concern about a possible Iranian victory led the Reagan Administration to begin tilting toward Iraq. By 1984 the "tilt" included: (1) "Operation Staunch", an active U.S. diplomatic effort to identify and halt arms shipments to Iran; (2) the provision of Commodity Credit Corporation credits to Iraq for

agricultural and other purchases in the United States; (3) vocal condemnation of Iran at the United Nations and in other arenas; and (4) according to subsequent press reports, the provision of military intelligence to Iraq. In November 1984, the tilt culminated in the restoration of full diplomatic relations between the United States and Iraq after a hiatus of more than seventeen years.

2. President Reagan's "Strategic Initiative" to Iran

Shortly after the re-establishment of diplomatic relations with Iraq, the Reagan Administration shifted course sharply and began its so-called "strategic initiative" toward Iran. The "strategic initiative" was supposedly designed to strengthen the position of "moderates" in Iran by providing the Iranian military with desperately needed spare parts and weapons. It was also intended as a means of securing the release of U.S. hostages held by pro-Iranian groups in Beirut.

While the "strategic initiative" may have done little for the hostages or the moderates, it had a dramatic impact on Iraq. Iraqi officials repeatedly asserted that the arms sales had "hurt them a lot." This view is shared by foreign diplomatic observers in Baghdad. Specifically, the Reagan Administration's sales of spare parts and missiles strengthened Iran's air defenses by helping to restore Iranian Hawk surface-to-air missiles to operation and by allowing Iran to utilize a larger number of its U.S. supplied aircraft. As Iraqi officials stressed during the staff trip which led to this report, the arms sales offset one of Iraq's principal military advantages—its air superiority.

Improved Iranian air defense hampered Iraq in its defense of Basra last winter. It also has deterred attacks on Iranian economic targets, notably oil facilities. Disabling these facilities has been key to Iraq's strategy of denying Iran the funds to continue the war.

As discussed earlier, the 2008 TOW anti-tank missiles supplied to Iran have apparently not yet been used. The impact could be significant, particularly in the Central Sector.

Politically, the Reagan Administration arms sales contributed to a sense of isolation in Baghdad. As the revelations about the arms sales emerged concurrently with the Iranian offensive, they contributed to a crisis of confidence.

Needless to say, U.S.-Iraqi relations suffered. The Administration's tortured (and untruthful) early accounts of the affair contributed to Iraqi anger as did the unwillingness of any American official to come to Baghdad with an explanation.

In recent months, U.S.-Iraqi relations have improved markedly. As a result of the Iran-Contra hearings, the Iraqis have begun to see the Iran arms sales as a product of incompetence, and not as a sinister scheme aimed at them. Iraqi officials expressed gratification at the Administration's determined promotion of Security Council Resolution 598 (calling for an immediate cease-fire) and of follow-on sanctions against Iran.

By pursuing sanctions, the Reagan Administration has done what it can to ameliorate a bad situation of its own making. While the Administration no doubt wishes to put the arms-for-hostages episode behind it, the damage endures. Iraq and other Middle East-

ern nations will view U.S. actions henceforth with an element of suspicion and fear of double dealing.

If Iran triumphs militarily, abetted at least partially by U.S. arms, the sales will haunt American policy makers for years to come.

3. The Worst Case Scenario

The Administration expects the war to continue much as it has. Continued deadlock is, indeed, the most likely scenario.

As the foregoing analysis suggests, however, there is a real possibility that Iraq's military position will deteriorate significantly. American policy makers must address two related questions: (1) Can and should the United States help Iraq stave off defeat; and (2) How should the United States cope with the Persian Gulf region in the aftermath of an Iraqi defeat?

An Iraqi defeat would be catastrophic for Western interests. Pro-Western Arab Gulf states, notably Kuwait and Saudi Arabia, have strongly abetted Iraq's war effort. By so doing they have become candidates for Iranian retribution. A triumphant Iran would, of course, be well positioned militarily to exact such retribution. It is also unlikely that the sparsely populated, albeit well-armed, Arab Gulf nations could long resist Iran's battle-tested troops.

In the region, an Iranian victory over Iraq would be seen as a triumph for Islamic fundamentalism. Fundamentalism's appeal has been enhanced by the perception that Iran humiliated the United States in the arms-for-hostages deal. An Iranian triumph over Iraq would magnify this appeal with potentially destabilizing consequences for conservative Arab regimes from Tunisia and Egypt to Oman.

In the worst-case scenario, the United States could face the choice between permitting Iran to dominate the West's oil supply in the Persian Gulf and direct U.S. military intervention on behalf of the conservative Arab Gulf nations. Such intervention would occur, quite possibly, in a revolutionary climate in which U.S. friends, such as Egypt, would feel most threatened.

Because an Iranian victory would present the United States with starkly unattractive alternatives, some analysts believe the United States has a paramount interest in seeking to avoid an Iraqi defeat. Unfortunately, there may not be much the United States can effectively do to keep Iraq from losing.

On a bilateral level, U.S. options are narrowly circumscribed. Currently, the U.S. provides diplomatic support, some economic credits, and a coordinating role in enforcing an arms embargo on Iran. Prior to 1985 the arms embargo, Operation Staunch, was the most useful assistance the United States provided Iraq, but Reagan Administration arms sales to Khomeini's Iran have seriously undermined the credibility of that effort. Even with U.S. best efforts it seems unlikely that Operation Staunch can be restored to its former effectiveness.

More direct forms of U.S. assistance to Iraq do not make military or political sense. The Iraqi military is largely Soviet-supplied. Iraq has not recently had trouble obtaining weapons and therefore has no particular need of any U.S. arms sales; and the Soviet-trained Iraqi military would, in any event, have problems adjusting to U.S.

weapons. American arms sales to Iraq would undermine any diplomatic role the United States can play toward bringing the war to a close. Politically, moreover, such sales would be extremely controversial in the United States. For all the foregoing reasons, Iraq has not asked for U.S. weapons and the Administration would almost certainly not provide them.

4. The United Nations Option

The best way to prevent an Iraqi defeat is to end the Iran-Iraq war. This can only be accomplished, if it can be accomplished at all, through the concerted efforts of the world community. For this reason the most effective course open to the United States to defend its vital interests is through the United Nations.

The United Nations route holds promise for two reasons. First, in spite of many public statements to the contrary, Iran does care about international opinion. Iran sees itself as the aggrieved party in the conflict and very much wants the world community to recognize it as such. Therefore, the statements of the world community as expressed in the Security Council and the General Assembly do have an impact on Tehran.

Second, the United Nations provides the only effective means short of military action for the United States to restrain Iran's war machine. To continue the war Iran needs weapons and logistical support. To pay for its military equipment and other essential imports, Iran must export its oil. A unilateral U.S. embargo on arms sales to Iran and a unilateral boycott of Iranian oil can have only a marginal impact. Oil is easily marketed to other users, and weapons are (somewhat less easily) obtainable on the black market and from countries not participating in the embargo.

A mandatory U.N. arms embargo would not likely be air tight. It would, however, have greater scope and authority than any revival of the U.S. program, Operation Staunch. As the experience of the South Africa arms embargo suggests, black market sales will continue. But an U.N. embargo can make weapons more costly and limit access to the more sophisticated equipment.

A mandatory arms embargo that extended to non-lethal military equipment could significantly limit Iran's war fighting capabilities. While Iran has had to resort to the black market and renegade nations (such as North Korea) for weapons, it has been able to buy trucks, helicopters, speedboats, and parts freely in the international market. Some of these items have even been purchased in the United States. Without such dual-use equipment, Iran would find it hard to sustain its offensives.

Beyond an arms embargo, the United States should consider pursuing an economic boycott of Iran at the Security Council. A boycott would not make it impossible for Iran to sell its oil, but would greatly increase the cost of marketing and almost certainly force the Islamic Republic to offer deep discounts. These costs, of course, would reduce the revenues available to Iran to prosecute the war.

United Nations sanctions will be difficult to obtain. Further, such sanctions will not necessarily end the war. Sanctions would, however, limit Iran's ability to defeat Iraq. For this reason, the pursuit of sanctions should be at the center of U.S. efforts to cope with the crisis in the Persian Gulf.

III. THE GEOPOLITICS OF THE GULF STATES

The Persian Gulf is a shallow body of water, bordered by eight nations which account for most of the world's known oil resources. This reservoir currently provides to the world at least one out of every four barrels of oil consumed daily.

Although the 640-mile sea journey from anchorage off Fujayrah in the Gulf of Oman to Kuwait's Ahmadi channel normally takes only 48 hours, the trip can be hazardous. The environment is difficult in the best of times, with numbing heat and temperatures reaching 130 degrees Fahrenheit. Dust storms blow off the Saudi and Omani deserts, sometimes reducing visibility to a few hundred yards.

The Gulf is not easily navigated because of its extraordinary shallowness and narrow width. The average depth is only 115 feet, and in some places the Gulf is only 50 miles wide. Consequently, shipping channels are routes carefully followed by the oil super-tankers, which displace 300,000-400,000 tons. At the southern tip of the Gulf, the 35-mile wide Strait of Hormuz has two deep water channels—each only two miles wide and 330 feet deep. The complexities of navigation are compounded by congested traffic. Over 600 ships transit the Gulf each month, and 100 are present in the Gulf at any given time.

In the Strait of Hormuz, just off the Iranian mainland and about 30 miles from the deep water channels, is Qeshom Island, from which Iran commands the entrance to the Gulf. Deployed on Qeshom now are an unknown number of Chinese-made Silkworm missiles, each carrying an 1100 pound warhead (three times the weight of the Exocet missile that damaged the *Stark* on May 17 at the cost of 37 U.S. lives). The Silkworm's range is 50 nautical miles.

A. A WORLD OF VULNERABILITY

The Gulf's geography juxtaposes small states and large, and creates proximities that intensify the sense of vulnerability inevitably felt by the small. The Gulf waters, for example, are dotted with islands which thrust Iranian military threats still further forward. Among these, Farsi island has been used by Iranian revolutionary zealots as a base for speedboat attacks.

Meanwhile, territorial demarcations between one state and another assume acute importance in a region where even the smallest piece of land or territorial water may yield significant oil and gas revenues. Saudi Arabia and the United Arab Emirates, for example, maintain offshore oil drilling rigs atop large underwater reserves within a few miles of similar Iranian platforms. And Qatar and Iran divide between them control of a newly discovered field which many industry analysts believe will prove to be the largest single non-associated gas field in the world. For the Arab Gulf states, Iran is not a distant power: it is the next oil platform over.

The physical plant by which the Gulf supplies the world so much of its oil is concentrated along a narrow strip of the coastal plain covering a 600-mile stretch from Kuwait in the north through UAE's port of Fujayrah just 80 miles outside the Strait of Hormuz. Along this narrow coastal area are located all of the Gulf's desalination plants (used to produce the potable water that is the Gulf's

second important commodity); all its ports and anchorages; and most of its oil refineries, storage facilities, and petrochemical industries. Among the refineries are Aramco's massive facility at Ras Tanura and Kuwait's ultra-modern Al Ahmadi refinery at Mina Abd Allah. Such facilities are inherently vulnerable to attack by air, water, or sabotage.

On May 22, an apparent act of sabotage occurred at Kuwait's huge \$5 billion Al Ahmadi refinery. On our visit there on September 3, its manager told us that a ruptured pipeline connected to a large liquid petroleum gas (LPG) tank had caught fire after having been tampered with. "That incident," the refinery's manager told us, "came within a whisker of a major catastrophe. If we had not contained the fire, and the LPG tank had exploded this entire plant, all the neighboring communities to the north and south would have been vaporized."

Just a few hours after our visit to the Al Ahmadi refinery, Iran launched a Silkworm missile from Faw Peninsula—its first Silkworm attack against Kuwait. Reportedly, the missile traveled nearly 60 miles and landed within three kilometers of al Ahmadi's LPG production and storage facilities. On October 15, the Iranians scored a direct hit with a Silkworm from Faw on a U.S.-owned, Liberian-registered tanker berthed at the Ahmadi terminal.

B. THE INTERNAL SHI'A THREAT

Even without external threats, each of the Gulf states faces a range of challenges—from within. In three of the six states—Kuwait, the United Arab Emirates, and Qatar—foreign nationals outnumber the indigenous population. Dependence on expatriates—Pakistanis, Filipinos, Bangladeshis, Egyptians, even sizeable numbers of Iranians—extends to every facet of Gulf life except actual governance. Even in the manning of security forces, the Gulf states rely on expatriates to an extraordinary degree: They often provide administrative support for the military and, in at least one nation, actually serve in the armed forces.

Except in Oman, every Gulf state has a sizeable Shi'ite population. Bahrain, long ruled as a Sunni emirate, is 70 percent Shi'a, many of whom maintain family ties to relatives in Iran. Kuwait and Abu Dhabi also have large Shi'a populations, as does Saudi Arabia's eastern province, where Aramco's major oil facilities are located.

Throughout such states, serious strains exist between the Sunni and Shi'a communities, exacerbated by the appeal of the Ayatollah Khomeini's religious message and the universal sense of pride he has rekindled among all Shi'a Muslims. Especially in Kuwait, Iran has endeavored to recruit young terrorists and saboteurs among the Shi'a.

Currently Kuwait holds 17 members of the Shi'a Al Dawa (Call) Party, condemned to death for involvement in the 1983 bombing attacks on the American and French embassies there. All were drawn from the Kuwaiti Shi'a community and apparently trained and equipped with Iranian assistance.

Fears of continued recruiting activity among the Shi'a intensified in 1985, when an attempt was made on the life of Kuwait's Amir

Al Sabah. The suspects arrested in the attempt were also Shi'a, as was a refinery worker whose body was found near the ruptured LPG pipe at Al Ahmadi this past May.

Clearly, the extent of Iran's ability to influence and control the sizeable Shi'a population in the Gulf states is a question of major significance for the stability of the entire region.

C. REGIONAL VIEWS OF IRAN-IRAQ WAR

Each Gulf state views the Iran-Iraqi war through its own prism. While fearful of Shi'a fundamentalism, Kuwait and the UAE are also mindful of past Iraqi claims on their territory. Kuwait, however, has chosen to serve as Iraq's entrepot and thus as its de facto ally, whereas the UAE maintains strong commercial ties with Iran. In the south, Oman views Iran as a past benefactor, from whom it sought and received direct military support during Oman's struggle with the Dhofar insurgency in the early 1970s. Omani concerns tend to center more on Saudi Arabia; the Saudi Wahabis are Oman's traditional enemies, and several Saudi-Omani border disputes remain unresolved. In general, the three Gulf states in the north—Kuwait, Saudi Arabia and Bahrain—are more open in their criticism of Iran than the three southern states—Qatar, the UAE, and Oman—which are generally reticent in such expressions.

Two recent events have reshaped contemporary Gulf attitudes toward Iran. The first was Iran's occupation of the Faw peninsula last year and its surprisingly successful Basra offensive last winter, which brought Iran's revolutionary zealots to within 25 miles of Kuwait city and directly threatened Kuwait's Bubiyan island. It also cast a shadow over the entire northern Gulf littoral. A spill-over of the Iran-Iraq conflict, a possibility accorded little likelihood by the Gulf states at the war's outset, suddenly seemed a serious threat. Indeed, since occupying the Faw, Iranians have made at least three incursions, and fired as many as four Silkworm missiles, into Kuwaiti territory. The spill-over may already have begun.

The second event, cited by virtually every government leader with whom we met, was this year's July 31 riot in Mecca, Islam's holiest city. No other event in seven years of war—not the slaughter of hundreds of thousands on the battlefield, nor the disruption of Gulf shipping, nor acts of terrorism or sabotage—has so galvanized Gulf opinion. From the Amir of Bahrain to the Foreign Minister of Oman, Iran was judged to have violated Islam's most sacred place—a place, as one Minister told us, "reserved for worship for all believers from all lands." In violating that precept, Iran finally convinced many Arabs that it should be regarded as a pariah nation. Most Arab Sunnis now appear to believe that Iran's Shiite government is a dangerously hostile power.

In numerous conversations with Gulf officials, we were struck by a strong element of wishful thinking in their analysis of Iran's future direction. Repeatedly we were told that Iran's war fervor is waning, its domestic economy is in shambles, it knows it is isolated and cannot win the war, it would not risk confronting a superpower—and that therefore Iran will agree to a U.N.-sponsored cease-

fire to save face. This expectation, though genuine, seemed based more on hope than on evidence or analysis.

Although most Gulf officials acknowledged that a moderation in Iran's behavior might be unlikely under Khomeini, many subscribed to a theory first suggested to us by a government minister in Bahrain. According to this postulate, contemporary Iran is analogous to Nasser's Egypt in the 1950s. Gamal Abdel Nasser was a strong, charismatic, revolutionary leader, preached a message that was pro-Islam, anti-Western, expansionary—and yet Nasserism did not survive him. His successor, Anwar Sadat, though his deputy from the beginning, broke Nasserism's spell, taking Egypt after the 1973 war in a radically different direction. On the basis of this analogy, numerous Gulf officials found reason for hope that Khomeini's fundamentalist revolutionary fervor will die with him and his successors will seek a more moderate course.

A less reassuring interpretation, however, arises from an historical paradigm which divides a revolution—such as the French and Russian revolutions—into several stages. Under this interpretation, Iran's revolution has moved from the consolidation stage to a zealous missionary stage characterized by military expansion and fueled by an absolute conviction that its revolution alone possesses the truth. Iran's behavior fits the model well. Its diplomatic isolation, far from being worrisome to Tehran, is accepted by a by-product of possessing and preaching the truth, its very isolation providing evidence of the regime's legitimacy as the true light of Islam. This claim to infallibility has emboldened Iran's leaders to challenge Saudi Arabia's Sunni leadership in its role as guardian of Islam's holy places, to spurn U.N. and Arab League peace missions, and to pursue the war with Iraq with the conviction that right—and Allah—are on the side of Iran.

Gulf leaders, even while voicing optimism about Iran's future moderation, wonder just what events will bring such fanaticism to an end.

D. THE GULF COOPERATION COUNCIL

In 1981, motivated by common fears, a sense of shared vulnerability, and a mounting desire to protect themselves against possible spill-overs from the Iran-Iraq war, the six states on the western Gulf littoral collectively organized themselves into the Gulf Cooperation Council (GCC). Operating through a general secretariat, the GCC formally aims to promote collective defense and security, foster economic integration, coordinate foreign policy, and encourage social, cultural and educational exchanges among its members.

The reality is that, over six years, little real progress has been achieved in pursuit of these goals. Handicapped by bickering and border disputes among its members, mutual suspicions, and longstanding cultural divisions—the long simmering rivalry between the Omanis and the Wahabis, for example—the GCC has managed to serve as little more than a forum for the smaller Gulf states to air their concerns about the deteriorating situation in the region and to present a common front at various multinational gatherings such as the U.N. General Assembly or meetings of the Arab League.

The GCC's most glaring deficiency has been its failure to foster any movement toward a collective security force. Understandably, each member maintains its own separate armed forces, with diverse arms suppliers (the British for Oman, the French for Qatar, the U.S. for Saudi Arabia). But there has been little progress toward true coordination of forces. Except for a few joint maneuvers, the only tangible sign of progress toward a common defense has been the token contribution by each GCC member (except Oman) to the formation of a joint "Rapid Deployment" brigade, stationed at King Khalid military college in Saudi Arabia. More a symbol of cooperation than a deterrent force, the GCC brigade is prohibited from being deployed in conflicts unless explicit consent is granted by all six members.

In many ways the weakness of the Gulf Cooperation Council mirrors the political fragility of many of its members. Consensus is elusive, and individual defense capabilities range from moderately effective (the Saudis and Omanis) to weak (the UAE, Bahrain, Qatar, and Kuwait). For the foreseeable future, if the Gulf is to be defended, its protection will not come from within. Outside assistance will be required.

E. ATTITUDES TOWARD THE UNITED STATES

In our interviews, officials throughout the Gulf evinced ambivalence about American policy. Several of the Gulf states were privately critical of the U.S. decision to reflag the Kuwaiti oil tankers, for example, but all agreed that now that reflagging was a *fait accompli*, it could be reversed only at great cost to U.S. credibility in the region. While supporting a U.S. naval presence in the Gulf as a deterrent force, officials in every country we visited criticized what they regarded as the highly provocative way in which U.S. forces are being deployed. Such ambivalence was manifest in how these states approached several key issues:

Reflagging. Initially, most of the Gulf states were anxious about the U.S. decision to reflag 11 Kuwaiti oil tankers. They worried about its implementations for superpower intervention in the Gulf and the unpredictability of Iran's response. Some were also critical of Kuwait for failing to consult with its neighbors before taking unilateral action to invite Soviet and American protection for the Kuwaiti fleet. Acknowledging these concerns, almost all officials we met agreed that now that the die is cast, the U.S. cannot retreat from its public commitment to protect Kuwait's vessels. Underlying much of the discussion was sympathy for Kuwait's position. "After all," one government minister told us, "what choices does Kuwait have? It is facing Iran's army in the Faw, its own military is simply too small to prevent a major assault if it came to that, and it needs protection. It had to do what it did."

Convoying. Although supportive of the U.S. naval presence in the Gulf, official after official expressed the same concern: "Why do you Americans have to do this sort of thing with so much fanfare?" Many officials reminded us that satellites now bring U.S. network news to all of the Gulf, enabling the Gulf states to follow the give-and-take and controversy of U.S. public debate.

The style of leadership in the Gulf is quite different, of course—a closely held family affair. Ministers who are first cousins and brothers of the ruling head of state simply do not take public issues with a policy decision he might make. Repeatedly we were struck by an almost allergic reaction on the part of government officials in the region to any possibility of publicity to their real attitudes toward the Iran-Iraq conflict or to their actual level of cooperation with the U.S. Navy in the convoying program. Assistance might be forthcoming by way of logistical support, or even access to facilities—just so long as no public attention accompanied it.

Besides an habitual aversion to the klieg-light scrutiny of the Western media, Gulf state officials have a practical fear that broadcasting their cooperation with the U.S. can only prove harmful to their long-term interests. Iran has publicly threatened Kuwait and others in the region with punishment of an ill-defined nature precisely because they are cooperating in U.S. naval operations. Countries like Bahrain are especially sensitive, with their proximity to Iran, their large Shi'a populations, and their already established arrangements of administrative support for the U.S. Gulf force.

Iran-Contra Aftermath. Perhaps the single largest factor contributing to the ambivalence toward the U.S. is the question of American reliability. And here the United States is clearly paying a heavy price for the Reagan Administration's secret arms sales to Iran. The revelation of this policy last November has continued to reverberate through Arab officialdom. How could the United States ever decide to sell weapons to Khomeini's radically aggressive regime, whose military victory over Iraq would so clearly injure Western interests throughout the region?

The loss of credibility was also a personal matter. Suddenly the word of American Ambassadors could no longer be trusted. Even if they were honest, how could one know whether their representations had to be discounted because they were not privy to decision-making in Washington? This legacy of mistrust and suspicion will, by all accounts, be long lasting.

Many officials seemed uncertain whether to ascribe the Irangate matter to sheer incompetence on the part of a amateurish rogue unit in the White House, or to assign a more cynical, Machiavellian interpretation to the affairs. Under the latter view, the U.S. may be inclining to conclude that its strategic interest mandate a rapprochement with Iran, which—given its desperate need for military equipment and spare parts—may be agreeable. This way of thinking creates a substratum of doubt that sooner or later the United States may jettison its support for the smaller Gulf states in order to pursue an accommodation with Iran.

In voicing such concerns, Arab officials inevitably cite Lebanon. To leaders in the Gulf, the U.S. pull-out from Beirut in October 1983—only weeks after President Reagan's profession of determination to stay indefinitely—stands as the quintessential symbol of American inconstancy. It is clear that the doubts associated with this image continue to limit the cooperation of Gulf leaders are willing to extend to the American military presence.

F. ATTITUDES TOWARD THE SOVIETS

Three of the six Gulf Cooperation Council states have now normalized their relations with the Soviet Union—partially out of desire to balance the superpowers' influence in the region, partially to establish some direct contact with their large neighbor to the northeast. Almost ritualistically, Gulf officials remind American visitors that whereas the U.S. is 7,000 miles away, the Soviet border is barely 600 miles from Kuwaiti oil facilities. Moreover, with base access in the British-built port of Aden, the Soviet navy is never far away.

Traditionally, the Soviets have been Iraq's primary arms supplier—a relationship accorded much significance by all Gulf military officials. What is new in the last year is that seven additional Soviet naval vessels have been deployed in the region, mostly just outside the Strait of Hormuz in the Gulf of Oman, ostensibly to protect and escort Soviet-flagged ships headed for the northern Gulf.

While Gulf leaders voice nonstrums about needing to balance their relations with the superpowers, their cultural and commercial orientation is clearly toward the West. Their Muslim societies harbor a deep, abiding suspicion of the Soviet Union arising from its perceived hegemonic designs on the region, its hostility to religion, and its invasion of Islamic Afghanistan. Even when pragmatic considerations motivate limited cooperation with the Soviets—joint support for a U.N. cease-fire resolution was often cited by those we interviewed—an enormous divide remains between Moscow and the Gulf states. Thus, as the Soviets seek opportunities to establish new relations in the Gulf, their influence will inevitably be limited by ingrained Arab suspicions, especially among those Saudis whose influence in such matters is considerable.

Precisely because the Soviets are kept at arm's length even by those states which have normalized relations with them, Kuwait's playing of the so-called "Soviet card"—discussions with Moscow about reflagging Kuwaiti vessels under the Soviet banner—was almost universally described by Gulf officials as a clever maneuver to entice the United States to undertake the task. Few officials attached any credibility to the idea that the Kuwaitis ever seriously considered reregistering all 11 tankers under Soviet license. As soon as the United States responded to Kuwait's request by offering to reflag the 11 vessels, Kuwait swiftly abandoned an earlier proposal that the U.S. take six and the Soviets the remaining five.

G. MILITARY STATUS OF THE GULF STATES

While the six Arab states on the western and southern edges of the Persian Gulf have apprehensions regarding both Iraq and Iran, none, with the limited exception of Saudi Arabia, has taken steps to develop a navy, army, and air force that could successfully defend against an attack in strength by either Iran or Iraq. For the moment, there is a deep-seated concern as to what would happen if Iraq fell to Iran. This has led both Kuwait and Saudi Arabia to help the Iraqis financially and to facilitate the flow of military equipment to Iraq. But the same fear of Khomeini has also led

most of the Gulf states to avoid scrupulously any direct confrontation with Iran.

The danger posed by Iran's revolution was a central motive in the Gulf states' decision in 1981 to establish the Gulf Cooperation Council. As discussed earlier, however, the GCC has accomplished little, beyond some joint maneuvers, to provide for a common defense. Accordingly, each of the Gulf states would likely have to look to its own defenses in the event of a strike by Iran. As matters now stand, both Iran and Iraq have sufficient military forces to overwhelm any of the Gulf states with sustained ground attack.

Kuwait. Given their vulnerability, Kuwaitis appear delighted to have achieved a "balance" of help between the United States and the Soviet Union—the United States guarding oil and the Soviet protecting armament shipments. Kuwait has also approached all other permanent members of the United Nations Security Council and can be expected to seek other participation. As one official told us, Kuwait wants as many foreign flags as possible.

Kuwait's premise is that the involvement of others has provided a critically important buffer between them and the Iranians, making it more likely that attacks will occur at sea rather than against Kuwait itself.

Kuwait's military appears of mixed quality. Only a minority are Kuwaitis, most of them officers. The ranks are filled primarily with non-citizen Bedouin. Kuwaiti forces also include British, Jordanians, Palestinians, and Egyptians seconded or on contract. Units are well below authorized strength. Kuwait has conscription, but exemptions may be obtained, and conscripts are not generally thought to be particularly diligent or effective. Key problems remain unresolved. Exercises are infrequent, and multiservice exercises are virtually non-existent. If there were a land attack, it is not clear that Kuwait's air force and navy could or would coordinate their response effectively.

So far, the Kuwaitis have refrained from deep involvement in protecting tankers operating in their territorial waters, providing neither fighter air patrols nor helicopter escorts. Since reflagging, there has been some navy involvement. In the case of one U.S.-flagged tanker which arrived in port during our visit, the Kuwaitis assumed responsibility from the U.S. naval escort when the tanker reached territorial waters, escorted it for about 20 minutes of a three-hour run to port, then departed for other business, leaving the captain, who was on his first run into Kuwait, to make port as best he could.

Bahrain. Of the Gulf states, Bahrain is the most closely aligned with the United States and other Western nations, providing the base port for the U.S. Navy's Middle East Force. The protective aegis which results is important to Bahrain, since it has the weakest armed forces in the region. Bahrain courts close ties with Saudi Arabia and other GCC members and is careful to provoke neither Iran nor Iraq. Bahrain is thought to be quite responsive to U.S. needs, and has been helpful to the United States within its capabilities. Bahrain helicopters were involved in search and rescue during the *Stark* incident and are credited with rescuing four American seamen.

Saudi Arabia. The Saudi military is unquestionably the strongest among the Gulf states, having acquired some of the most sophisticated military equipment in the world from the United States, France, and Britain.

The most capable of the services is the air force, which has three squadrons of F-15s equipped with advanced air-to-air missiles. The ground attack capability is centered around four squadrons of F-5E aircraft and British Tornado aircraft. The Saudi air force also has a limited helicopter-based troop transport and search-and-rescue capability.

The Saudis have given priority to the development of their air interception abilities. Morale was boosted considerably several years ago with the downing of an Iranian Phantom that had intruded into Saudi airspace. At present, the Saudis use combat air patrol fighters to protect both U.S. AWACS and Saudi AWACS. Generally, we were told, fighter aircraft are kept in high states of readiness. The Saudis have made considerable progress in air force improvements, but personnel shortages remain a serious problem, as does continued heavy reliance on expatriate contractors and advisors.

The Saudi Arabian National Guard, which is separate from the defense ministry and organized along tribal lines, is rated as second to the air force in priority and capability. The National Guard has the task of providing forces to defend vital oil-related facilities and to maintain security and stability within the Kingdom.

The army and the navy are generally believed to receive less priority and to suffer lower states of readiness. Problems include shortages of quality personnel, varying levels of discipline and leadership, and continued reliance on foreigners for maintenance and support. The Saudi population is not characterized by a great enthusiasm for military service, and the government has not instituted conscription.

The four-boat Saudi minesweeper force has been active in sweeping channels in the area despite serious shortcomings in personnel and training. Nonetheless, the Saudis have made it clear that they do not wish to be involved in efforts to clear international waters. Nor do they wish to base American combat aircraft or helicopters which support the U.S. convoy protection program.

Qatar. The military services of Qatar are small and lack experience, although efforts are being made to forge a more modern force. At present, the force has a very limited capability against any threat by Iran, but it would in any case be beyond Qatar's grasp to create a force which could do more than repel occasional strikes.

United Arab Emirates. The United Arab Emirates also view Iran as the primary external threat—a view underscored last November when an Iranian F-4 attacked the central processing complex in the Abu-Bakoosh oil field. As a result, the UAE government has determined to improve its defenses. The present level of capability was demonstrated this summer when the Iranians laid mines in the Fujayrah area. The navy searched for mines, declared the area cleared, and then almost immediately lost a patrol boat hit by a mine. The UAE leadership turned down offers for help, but ap-

pears to have no independent capability to handle a minesweeping operation. At the time of our visit, the problem was unresolved. It could become a serious problem if Iranian minelaying in UAE waters proves more than an isolated incident.

Oman. Unlike the other Gulf states, Oman does not view Iran as particularly threatening. Indeed, Oman, with strong commercial and cultural ties to Iran, sees itself as something of a broker between Iran and others. Although Oman is a full member of the Gulf Cooperative Council, it is something of a reluctant participant, and it is the only Gulf state which refuses to provide forces for the brigade established by the Gulf Cooperation Council.

Unlike the other Gulf states, Omanis appeared not especially concerned by the disclosure of clandestine U.S. arms sales to Iran, viewing the effort as ill-advised and inept but not immoral. Omanis are more inclined to turn their wrath upon Iraq, which they argue started the war and attacked *Stark*.

The Omanis view South Yemen as the principal threat to them, but not an immediate one. South Yemen gave strong backing to the Dhofar rebellion in the 1970s, which was eventually quelled by Oman with substantial Iranian help, including troops.

Although the Omani armed forces include a number of foreigners, particularly British officers and non-commissioned officers, the army is considered the best-led and most capable of those in the Gulf states. The air force and navy are much smaller and less capable, but they too are given good marks by observers.

The United States and Oman signed a military facilities access agreement in 1980, the only formal U.S. base agreement in the Gulf. Under that agreement, the United States has developed three large depots for prepositioning of equipment. The air base at Masirah is used, as are other fields, for flights bringing in equipment, food, and supplies for the U.S. fleet off the coast. We were told it would be much more difficult, if not impossible, to operate the naval task forces off the coast if it were not for the access to facilities in Oman, which is generally ranked with Bahrain in terms of its level of cooperation with the United States.

H. PRESSURE FOR ARMS SALES

Clearly, pressure is building in the Gulf states for new arms purchases, in particular air defenses, such as new aircraft and Stinger missiles.

Kuwait will be seeking new aircraft to replace the present A-4 force, as well as a better radar system to augment the present low-level radars.

Bahrain received approval to buy a squadron of F-16 aircraft with missiles, parts, and support for a total of \$400 million earlier this year. The purchase put a strain on the Bahraini budget, we were told, forcing the delay of needed housing projects. It is unlikely that Bahrain will be interested in other large purchases for the near future. However, Bahrain is pressing hard, with the encouragement of some U.S. officials, for Stinger missiles for close-in protection from air attacks.

The *Saudis* will continue to look to the West, particularly the United States, for major arms purchases, although the pace will

abate because much of the buildup of forces has been completed and because of reduced oil revenues.

Qatar will probably be seeking sophisticated new fighter aircraft over the next several years, but is not expected to move quickly because of the need for a new air base. *Qatar* also wants Stingers.

The *United Arab Emirates* is now in active search for equipment to defend offshore oil fields and coastal installations. A decision on a new fighter aircraft may be made by the end of the year. Military officials indicated that they wished to purchase improved Hawk missiles and have not been able to get a response from Washington. In addition, the UAE has asked for Stinger missiles. We were told that the request has been denied, to the obvious consternation of the UAE military.

Oman is in the market now for a new fighter to replace an aging fleet, as well as for new air-to-air missiles and small equipment purchases for the army.

Clearly, most of the Gulf states are placing high priority on improved air defenses, and the prospect is that the Administration and Congress will have to address requests for limited numbers of high-performance aircraft.

We found that four of the six Gulf states are actively considering F-16s or similar aircraft. Of the exceptions, Bahrain has already purchased F-16s, and the Saudis already have sophisticated F-15s and Tornados. If these sales go forward, they would involve the acquisition of at least 60 top-of-the-line fighter aircraft and would constitute a force equal in number, and far superior in fire-power and readiness, to the entire Iranian air force.

The Stinger missile is likely to be a thorny problem. Particularly because of the attention Stingers have received from their reported effectiveness against Soviet helicopters in Afghanistan, they are now viewed by Gulf leaders as an effective, low cost adjunct to an air defense arsenal. In fact, Stingers are of limited utility against high performance aircraft except in the most favorable circumstances. Moreover, in contrast with fighter aircraft, the Stinger would appear to be of dubious value, or even dangerous, if used in defense of oil installations. As U.S. officials in the region have pointed out, a Stinger heat-seeking missile fired in defense of a refinery or an off-shore installation flaring gas would be much more likely to destroy the installation than the intruding aircraft. (Despite this consideration, one of the countries we visited continues to press for Stingers to defend oil facilities.)

A crucial factor is the danger of diversion. Because of its size and potential utility against such targets as airliners, the Stinger would also be the weapon of choice for terrorists. Accordingly, it would seem ill-advised for the United States to release any Stingers for sale when there is the slightest risk they could fall into the wrong hands.

IV. THE U.S. ROLE IN THE GULF

In numerous public statements, Administration officials have cited the fact that the U.S. has maintained a military presence in the Gulf since 1945, as if to suggest that the considerable naval build-up of the past five months is an extension of past policy. Fundamental differences, however, separate the traditional U.S. role and the new responsibilities undertaken in recent months.

A. THE TRADITIONAL U.S. MILITARY PRESENCE

In 1948, the United States established a small Persian Gulf Command. Its purposes was to show the flag, help in developing relationships with regional states, provide emergency services at sea, procure fuel oil for U.S. military forces, and conduct hydrographic surveys. In August 1949, the force was renamed the Middle East Force. It has remained in the Gulf ever since. In the aftermath of the 1973 Middle East war, Bahrain, the host country, citing pressure from other Arab states, decided to put the Middle East Force more at arm's length and ordered the United States to give up its dedicated berthing space and close its headquarters. The United States was permitted, however, to keep a small Administrative Support Unit ashore and the flagship, U.S.S. *LaSalle*, was allowed to use regular berth space on the same basis as other ships under a leasing arrangement. Headquarters for the Middle East Force is aboard *LaSalle*.

In the early years, the force consisted of the flagship and two combatants. After the 1973 Arab-Israeli war, the visible presence at Bahrain was lowered and the ships spent more time at sea, visiting other ports in the Gulf and down the African coast.

The current U.S. commitment to Gulf security traces to President Carter's 1980 State of the Union address, given one month after the Soviet invasion of Afghanistan. The "Carter Doctrine" pledged that the United States would act to prevent attempts by "any outside force" to control the region and that any such attempt would be considered an act of war. In 1980, the U.S. Middle East Force was expanded by two ships, and for a period two U.S. carrier battle groups were deployed to the Indian Ocean.

It is a noteworthy irony that when the Carter Doctrine was first announced in early 1980 Kuwait's Foreign Minister protested such a sweeping U.S. commitment, arguing that "the people of this region are perfectly capable of preserving their own security and stability." Time changed Kuwait's attitude.

B. REFLAGGING

Almost from the beginning of hostilities between Iran and Iraq in late 1980 Kuwait put aside its past differences with Iraq (Iraq had periodically laid claim to much of Kuwaiti territory) and offered its support. This "strategic marriage of convenience" with Baghdad was based on Kuwait's profound mistrust of the radical religious clique that a year earlier had taken charge in Iran. Ayatollah Khomeini's brand of Islamic fundamentalism was anathema to Kuwait's conservative ruling Sunnis, and they quickly moved to assist the Iraqis, hoping perhaps that a quick Iraqi military success might topple Tehran's revolutionaries from power.

Kuwait permitted the use of its airspace for Iraqi sorties against Iran, agreed to open its ports and territory for the transshipment of war materiel (mostly of French and Soviet origin), and joined with the Saudis in providing billions of dollars in oil revenues to help finance the Iraqi war effort. In clear and unmistakable terms, Kuwait took sides.

Iraq escalated the tanker war in 1984 only after shifting most of its oil exports to pipelines. Thus did Kuwaiti shipping—tankers and cargo ships carrying contraband to Kuwaiti ports—become the primary targets for Iran's retaliatory attacks in the Gulf. Of the 35 vessels known to have been attacked by Iran in the first two years of the tanker war, 26 were bound to or from Kuwaiti ports.

In our meetings with Kuwait's Minister of Oil and officials of the Kuwaiti Oil Tanker Company (KOTC), the consequences of Iran's increasing attacks were put in stark terms: Kuwait was losing money. Because of the dangers involved, tankers and crew has become less available (indeed, the Japanese Maritime Union has formally adopted a policy of refusal to serve on Kuwaiti tankers). And customers were shopping elsewhere for oil, seeking less exposed suppliers. Moreover, these developments coincided with a world oil glut, a buyers' market in which other suppliers were only too eager to take up the Kuwaiti slack. Iran's targeting strategy was succeeding.

According to the KOTC version of events, Kuwait simultaneously approached both the U.S. and the U.S.S.R. in September 1986 seeking the protection of their flags. The U.S. response was characterized as matter-of-fact: positive in principle but only if Kuwait could qualify under stringent U.S. codes and regulations for such a procedure. The United States did *not*, according to KOTC officials, offer to provide naval protection for the reflagged ships. Nor did the Kuwaitis request it, in large measure because of their belief that Iran would not dare attack vessels flying the American flag. Within the Administration, the operative assumption appears to have been that the Middle East Force could, perhaps with slight augmentation, handle the resulting responsibilities.

In contrast to the U.S. response, the Soviet reaction to Kuwait's initiative was swift: an offer of full cooperation. Accordingly, in January 1987, KOTC dispatched a high level delegation to Moscow to negotiate specific terms. The Soviets offered Kuwait any suitable number of vessels on a charter basis, but lacked the larger tankers Kuwait needed. The Kuwaitis then suggested a reflagging arrangement. The Soviets responded that, while they had no such procedure, they would make a one-time-only exception and reflag 11 Kuwaiti tankers.

Only after these talks were made known to the U.S., KOTC officials informed us, did Secretary Weinberger (in March letter) declare American willingness both to reflag all 11 vessels and provide them naval protection. The Kuwaitis promptly accepted the U.S. offer, rejected Soviet importunings to reflag some tankers under Soviet protection, and limited the Soviet role to the charter of three smaller vessels "to provide a balance between your two countries."

In testimony before the Foreign Relations Committee on June 16, Under-Secretary of State Armacost stated that "the Administration

carefully considered the Kuwaiti request and reaffirmed as a policy decision to provide the same type of protection for the Kuwaiti reflagged vessels as that accorded other U.S. flagged vessels operating in the Gulf." He described Kuwait's reflagging request as "an unusual request in an unusual situation."

The Administration's reflagging decision appears to have been made hastily, with two motivations: to restore a U.S. credibility that stood badly damaged by revelations of arms sales to Iran; and to preempt Kuwaiti plans to establish a protection regime with the Soviet Union. Having originally, by its own admission, treated the Kuwaiti request routinely, the Administration moved suddenly in March—after the Kuwaitis' talks in Moscow—advancing quickly from the concept of reflagging to that of reflagging and convoying: a full protection regime.

Even then, the Administration apparently did not view the operation as particularly controversial. Congressional notification of a final decision came in the last week of March, in closed testimony, with scant notice of the protection aspect of the plan.

Nor were U.S. allies consulted until well after the decision to reflag. Not surprisingly, when suddenly asked for support they demurred. Among NATO allies there was no enthusiasm and much concern about the risks associated with a more forward U.S. policy in the Gulf that could result in direct hostilities with Iran.

Amid warnings that Iran would react to the U.S. reflagging, the U.S. agreed to expedite the process and on July 22 proceeded to escort the first two reflagged tankers through the Gulf. On July 24 the 400,000 ton tanker *Bridgeton*—the first of the reflagged Kuwaiti ships—struck a mine. Although the primitive World War I-design, that mine would, had it contacted an escorting U.S. naval vessel, in all likelihood have sunk it. Unfortunately, the Administration's threat assessment had not extended to mines, and there was no protection against them either for the tankers or for the Navy's escorts.

This episode highlighted the inchoate nature of the reflagging/convoying operation. The logistical details of escorting reflagged vessels seem to be worked out long after the decision to reflag had been made, and not as an integral part of the decision itself. No Kuwaiti contributions to the cost of the reflagging operation were asked for or received, nor was their military requested to provide air cover to the convoys as they moved Kuwaiti oil exports through the Gulf. And the Kuwaitis never volunteered. Queried on this aspect of the reflagging policy, one Kuwaiti government official told us this: "They are your vessels now, it is your responsibility to protect them."

The reflagging/convoying process has involved confusion. In Kuwait we toured the newly reflagged oil tanker *Surf City*. The U.S. captain seemed frightened by the escorting procedures and ill prepared for what to expect. His crew was mostly non-English speaking, making communication difficult in the event of an emergency. While such problems appeared inherent in the reflagging scheme, other, soluble problems remained. Kuwaiti naval authorities, charged with escorting *Surf City* through Kuwaiti territorial waters, had failed to guide it through the Ahmadi channel to port.

Implementation of the reflagging/convoying decision has produced a steady naval buildup. In addition to the 12 ships assigned to U.S. Middle East Force in the Gulf, the U.S. has dispatched the aircraft carrier *Ranger* and its carrier group, and the battleship *Missouri* with its battle group. Following the *Bridgeton* incident, at least four Korean war vintage minesweepers have also been sent to the Gulf.

On September 21, as part of a carefully planned naval intelligence operation, U.S. forces fired for the first time on an Iranian naval vessel, killing three Iranians and capturing 26 others caught in the act of laying mines in international waters. While this action was warranted by the immediate circumstances, the U.S. found itself for the first time in hostilities with a nation to which, only one year ago, it had sold arms in pursuit of a "strategic initiative" designed to restore relations between them.

C. THE IRANIAN THREAT

Iran's use of mines should not have come as a complete surprise. In the weeks before the *Bridgeton* incident, a 20-member U.S. mine disposal team was sent to clear mines in waters near Kuwait. With some help from the Kuwaiti forces and Saudi minesweepers, the team cleared or destroyed about 10 mines.

The *Bridgeton* incident and subsequent mine discoveries made it clear that the Iranians were prepared to lay mines in international waters and over wide areas. At the time of our visit, the Iranians had not been caught red-handed laying mines, but there seemed no question even then in anyone's mind that the Iranians were the culprits. The general view among U.S. officials stationed in the Gulf was that the Iranians had concluded that minelaying was an effective way to confront the U.S. Navy and other navies at low risk of immediate discovery and retaliation. Acts of the unseen "hand of God" thus became the first major military move against the United States.

After years of treating minesweeping as a tertiary priority at most, the Pentagon was caught unprepared to deal with a significant minelaying threat. At the time of our visit, Admiral Harold Bernsen, commander of U.S. MIDEASTFOR, and his staff were busily trying to patch together an effective mine removal operation. The Middle East Force had received four minesweeping vessels—small, almost antique craft unable to operate in heavy seas and too slow (six-knots top speed) to sweep just ahead of a convoy. The Navy expects to deliver six ocean-going minesweeping ships to the Gulf by the end of October. These ships, too, are old and well-used. Several naval officials expressed concern that the age of these vessels would limit their effectiveness because of high maintenance requirements. The first vessel in a new class of minesweeper—*Avenger*—is to be completed in October after protracted delays, but it was not clear when that ship or subsequent ships in the class would be available for duty in the Gulf.

When the need was clear, the Kuwaitis made two tugboats available to the Middle East Force. These were fitted with minesweeping gear and placed in service. By the time of our visit, the Navy was also operating Sea Stallion helicopters from the amphibious as-

sault ship *Guadalcanal*. Two large barges the size of football fields have been provided by Kuwait. The barges have offices and rooms for about 150 servicemen. Admiral Bernsen informed us that he plans to have the barges in place in late September and expected to operate small patrol craft, minesweeping vessels, and helicopters from the barges. The assumption is that there is little threat from the Iranian air force or navy in the western side of the northern Gulf because of effective air control by the Iraqi air force. The primary threat in that part of the Gulf will continue to be mines and small speedboats. Admiral Bernsen hopes, through vigorous patrolling, to prevent much of the mining and to be able to deal with those mines which are laid with the boats and helicopters equipped for sweeping.

The Iranian patrol boats operated by Iran's revolutionary guards are less a threat to the tankers *per se* than to the crews. The patrol boats generally attack with small arms and machine gun fire, as well as rockets (RPGs) and grenades. These harassing attacks have had a definite intimidating effect. Tanker owners are reluctant to arm the tankers for three reasons: fear that their status as non-belligerents would be jeopardized, the crews lack both weapons and training, and the dangerous volatility of the tankers themselves.

In the area around the Strait of Hormuz and north toward Bahrain, the Iranian threat is much more conventional, consisting of a limited number of U.S.-provided F-4, F-5, and F-14 fighter aircraft, a small navy, and Silkworm missiles.

The air threat is generally discounted, since the Iranian air force has been in steady decline following the Shah's fall in 1978 and the termination of direct American involvement with the Iranian military. This decline has been exacerbated by grievous losses in the course of the war. The Iranian supply of operational fighter aircraft has declined from several hundred in 1980 to perhaps 70 today, and most observers believe that the Iranians will be wary of risking any in pointless confrontations. The pressure on Iran to conserve aircraft is intense because Iraq's air force has doubled to roughly 600 fighter and attack aircraft in this same period, giving it nearly complete control of northern Gulf air space and a great tactical advantage over Iran in the war.

The small Iranian navy has two destroyers of U.S. origin and one of British origin, as well as four frigates. The ships have anti-ship missiles which have been used in attacks in the past, but there are real questions as to the operational status of the ships and their systems.

The Silkworm missiles are a formidable potential threat. So far, although there was a test firing in February, the missiles placed in the Strait area do not appear operational. Although the Iranians have fired several Silkworms in the northern Gulf, there has been no such activity or apparent threat of action in the lower Gulf and Strait area. Nonetheless, the Silkworm missile has a 1,000 pound warhead and could do awesome damage against a ship. Accordingly, the U.S. Navy remains poised, and the imminent activation of Silkworms would almost surely lead to preemptive U.S. action.

So far, the contact mines encountered have been of two types. One type carries 25 kilograms of explosives and is designed to float. The second holds 250 kilograms of explosives and is tethered, al-

though they do break loose. Current estimates are that Iran has sown three mine fields in the Gulf with a total of 60 mines. There have been alarming indications both that the Iranians are building new mines and that they may be acquiring new so-called influence mines from Libya which can be activated by sound waves or the vibrations of passing ships. These and other sophisticated mines which the Iranians could obtain would be still more difficult to detect and defuse, and their introduction would significantly increase the mine threat in the Gulf.

D. THE EXPANSION OF U.S. AND OTHER FORCES

U.S. Forces. At the time of our visit, the Middle East Force had grown to 12 ships: *LaSalle*; the helicopter carrier *Guadalcanal*; a landing ship dock used to carry the minesweeping boats and other craft; the destroyer *Kidd*, which serves as convoy leader; two cruisers; and six frigates. Ironically, *Kidd*, which is better armed than most ships of its class for the kinds of threats faced in the Gulf (it has guns and missiles both fore and aft), is one of four destroyers ordered by the late Shah of Iran, but taken over by the U.S. Navy when the Shah fell.

The Middle East Force has direct communication links with both the U.S. AWACS aircraft based in Riyadh, which fly continuous patrols west of the middle Gulf region, and with the Saudi AWACS, which are put on station when convoy operations are underway in the Strait and the lower Gulf. The AWACS keep track of all air traffic in the region and, in effect, assist U.S. naval air operations in the Gulf.

A U.S. carrier battle group normally operates in the area of the North Arabian Sea and the Gulf of Oman. *Ranger* was on station at the time of our visit; it carries early warning and surveillance aircraft, as well as interceptors and attack jets. Air cover consisting of fighters and attack planes is kept up on patrol whenever convoy operations are underway. Also on station is a battleship battle group led by *Missouri*. The two battle groups normally contain about 15 ships.

As a result, the total U.S. presence totals nearly 30 ships and represents the greatest concentration of naval firepower in a region since the Vietnam war. At least 15,000 U.S. naval personnel are directly involved in Gulf operations, and their number is growing.

Soviet Forces. As of early September, 9 Soviet naval vessels were in the Gulf, in contrast to none a year ago. The Soviets also patrol in the area of the Gulf of Oman; they have had an Indian Ocean presence since 1967. The Soviet naval presence appears to have two missions: first, to escort the three Soviet tankers chartered by the Kuwait Oil Tanker Company since this spring; second, to escort merchant ships traveling to Kuwait with military and other supplies for Iraq. Since last fall, the Soviets have escorted over 40 transits of arms carriers to Kuwait.

Allied Forces. As the United States prepared to commence its escort operations in June, the NATO allies voiced no support for the U.S. operation despite intense Administration entreaties, including a visit to Europe by Secretary Weinberger. However, in the

aftermath of a July 13 attack on a ship carrying the French flag, the French became involved in the Gulf with warships accompanying, rather than escorting, vessels flying the French flag. The French are also committing up to six minesweepers. As before, the French have a carrier and carrier battle group operating in the Gulf of Oman and northern Arabian Sea. At present, there are more French-flagged ships in the Gulf area than there are U.S.-flagged vessels, and the French have now committed about one-half of their warships to the region.

In August, the British government decided to send four minesweepers to the Gulf, thus reversing an earlier decision. The vessels will operate from the Gulf of Oman as far north as Bahrain. The British are also accompanying British-flag vessels as a continuation of a practice which began in December 1980 with the outbreak of the Iran-Iraq war. In addition, a Belgian force of two minesweepers and one support vessel has been sent to the Gulf; and Italy is sending three minesweepers, three frigates, a supply ship, and a salvage vessel.

At the time of our visit, it was not clear just what level of coordination and cooperation would evolve among the allies. At a meeting of NATO defense ministers in May, Secretary of Defense Weinberger was informed that the allies would not engage in a joint military mission in the Gulf with the United States. Since that time, as the Europeans have become more involved in the region, informal contacts have developed and there have been ship-to-ship visits. As of our visit, it appeared clear that at least informal arrangements would evolve, if not joint activities. One likely division of labor would have the French, British, Belgians, and Italians take on much of the responsibility for minesweeping operations in international waters in the lower Gulf, while the United States concentrates its efforts in the upper Gulf.

E. AMERICAN POLICY: SHIFTING RATIONALES

U.S. policy in the Persian Gulf has been shaped as much by a short-term desire to restore credibility lost in the Iran-Contra affair as by any careful assessment of U.S. interests and objectives. Iran is now locked in its eighth year of war with Iraq, which has benefitted from Kuwaiti cooperation and financial assistance and which continues to attack Iranian shipping. For many observers in the Gulf, the U.S. decision to reflag Kuwait's oil tankers constituted a *de facto* pro-Iraqi tilt by the United States, and clearly it has been seen as such by Iran.

The Administration has advanced three principal rationales to justify its present Gulf policy: ensuring the free flow of oil, preventing Soviet encroachments, and defending freedom of navigation. But none of these rationales is greatly persuasive:

- As to oil, it is clear that supplies have not thus far been jeopardized. Despite the extension of the Iran-Iraq war into the Gulf, actual interference with Gulf shipping has been relatively low. And there is, in any case, a heavy and increasing use of pipelines for Gulf oil export—a shift which has essentially eliminated the Strait of Hormuz as a critical chokepoint on world oil supplies.

- Second, possibilities for Soviet gains in the region are severely limited by ingrained Arab suspicions of Soviet power and purpose. Indeed, the only potential Soviet advance may lie in its emerging rapprochement with Iran—a development, ironically, being *encouraged* by current U.S. policy.
- Finally, as to freedom of navigation, the decision to reflag only 11 Kuwaiti oil tankers—and none of the other Gulf states' vessels—seems little more than symbolic. With ships of all flags making over 600 monthly transits through the Gulf, it can hardly be argued that reflagging 11 tankers extends a protective umbrella to all Gulf shipping. (Indeed, when Admiral Bernsen recently proposed expanding the rules of engagement to protect non-U.S. flagged vessels as well, he was turned down by the Pentagon, at least publicly.) Moreover, the threat to navigation from Iran, which depends heavily on its own Gulf shipping, is a retaliatory response which could be expected to cease if Iraq halted its attacks in the Gulf. The American naval forces positioned against Iran are, in effect, hostage to Iraqi war policy.

Perhaps the most straightforward explanation of U.S. purpose was offered by Secretary Weinberger in testimony before the House Armed Services Committee on June 9: "The fundamental issue is leadership, the leadership of the free world to resist the forces of anarchy and tyranny." Certainly most of the Gulf leaders with whom we met echoed in the Secretary's view that U.S. leadership is being tested in the Gulf, and all agree—out of powerful self interest—that forces of anarchy and tyranny must be resisted. The question is how even a substantial naval force can do much more than "show the flag" and deter attacks on those vessels it protects it directly.

Overall, there is mounting evidence that shipping in the Gulf is less safe now than before the U.S. naval build-up began. With perhaps 100 warships arrayed in the region and with tensions high and increasing, chances for mishaps are high.

At present, prospects are for an escalating war, absent success in the peace process. Iraq will feel that it must strike oil installations and tankers to hamstring Iran's ability to pay for the land war, and there are indications that Iraq is preparing to prosecute the war in the Gulf more intensively. In response, Iran will continue to strike at Kuwait and any others seen as supporting Iraq. The Western navies will be trying to preserve order, while avoiding disasters which could befall them.

Given the vague, overly broad missions currently assigned the U.S. military operating in the region, it is unclear when that mission is to be considered accomplished. Unless the mission is redefined and narrowed in scope, the United States risks an open-ended commitment of forces in the region and the concomitant danger of expanded involvement in the conflict.

V. APPENDIX

A. THE ATTACK ON U.S.S. STARK

The *Stark* incident on May 17 came as the ship was on routine duty. An Iraqi Mirage F-1 fired two French-made Exocet missiles at the frigate, killing 37 men aboard and crippling the vessel.

According to Navy officials, *Stark* had no reason to expect an attack because it was located at least 40 miles south of the main war zone of the ongoing Iran-Iraq conflict. At 8:00 p.m. Gulf time, U.S.-manned AWACS operating in Saudi Arabia picked up the track of an Iraq Mirage F-1 fighter plane as it departed its base at an airfield in Basra. Shortly thereafter, the radar on board *Stark* also picked up the plane, which was then about 200 miles from the ship and closing at a speed of 550 miles per hour. At 10:09 p.m. *Stark's* captain, Glenn Brindel, ordered his radio operator to radio the Mirage requesting it identify itself. Within 36 seconds, a second message requesting identity and a statement of intentions was sent. No response was received to either radio message. At 10:10 p.m. the Iraqi plane, within twelve miles of *Stark*, fired two Exocet AM39 air-to-surface missiles. The ship's radars did not detect the incoming missiles, and the Phalanx terminal defense system was not activated. *Stark* learned it was under attack only when the ship's lookout saw an incoming missile just 15 feet above the water heading for the vessel. Ten seconds after his warning, the first missile found its target.

We learned in the course of our trip that an almost identical run had been made on an American frigate in about the same location two days earlier. In that incident, the warnings worked and the Iraqi jet continued on its mission.

In the aftermath of the *Stark* incident, Administration officials held extensive meetings with Iraqis to ascertain what had happened. We were told that new procedures had been established with Iraq that should preclude a recurrence.

B. CHRONOLOGY OF MAJOR EVENTS

September 22, 1980—Iraq invades Iran after Iranians refuse to withdraw from disputed border areas.

August 13, 1982—Iraq declares a "maritime exclusion zone" in the northern Gulf and initiates periodic attacks on Iranian shipping and oil refineries.

May 1984—The tanker war escalates after Iraq increases attacks on Iranian shipping and Iran attacks ships going to Arab ports on the Gulf.

November 25, 1984—The United States and Iraq resume diplomatic relations which had been broken off by Iraq during the 1967 Arab-Israeli war.

February 1986—Iran launches first successful major offensive, seizing the Iraqi port city of Faw.

Summer 1986—Iran intensifies attacks on Kuwaiti shipping in order to pressure Kuwait to cease its support of Iran.

November 4, 1986—Press reports reveal that the United States had secretly sold weapons to Iran in exchange for hostages.

December 10, 1986—Kuwait informally requests that some of its tankers be placed under U.S. flag.

January 13, 1987—Kuwait makes a formal request that the United States reflag up to eight Kuwait tankers.

March 7, 1987—After learning that the Kuwaitis were about to sign an agreement with the Soviet Union to protect Kuwaiti tankers, the Administration offers to escort eleven Kuwaiti tankers.

April 1, 1987—Kuwait signs an agreement with the Soviet Union to lease three Soviet oil tankers with an option of leasing two more tankers on short notice. In addition, the agreement allows the Kuwaitis to lease tankers to the Soviet Union, allowing the ships to fly Soviet flags.

May 17, 1987—The U.S.S. *Stark* is attacked by an Iraqi jet; 37 Americans are killed.

May 19, 1987—The Administration simultaneously announces its intention to reflag eleven Kuwaiti tankers and to send three additional warships to the Gulf. The Administration concedes the reflagging could result in a direct U.S.-Iranian confrontation.

May 21, 1987—The Administration decision sparks a controversy over the War Powers Act and allied participation in the reflagging. The Senate passes an amendment requiring the Administration to report to Congress on U.S. security arrangements in the Gulf before the reflagging proceeds.

May 26, 1987—At a meeting of NATO defense minister, Secretary of Defense Weinberger expresses hope that U.S. allies will support American policy in the Gulf. The Netherlands is the only NATO ally to respond positively, offering to send ships if Gulf situation worsens.

May 28, 1987—Due to mounting criticism, the Administration announces its intention to postpone the reflagging operation.

June 1987—The Administration makes an unsuccessful attempt to persuade the U.N. Security Council to impose an arms embargo on Iran if it continues to oppose a cease-fire.

June 2, 1987—The House votes to require the Defense Department to report to Congress with seven days of enactment of the bill on security arrangements in the Gulf.

June 5, 1987—Admiral Crowe, chairman of the Joint Chiefs of Staff, declares that the reflagging operation is a low risk operation but that casualties cannot be ruled out.

June 5, 1987—The Speaker of the Iranian Parliament, Rafsanjani, states that Iran would attack bases or ports made available to the United States by Arab countries.

June 7, 1987—The Administration confirms June 5 press reports that it is considering preemptive attacks on Iranian anti-ship Silk-worm missiles if these missiles are deployed.

June 9, 1987—In a Venice meeting, U.S. allies offer no help in protecting Gulf shipping.

June 9, 1987—Iran announces that it will retaliate for any U.S. action against it by attacking U.S. targets around the world.

June 9, 1987—The Kuwaitis disclose that they have approached the Chinese to reflag an undisclosed number of tankers.

June 22, 1987—U.N. Security Council passes resolution demanding cease-fire in the Iran-Iraq war, but a resolution to impose an arms embargo on belligerents unwilling to respect the cease-fire fails.

June 23, 1987—U.S. officials announce that the Saudis have agreed "in principal" to use their AWACS aircraft to patrol the southern Gulf region. The Saudis subsequently offered to help search for mines in the Gulf.

June 29, 1987—Senator Nunn proposes a resolution to delay the reflagging plan in order to allow alternative to allow alternatives to the reflagging to be pursued.

June 30, 1987—President Reagan rejects bipartisan proposal to delay the reflagging plan.

June 30, 1987—Kuwait agrees to provide U.S. naval forces with oil and access for minesweeping helicopters, Oman agrees to provide military access rights.

July 7, 1987—In a clarification of a statement by White House Chief of Staff Baker, the Administration announces that U.S. would not withdraw its forces completely from the Gulf and that reductions would only be considered if the war de-escalated and the Gulf was safe for commercial shipping.

July 20, 1987—The U.N. Security Council passes a resolution, Res. 598, calling for a cease-fire in the Iran-Iraq war.

July 21-22, 1987—The reflagging operation commences.

July 24, 1987—The oil tanker *Bridgeton*, the first reflagged tanker to be escorted through the gulf, hits a mine, revealing a gaping hole in U.S. anti-mine capabilities.

July 31, 1987—Iranian pilgrims in Mecca riot, leading to the deaths of over 400 people and heightened tensions in the Gulf area.

September 11-15, 1987—U.N. Secretary General Perez de Cuellar travels to Tehran and Baghdad. He is unsuccessful in urging the Iranians to abide by the U.N. cease-fire resolution.

September 20, 1987—the Joint Middle East Task Force, established on August 21, is activated with the mission to protect U.S.-flagged ships, provided military presence in the Gulf and northern Arabian Sea and to conduct other operations as directed.

September 21, 1987—U.S. special forces helicopters assigned to the naval task force in the Gulf attack the Iran Mir after witnessing the ship laying mines.

October 15, 1987—Iran attacks U.S.-owned, Liberian-flagged tanker *Sungari* in Kuwaiti waters.

October 16, 1987—Iran attacks Kuwaiti-owned, U.S.-flagged tanker *Sea Isle City* in Kuwaiti waters.

October 19, 1987—U.S. naval vessels fire on and destroy an Iranian oil platform in the Rashadat oil fields. A second platform is boarded and its communication equipment is destroyed.

November 11, 1987—The Arab League agrees to support U.N. sanctions against Iran if Iran does not agree to a cease-fire.

C. United Nations Security Council Resolution 598

THE SECURITY COUNCIL,

REAFFIRMING its Resolution 582 (1986),

DEEPLY CONCERNED that, despite its calls for a cease-fire, the conflict between Iran and Iraq continues unabated, with further heavy loss of human life and material destruction,

DEPLORING the inflation and continuation of the conflict,

DEPLORING also the bombing of purely civilian population centers, attacks on neutral shipping or civilian aircraft, the violation of international humanitarian law and other laws of armed conflict, and in particular, the use of chemical weapons contrary to obligations under the 1925 Geneva Protocol,

DEEPLY CONCERNED that further escalation and widening of the conflict may take place,

DETERMINED to bring to an end all military actions between Iran and Iraq,

CONVINCED that a comprehensive, just, honorable and durable settlement should be achieved between Iran and Iraq,

RECALLING the provisions of the Charter of the United Nations, and in particular the obligation of all member states to settle their international disputes by peaceful means in such a manner that international peace and security and justice are not endangered,

DETERMINING that there exists a breach of the peace as regards the conflict between Iran and Iraq,

ACTING under Articles 39 and 40 of the Charter of the United Nations,

1. DEMANDS that, as a first step towards a negotiated settlement, Iran and Iraq observe an immediate cease-fire, discontinue all military actions on land, at sea and in the air, and withdraw all forces to the internationally recognized boundaries without delay;

2. REQUESTS the Secretary General to dispatch a team of United Nations observers to verify, confirm and supervise the cease-fire and withdrawal and further requests the Secretary General to make the necessary arrangements in consultation with the parties

and to submit a report thereon to the Security Council;

3. URGES that prisoners of war be released and repatriated without delay after the cessation of active hostilities in accordance with the Third Geneva Convention of 12 August 1949;

4. CALLS UPON Iran and Iraq to cooperate with the Secretary General in implementing this resolution and in mediation efforts to achieve a comprehensive, just and honorable settlement, acceptable to both sides, of all outstanding issues, in accordance with the principles contained in the Charter of the United Nations;

5. CALLS UPON all other states to exercise the utmost restraint and to refrain from any act which may lead to further escalation and widening of the conflict, and thus to facilitate the implementation of the present resolution;

6. REQUESTS the Secretary General to explore, in consultation with Iran and Iraq, the question of entrusting an impartial body with inquiring into responsibility for the conflict and to report to the Security Council as soon as possible;

7. RECOGNIZES the magnitude of the damage inflicted during the conflict and the need for reconstruction efforts, with appropriate international assistance, once the conflict is ended and, in this regard, requests the Secretary General to assign a team of experts to study the question of reconstruction and to report to the Security Council;

8. FURTHER REQUESTS the S. G. to examine, in consultation with Iran and Iraq and with other states of the region, measures to enhance the security and stability of the region;

9. REQUESTS the Secretary General to keep the Security Council informed on the implementation of this resolution;

10. DECIDES to meet again as necessary to consider further steps to ensure compliance with this resolution.

TABLE 1.—SHIP ATTACKS IN THE PERSIAN GULF, 1981—MARCH 1987 ¹

Year	Nation launching attack		Year total
	Iraq	Iran	
1981.....	5	0	5
1982.....	22	0	22
1983.....	16	0	16
1984.....	53	18	71
1985.....	33	14	47
1986.....	66	41	107
1987 (January—March).....	24	22	46
Total.....	219	95	314
Percentage.....	70	30

¹ Prepared by CRS.

Source: New York Times, May 22, 1987: A10, cite Lloyd's Shipping Intelligence Unit.

TABLE 2.—DEPENDENCY ON PERSIAN GULF OIL, 1986 ¹

[Million barrels per day]

	Total oil consumption	Total oil imports	Imports from Persian Gulf	Persian Gulf ² oil as percent of total consumption
United States.....	16.1	5.5	0.8	5
Western Europe ³	12.0	9.0	3.4	28
Japan.....	4.4	3.3	2.0	45

¹ Prepared by CRS.² Persian Gulf includes Iran, Iraq, Kuwait, Saudi Arabia, Bahrain, Qatar, and United Arab Emirates.³ Western Europe includes France, West Germany, Italy, United Kingdom, Austria, Belgium, Denmark, Finland, Greece, Iceland, Ireland, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and Turkey.

Notes.—Consumption figures taken from U.S. Department of Energy, Monthly Energy Review, January 1987, Table 10.2, p.113. Import figures for first half 1986 taken from U.S. Central Intelligence Agency, International Energy Statistical Review, Dec. 30, 1986, p. 94.

TABLE 3.—DISPOSITION OF PERSIAN GULF OIL, 1986 ¹

[Million barrels per day]

	Production	Consumption	Available for export	
			Via ship through Ormuz	Via pipeline
Bahrain	(²)	(²)	(²)	(²)
Iran	1.9	0.7	1.2	—
Iraq	1.7	.3	—	1.4
Kuwait	1.3	.2	1.1	—
Neutral Zone3	—	.3	—
Qatar3	*	.3	—
Saudi Arabia	4.9	.9	3.5	.5
United Arab Emirates	1.3	.1	1.2	—
Total	11.7	2.2	7.6	1.9

¹ Prepared by CRS.

* Less than 100,000.

Notes.—Production and consumption figures taken from U.S. Central Intelligence Agency, International Energy Statistical Review, Apr. 28, 1987, pp. 1, 4.

The pipelines are: the Saudi East-West pipeline, carrying about 1 million barrels per day, one-half of which is Iraqi oil, and the Iraq-Turkey pipeline, carrying about 1 million barrels per day of Iraqi oil. Pipeline information taken from Middle East Economic Digest, and Petroleum Intelligence Weekly.



