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A Report on U.S. Policy Options Towards Iraq*

Morton H. Halperin and Geoffrey Kemp

1. Saddam Hussein and his regime pose a growing danger to the Middle East and the United States. The regime cannot be rehabilitated. Therefore, the goal of regime replacement should remain a fundamental tenet of U.S. policy options. However, prospects that various Iraqi opposition groups can overthrow the regime are uncertain and necessary regional support for major U.S. military intervention (absent an egregious provocation by the regime) is very low. Therefore, the practical focus of current U.S. policy should be aimed at sustaining a military deterrent and continued control of Iraqi oil revenue while improving the conditions of Iraq's citizens, promoting the prospects for a more positive future for Iraq under a new regime, and intensifying efforts to de-legitimize the current regime and publicize its unacceptable behavior.
2. A number of proposals have been suggested to implement a more effective policy. No single component of this policy on its own will be sufficient to contain and deter Saddam Hussein, but each, in its own way, can contribute to further pressure on the regime, perhaps even accelerating its demise. The problem is that the several key objectives of U.S. policy confront the Bush administration with clear trade-offs. For instance, if the U.S. pushes too hard to provide more active support for the Iraqi opposition groups and no-fly zones (NFZs) we may lose regional support for tighter border controls to prevent smuggling and to enforce UN resolutions prohibiting military supplies to Iraq.

* *Morton H. Halperin is Senior Fellow at the Council on Foreign Relations and Geoffrey Kemp is Senior Director for Regional Strategic Programs at The Nixon Center. They served as Co-Chairmen of an Independent Roundtable on US Policy Options Towards Iraq which was sponsored by the Council on Foreign Relations Middle East Forum. Participants who support this report are listed at the end of this document. The views expressed by the Co-Chairmen and participants are their own and do not represent the institutions with which they are affiliated.*

3. The sanctions regime against Iraq is unraveling and regional support for Saddam Hussein has grown. We therefore support the revised sanctions policy now being proposed by the administration. It is focused on four key issues.
 - First, the preservation of the UN “escrow” account and other measures directed against the regime’s financial assets to prevent Saddam Hussein from obtaining additional revenues from increased commerce between Iraq and the outside world.
 - Second, giving Iraqis more freedom to purchase civilian goods thereby shifting responsibility to the regime for continued civilian suffering.
 - Third, the continuation of an embargo on all conventional weapons transfers to Iraq.
 - Fourth, a refinement of the list of prescribed dual use technologies that can assist Saddam Hussein’s efforts to reconstitute his weapons of mass destruction.

These are realistic goals for which there is considerable international support.

4. Gaining more complete control over Iraqi oil revenues and enhancing controls over military equipment to Iraq are objectives worth the price of increased risk of dual-use equipment leaking through modified, or “smart” sanctions. The United States has supported a draft UK resolution to implement revised sanctions procedures. This resolution, and a competing Russian resolution, are the subject of ongoing discussions between the P-5 members. In the interim, a new United Nations Resolution (1352) was adopted on June 1, 2001. It expresses the intention of the Security Council to tighten controls over Iraq’s export of oil and import of arms and strategic materials while eliminating most restrictions on the import of other goods. If a variant of the UK resolution is eventually adopted, the greatest challenge will be to monitor and limit smuggling and other seepage across borders into Iraq. Without major incentives, including equal treatment,

Jordan, Syria, Iran, and Turkey are unlikely to agree to enhanced monitoring. Furthermore to assure support from other P-5 members a number of incentives may have to be offered, including debt relief. We believe such incentives will be appropriate.

5. The future of UN Security Council resolution, UN 1284, which calls for the streamlining of economic sanctions and their suspension once a new inspections regime, United Nations Monitoring, Verification, and Inspection Commission (UNMOVIC), has reported that Iraq is cooperating with UN resolutions on weapons development, remains controversial. There is a danger that if changes were made to UNMOVIC to make it acceptable to Saddam Hussein, the inspection regime could play into the hands of the Iraqi regime. We should not make proposed changes to the sanctions regime conditional on Saddam's willingness to accept UNMOVIC inspectors. Nevertheless while the structure of UNMOVIC is flawed, the United States must continue to back the goal of resuming inspections through UNMOVIC since these inspections are a central tenet of UN 1284. Either way the U.S. has no option but to continue to support UN 1284 which provides the legal basis for continuing to control Iraqi assets.
6. The breakdown of the Arab-Israeli peace process and the current violence between Israel and the Palestinians have weakened America's posture in the region. They have made it more difficult to solicit regional support for more proactive policies, including the use of force and the arming of the Iraqi opposition, absent significant provocation by Saddam Hussein.
7. Saddam Hussein is likely to behave egregiously at some point in the future. The U.S. therefore needs to make sure that regional allies understand American red lines and that we understand the limits of their support for future U.S. military action. Red lines remain an important element of our policy. Three red lines are most likely to continue to receive active Arab and Turkish support, as distinct from acquiescence.
 - First, Iraqi military threats or attacks on allied forces.
 - Second, Iraqi threats or attacks on neighboring states.

- Third, Iraqi acquisition and deployment of weapons of mass destruction or their use, including nuclear, chemical, and biological weapons.

Red lines less likely to solicit active support include Iraqi aggression against the Northern Kurdish enclave and Iraq's military support for Palestinians against Israel. There remains considerable room for ambiguity on these issues. For instance, most regional powers accept the US and UK right to defend aircraft patrolling in the NFZ by attacking Iraq's anti-air capability. However, they are unlikely to support major retaliatory action against other Iraqi military and civilian targets.

8. Concerning U.S. and UK air operations in the NFZ, it is politically important that the U.S. continue the flights, even though there may be tactical reasons for changing some operational procedures and the rules of engagement.
9. Without the active support of key allies especially Saudi Arabia, Turkey, and Kuwait, U.S. military options against Iraq will in all likelihood be limited to airstrikes for a few days.
10. Support for Iraq's opposition arouses great controversy, both within the United States government and among our allies. We have little expectation that any of the Iraqi opposition forces could at anytime soon provide the basis for a military challenge to Saddam Hussein. However the Iraqi opposition groups could and should be encouraged to remain active in the political arena and the propaganda war against the regime. Incremental support for the opposition can be pursued with additional support contingent upon progress in political delegitimization efforts and opposition successes in the field. Pressure to broaden the appeal of the opposition among the various Iraqi clans, both Sunni and Shiite, should be made though we do need to find more specific groups we can effectively work with. Provision of lethal assistance could be considered based on future political progress, provided it does not precipitate a breakdown of a new sanctions regime or commit the US to provide military forces to assist the opposition. Under present circumstances, it would take a major political investment by the U.S. to make support for opposition groups more credible in the region.

11. Although regime change can be regarded as the only long term solution to the Iraq crisis, this goal should not be a central feature of a new Iraq policy since its articulation would almost certainly weaken efforts to sustain international pressure against Saddam Hussein in the United Nations, Europe and in the region.
12. The United States must be more assertive and aggressive in its public diplomacy. It should outline its hopes for Iraq and its people and state that they will be well treated and respected once the Saddam Hussein regime has gone. The U.S. has been losing the propaganda war and it should be a priority to retain the high ground on the matter of who is most responsible for the suffering of the Iraqi people. The U.S. should lead international efforts to indict leading regime figures, including limiting their foreign travel and freezing their external bank accounts. Those who wish to profit from supporting present regime should be placed in position of having to defend it in light of its track record.
13. It is important that the U.S. be prepared for sudden change in Iraq, including the death of Saddam Hussein by natural causes or assassination. The territorial integrity of Iraq following Saddam's demise should remain a key American objective.

Participants who have associated themselves with the Report

Judith Kipper
Project Coordinator
Director, Middle East Forum
Council on Foreign Relations

Henri Barkey
Lehigh University

Phebe A. Marr

Rachel Bronson
Council on Foreign Relations

Richard W. Murphy
Council on Foreign Relations

Daniel Byman
The RAND Corporation

Meghan O'Sullivan
Brookings Institution

Joseph Cirincione
Carnegie Endowment for International Peace

Mark. R. Parris
Baker, Donelson, Bearman & Caldwell

Anthony H. Cordesman
Center for Strategic & International Studies

Robert H. Pelletreau
Afridi, Angell & Pelletreau LLP

Michael Eisenstadt
Washington Institute for Near East Policy

James Placke
Cambridge Energy Associates

Philip H. Gordon
Brookings Institution

Casimir Yost
Institute for the Study of Diplomacy

Kenneth Katzman
Congressional Research Service