
November 3, 2000

Kenneth Katzman
Specialist in Middle Eastern Affairs
Foreign Affairs, Defense, and Trade Division
Summary

No major confrontations or crises have occurred in the Persian Gulf since 1998, but regional security challenges that could erupt into crises on short notice have not been eliminated. Most observers agree that Iraq is contained militarily, unable to rebuild its conventional forces and constrained in its ability to acquire technology that could be used to build prohibited weapons of mass destruction (WMD). On the other hand, the U.N. Security Council has become deeply divided on Iraq policy, and unable to obtain a restart of U.N. weapons inspections, which ended on the eve of a U.S./British bombing campaign against Iraq in December 1998. Administration officials acknowledge that, without inspections, there is substantial uncertainty about the state of Iraq’s WMD capabilities and activities, if any.

The Administration has moved to end twenty years of hostility with Iran since the unexpected election in May 1997 of a relative moderate, Mohammad Khatemi, as President. Administration efforts might have contributed to an apparent reduction in Iranian support for international terrorism and an accelerated effort by Iran to end its international isolation. However, Administration overtures toward Iran over the past year have not yet brought Iran into a formal dialogue with the U.S. government. Administration hopes that a moderating Iran might also slow its WMD acquisition and development programs have not materialized, although most observers attribute Iran’s commitment to those programs to the security threats Iran perceives on virtually all its borders. Since the Islamic revolution in 1979, Iran is or has been at odds with several of its neighbors, including the Gulf states (Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman), Iraq, and the Taliban-ruled Afghanistan, and it views Israel as an adversary.

U.S. efforts to contain the potential threats from Iran and Iraq continue to depend on close alliances with the Persian Gulf monarchy states and on continuing political stability in those countries. All of the Gulf states host at least some U.S. forces that are performing missions to contain Iraq or monitor Iran. At the same time, the United States is continuing a longstanding effort to forge closer cooperation with and among the Gulf states on early warning and defense. The United States has also applauded moves by some of the Gulf states to open their political systems, which the United States believes will contribute to political stability. Greater popular participation has made the Gulf governments aware of growing public sympathy for the plight of the Iraqi people, and some of the Gulf states now appear reluctant to host U.S. forces indefinitely or to back continued international sanctions or U.S. air strikes on Iraq. Gulf sympathy for the Palestinians in the Israeli-Palestinian clashes that broke out in September 2000 could also cause some Gulf states to reduce security cooperation with the United States, although there are no signs of any reduction to date. Some of the Gulf states are responding to Iranian overtures to engage in low-level security cooperation with Iran, a trend that some U.S. experts are concerned could lead to broader defense cooperation between the Gulf states and their erstwhile Persian adversaries.
The Persian Gulf:
Issues for U.S. Policy, 2000


**Threats and U.S. Interests in the Gulf**

Iran, Iraq, and the six Gulf monarchy states that belong to the Gulf Cooperation Council (GCC, Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman) possess about two thirds of the world's proven reserves of oil. The countries in the Gulf produced over 27% of the world’s oil supply in 1999, according to the U.S. Energy Information Administration. Saudi Arabia and Iraq are first and second, respectively, in proven reserves. Iraq, which is largely unexplored and in which new energy exploration is barred by U.N. sanctions, might ultimately be proven to contain more oil than does Saudi Arabia. Iran and Qatar, respectively, have the second and third largest reserves of natural gas in the world; gas is an increasingly important source of energy for Asian and European countries. Difficulties in the discovery and transportation of oil and gas from the Central Asian/Caspian Sea countries ensure that the Gulf will be a major source of energy well into the 21st century. All the Gulf states, including Iran and Iraq, have an interest in the free flow of oil, but past political conflict in the Gulf and broader Middle East has caused oil prices to rise sharply and has increased hazards to international oil shipping.

The region is home to both Iran and Iraq, countries that have threatened U.S. interests directly and indirectly. Iran and Iraq fought each other during 1980-1988, and both have also fought the United States, although in differing degrees of intensity. Iran and the United States fought minor naval skirmishes during 1987-88, the height of the Iran-Iraq war — a war in which the United States tacitly backed Iraq. During one such skirmish (*Operation Praying Mantis*, April 18, 1988) the United States fought a day long naval battle with Iran that destroyed almost half of Iran’s largest
The missiles were supplied by Russia but Iraq enhanced their range to be able to reach Tehran, which is about 350 miles from the Iraq border. The normal range of the Scud is about 200 miles.

In addition to their conventional forces, both Iran and Iraq have developed weapons of mass destruction (WMD) programs. Iraq's missile, chemical, nuclear, and biological programs, begun during the Iran-Iraq war, were among the most sophisticated in the Third World at the time of Iraq's invasion of Kuwait. During the 1991 Gulf war, Iraq fired 39 Scud missiles at Israel, a U.S. ally, and about 50 missiles on targets in Saudi Arabia. One Iraqi missile, fired on coalition forces on February 25, 1991 (during Desert Storm) hit a U.S. barracks near Dhahran, Saudi Arabia, killing 28 military personnel and wounding 97. During the Iran-Iraq war, Iraq fired enhanced Scud missiles at Iranian cities, and it used chemical weapons against Iranian troops and Kurdish guerrillas and civilians. Iran's WMD programs, which are not under international restrictions like those on Iraq, have made significant strides during the 1990s with substantial help from Russia, China, North Korea, and other countries. In July 1998, Iran tested its Shahab-3 (Meteor) ballistic missile (800-900 mile range), which could enable Iran to threaten Israel, Turkey, and parts of Central and South Asia.

Both Iran and Iraq are on the U.S. list of state sponsors of terrorism, although annual State Department reports on international terrorism (“Patterns of Global Terrorism”) have consistently deemed Iran a larger terrorist threat than Iraq. The Islamic regime in Iran, which came to power in February 1979, held American diplomats hostage during November 1979-January 1981, and the pro-Iranian Lebanese Shia Muslim organization Hizballah held Americans hostage in Lebanon during the 1980s. Since then, Iran has supported groups (Hizballah and the Palestinian groups Hamas and Palestinian Islamic Jihad) that oppose the U.S.-sponsored Arab-Israeli peace process and have occasionally carried out terrorist attacks against Israelis. Some pro-Iranian groups have sought to destabilize some of the Gulf states, although these groups have been less active over the past four years. Press reports suggest Saudi investigators hold Iran at least indirectly responsible for the June 1996 bombing of the Khobar Towers housing complex for U.S. military officers, in which 19 U.S. airmen were killed. Iraq publicly opposes the Middle East peace process, but it has only limited contact with the groups that are most active in working to derail the process.

Both countries were first named in October 1999 as “Countries of Particular Concern” under the International Religious Freedom Act (P.L. 105-292, October 27, 1998).
Iraq is considered by the Administration to be a gross violator of human rights based on its treatment of dissidents and ethnic minorities, and the United States is pressing for a war crimes tribunal for Saddam Husayn and eleven other Iraqi officials. U.S. and U.N. human rights reports have accused Iran of numerous human rights abuses, although not to the degree cited for Iraq.

The Gulf states face internal threats not attributable to Iran or Iraq. All six Gulf states — Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates (UAE), Oman, and Qatar — are hereditary monarchies. With the exception of Kuwait, they offer few formal opportunities for popular participation in national decisionmaking, although several of them are gradually opening up their political processes. Some of the Gulf states, including Saudi Arabia and the United Arab Emirates, are undergoing leadership transitions, and Bahrain’s leadership passed to a new generation in March 1999, when the long serving Amir died suddenly. The decline in oil prices in 1998, although not causing any overt political challenges to the Gulf regimes, prompted several of the Gulf states to begin addressing serious economic weaknesses, including the need for economic diversification away from reliance on oil exports for most government revenues. The political popularity of their generous social welfare systems left these programs largely untouched, despite the financial burden.

**Iraq: U.S. Efforts to Contain and End the Threat**

In May 1993, shortly after taking office, the Clinton Administration articulated a policy of “dual containment” of Iran and Iraq. The Administration explained the policy as an effort to keep both Iran and Iraq strategically weak simultaneously, in contrast to past policies that sought to support either Iran or Iraq as a counterweight to the other. Since 1997, signs of moderation in Iran have led to a slight warming of U.S.-Iran relations, to the point where the Administration no longer publicly characterizes its Gulf policy as dual containment. However, Iraq’s refusal to fully comply with postwar U.N. Security Council resolutions has kept the United States and Iraq at odds, more than ten years after the Iraqi invasion of Kuwait. The thrust of Administration policy toward Iraq remains containment, with the added dimension of promoting a change of regime.

Administration efforts to keep Iraq strategically weak and politically isolated have undergone several adjustments since the Gulf war ended in 1991. During 1991-1997, the United States and its allies relied largely on U.N. weapons inspections (UNSCOM), chartered by U.N. Security Council Resolution 687 (April 3, 1991) to eliminate and prevent the rebuilding of Iraq’s WMD capabilities. U.N. Security Council resolutions, including 661 (August 6, 1990), prevented Iraq from importing conventional weaponry.

Iraq accepted U.N. weapons inspections by the U.N. Special Commission on Iraq (UNSCOM) as long as Iraq believed that it would eventually obtain a ruling from UNSCOM that all its WMD programs had been ended, and its WMD capable facilities monitored. Under Resolution 687, such a ruling would open Iraq to the unrestricted exportation of oil. By late 1997, Iraq apparently determined that the United States would never accept any UNSCOM assessment that was sufficiently favorable to ease
sanctions, and Iraq decided to end its cooperation with UNSCOM. Beginning in October 1997, Iraq obstructed the work of UNSCOM teams to the point where UNSCOM withdrew from Iraq (December 15, 1998). In response to Iraq’s non-cooperation, the United States and Britain conducted a 70 hour bombing campaign (Operation Desert Fox, December 16-19, 1998) against Iraq’s WMD-capable factories and other military installations. Since then, there have been virtually no independent WMD inspections in Iraq, and the United States has had to rely on its own intelligence capabilities to determine whether Iraq is rebuilding WMD. The latest unclassified report to Congress by the Central Intelligence Agency, released in August but covering the period July-December 1999, says that Iraq is rebuilding facilities that could be used for prohibited WMD manufacture, but that there is no hard evidence Iraq has reconstituted its banned WMD programs.  

To ensure that Iraq cannot use its still formidable conventional forces against its neighbors, the United States and Britain patrol “no fly zones” over northern and southern Iraq (see Appendix 3) in the “Northern Watch” and “Southern Watch” operations, respectively. Together, the zones cover approximately 62% of Iraq’s territory. In response to over 700 Iraqi violations of the no fly zones since Desert Fox (as of October 2000), the United States and Britain have been striking Iraqi air defense sites in or just outside the zones when these sites threaten U.S. aircraft. Asserting that U.S. strikes and other military containment measures are succeeding, the Defense Department said on September 12, 2000 that Iraq’s conventional forces have been “severely degraded” by the Gulf war, international sanctions, and U.S. enforcement of the two no-fly zones, and that Iraq would have “difficulty” waging war against its neighbors because of the presence of U.S. forces in the region. Containing Iraq’s military has cost the United States $7.8 billion from the end of the Gulf war until July 31, 2000, including no-fly zone enforcement, temporary force buildups in response to Iraqi threats, or airstrikes during periods of actual confrontation. The Administration estimates it will spend $1.1 billion on Iraq containment measures in FY2001, an amount appropriated for this purpose in the FY2001 defense appropriation (P.L. 106-259).

The impasse between the Security Council and Iraq on restarting WMD inspections appears to result, at least in part, from divisions within the Council on the broader issue of maintaining sanctions on Iraq. The divisions were reflected in the passage of U.N. Security Council Resolution 1284 (December 17, 1999), which attempted to offer Iraq a suspension of most sanctions in exchange for cooperation with a new WMD inspection body (U.N. Monitoring, Verification, and Inspection

---


3 In January 1997, following a U.S. confrontations with Iraq in August 1996, France ended its participation in Northern Watch. It ceased participating in Southern Watch following Operation Desert Fox (December 1998).

Even though the resolution appeared to incorporate many of their suggestions for easing sanctions, including ending the limitation on the amount of oil Iraq can sell under the “oil-for-food program,” permanent members France, Russia, and China abstained.

Even before the divided vote on 1284, France, Russia, and China had asserted that sanctions should be progressively eased to give Iraq an incentive to continue its cooperation with UNSCOM. The United States and Britain oppose that view, maintaining that Iraq would view an easing of sanctions as a reward for only limited cooperation, and that the preservation of sanctions would force Iraq to fully comply with all outstanding requirements of applicable U.N. Security Council resolutions. U. S. officials add that lifting sanctions would enable Iraq to generate and control enough revenue to reconstitute its armed forces and its WMD programs by illicitly importing weapons and WMD-useful technology. Some of the Gulf states have begun to back the view of Russia, France, and China, even though they were threatened by Iraq’s invasion of Kuwait. Some Gulf leaders now say that Iraq has been disarmed to the extent that it no longer poses a major threat. Among other motivations, some of Iraq’s neighbors, such as Jordan and Turkey, seek an easing of sanctions to provide them with additional trade opportunities. Others, such as the United Arab Emirates, want to rehabilitate Iraq as a counterweight to Iran. Some observers believe Syria sees Iraq’s revival as potential Arab leverage against Israel, particularly in the context of the apparent breakdown of the Israeli-Palestinian peace process in October 2000. Whatever the motivations, the following recent developments have caused some to question whether U.S. efforts to contain Iraq will succeed over the long term:

In August 2000, Russia and France succeeded in convincing the United States to accept a reduction in the percentage of Iraqi oil revenues devoted to reparations under the U.N. sanctions regime. As of December 2000, the percentage deducted will fall to 25% from the current 30%, a level set by U.N. Security Council Resolution 705 (August 15, 1991). At about the same time, France and Russia began questioning the U.S. interpretation of U.N. Security Council Resolution 670 (September 25, 1990), maintaining that the resolution does not specifically ban passenger flights to or from Iraq. In September and October, Russian, French, Egyptian, Syrian and Sudanese aircraft, with the knowledge and apparent tacit backing of those governments, flew to Iraq without receiving permission from the U.N. Sanctions Committee. This approval procedure has been used by the Security Council since the Gulf war and the United States. Numerous other humanitarian flights have landed in Baghdad in the same time frame, after seeking and receiving the customary Sanctions Committee clearances. In late October 2000, Iraq announced it would resume internal passenger flights; the United States indicated it would not take action to prevent this.

---

Throughout most of 2000, Iran, or factions within Iran, have been helping Iraq smuggle about $70 million per month worth of petroleum products out of the Gulf in exchange for a share of the proceeds of the exports. The illicit revenues go directly to the Iraqi government and can be used for virtually any purpose. A number of press reports indicate Iraq has used some of the funds to illicitly import consumer goods such as electronics, appliances, and luxury clothing.\(^6\)

Syria and Egypt are moving to expand trade with Iraq under the oil-for-food program. As of August 2000, Iraq is buying about $800 million per year in Egyptian goods with plans to increase that amount to $1 billion per year. That same month, Syria and Iraq agreed to double their trade from the current level of about $450 million per year. In early 2000, Syria and Iraq, erstwhile enemies, exchanged diplomats, and the *Middle East Economic Survey* reported in late October 2000 that, in mid-November 2000, the two would reopen the Iraqi oil pipeline that crosses Syria and lets out at Syria’s Mediterranean port of Banias, closed since 1982. It is not clear if the two countries plan to wait for U.N. backing for the move - the reopening of the pipeline might require an amendment to U.N. Security Council Resolution 986, of April 14,1995, and the May 1996 U.N.-Iraq memorandum of understanding that govern the oil-for-food program. These documents mandate that more than half of Iraqi oil exports run through an Iraq-Turkey pipeline and that all oil export routes be monitored by U.N. contract personnel.

In October 2000, for the first time since the Iraqi invasion of Kuwait, Iraq was invited to attend an Arab League summit. Saddam Husayn did not attend but he was represented by Izzat Ibrahim, the Vice Chairman of the Revolutionary Command Council, Iraq’s highest body. The summit was called to discuss the Israeli-Palestinian clashes. On the other hand, Ibrahim sought but failed to obtain a summit declaration that sanctions on Iraq should be lifted.

**Congressional Views.** Congress has generally supported the Administration throughout the various confrontations with Iraq, and has often urged even stronger action against Iraq than the Administration appeared ready to take. In particular, Congress led the Administration in adding to U.S. containment policy a more ambitious dimension -- promoting the overthrow of Saddam Husayn. Congressional sentiment for a strategy of overthrow of Saddam Husayn was encapsulated in the Iraq Liberation Act, which passed the House on October 5 (360-38) and the Senate on October 7 (unanimous consent). The Act gave the President the discretion to provide up to $97 million in defense articles and services to Iraqi opposition organizations designated by the Administration. The President signed the bill into law (P.L. 105-338) on October 31, 1998, the same day Iraq cut off all cooperation with UNSCOM.

---

including long term monitoring operations. On November 14, 1998, President Clinton announced the policy shift by stating that the United States would work to achieve a change in regime and that he would implement the Iraq Liberation Act. This marked the first time since the Gulf war that the declared policy of the United States has been to seek Saddam Husayn's overthrow, although the United States has worked with opposition groups since 1991. Some in Congress have criticized the Administration's refusal to provide lethal military equipment under the Act as contrary to congressional intent, but the Administration asserts the opposition is not ready to use such equipment effectively. Partly as a reflection of congressional sentiment for stronger support to the opposition, the FY2001 foreign aid appropriation (H.R. 4811) provides $25 million for opposition activities, of which $12 million is to be used by the Iraqi National Congress (INC), the leading opposition coalition, to distribute humanitarian aid inside Iraq.

On the other hand, there appears to be growing concern among some in Congress about the effects of sanctions on the Iraqi people. No Member is openly advocating the international rehabilitation of Saddam Husayn or the immediate lifting of U.S. sanctions, but some Members want to ease U.S. sanctions to facilitate the flow of U.S. civilian goods to Iraq. H.R. 3825, introduced March 2, 2000 and which has attracted 36 cosponsors, would eliminate the requirement that U.S. exporters of food and medical equipment to Iraq obtain a license for the sales. In addition, in June 2000, Rep. Tony Hall became the first Member to visit Iraq since the Gulf war.

**Iran: U.S. Outreach Amid Continued Concerns**

Since the May 1997 election of a reformist, Mohammad Khatemi, as Iran’s President, the United States has been attempting to end twenty years of mutual acrimony that had occasionally led to confrontation. However, Khatemi is operating within a power structure established by the 1979 Islamic revolution, an establishment that is deeply suspicious of the United States and has limited Khatemi’s ability to improve relations with the United States.

Even before Khatemi’s election raised U.S. hopes for internal change in Iran, U.S. foreign policy experts had been arguing that improved relations with Iran could help the United States accomplish several goals, including: containing Saddam Husayn's Iraq; reducing the threat to the United States and to the Arab-Israeli peace process posed by Islamic terrorist groups; easing Iran's opposition to a large U.S. military presence in the Persian Gulf region; dissuading Iran of the need to acquire weapons of mass destruction; and curbing the regional threat from the puritanical Sunni Islamic regime of the Taliban in Afghanistan, which is at odds with Iran. U.S. business interests, meanwhile, argued that improved U.S.-Iranian relations could help open up new energy routes for Caspian/Central Asian energy resources, would benefit U.S. exporters, and could end trade disputes with U.S. allies precipitated by U.S.

---

7 For further information on this aspect of U.S. policy, see CRS Report 98-179. *Iraq’s Opposition Movements.* Updated June 27, 2000, by Kenneth Katzman.
The most widely known example of U.S. secondary sanctions on Iran is the Iran-Libya Sanctions Act, P.L. 104-172, of August 5, 1996. For analysis of that and other U.S. sanctions on Iran, see CRS Report 97-231, Iran: U.S. Policy and Options.

The four category of goods that can be imported are: caviar, dried fruit, nuts, and carpets.

The conference report on H.R. 4461, the FY2001 agriculture appropriation (H.Rept. 106-948), eases licensing procedures for food and medical sales to Iran and other terrorism list countries and authorizes the President to allow the use of U.S. export credits for these sales.


U.S. hopes that Khatemi would quickly move to improve relations with the United States intensified when Khatemi agreed to a special Cable News Network interview on January 7, 1998, portrayed by Iran and CNN as an "address to the American people." However, Khatemi offered only people-to-people contacts with the United States, rejecting formal government-to-government ties. The United States accepted Khatemi’s call for increased informal contacts but the Administration apparently later concluded that people-to-people contacts alone would not lead to a breakthrough in relations. On June 17, 1998, in a speech to the Asia Society, Secretary of State Albright proposed that the two countries undertake mutual confidence-building measures that could form a "road map" to eventually normalizing relations. On March 17, 2000, Secretary Albright again attempted to induce Iran into a dialogue with a speech that announced an easing of U.S. sanctions on the imports of Iranian luxury goods, and an accelerated effort to resolve outstanding financial claims dating from the Islamic revolution. The Secretary also came close to an outright apology for past U.S. interference in Iran’s internal affairs – including the U.S.-backed ouster in 1953 of nationalist Prime Minister Mohammad Mossadeq and U.S. support for the Shah of Iran – as well as for the U.S. tilt toward Iraq in the Iran-Iraq war. The speech followed a July 1999 easing of the U.S. trade ban on Iran to allow commercial sales to Iran of food and medical products. The renewed overture still did not prompt Iran to accept the U.S. offer of an official dialogue, although Iran did begin broadening its contacts with Members of Congress.

Continued Administration and Congressional Concern. The Administration has said there are no substantive preconditions for the beginning of talks with Iran but that the two sides openly acknowledge the dialogue, that both sides must be free to raise issues of respective concern, and that the Iranian interlocutors must be authoritative representatives of the Iranian government. Although much of the policy community, including many in Congress, accept the concept of dialogue with Iran, some Members oppose any further unilateral easing of U.S. sanctions until Iran agrees to a dialogue and decisively curbs its objectionable policies. The Administration has defined those policies as Iran’s attempt to acquire weapons of mass destruction and delivery means, opposition to the Arab-Israeli peace process, and support for international terrorism. Some believe that Iran’s human rights practices should also

---

8 The most widely known example of U.S. secondary sanctions on Iran is the Iran-Libya Sanctions Act, P.L. 104-172, of August 5, 1996. For analysis of that and other U.S. sanctions on Iran, see CRS Report 97-231, Iran: U.S. Policy and Options.

9 The four category of goods that can be imported are: caviar, dried fruit, nuts, and carpets.

10 The conference report on H.R. 4461, the FY2001 agriculture appropriation (H.Rept. 106-948), eases licensing procedures for food and medical sales to Iran and other terrorism list countries and authorizes the President to allow the use of U.S. export credits for these sales.

be a priority concern for the United States, although the Administration has focused on those aspects of Iranian behavior that constitute threats to U.S. national security.

Those who believe that evidence of Iran’s moderation under Khatemi’s administration is mixed cite developments such as the following:

Khatemi and Foreign Minister Kharrazi have stated on several occasions that Iran opposes the interim accords reached between Israel and the Palestinians but Iran will not actively try to derail their peace talks. Iran did not publicly oppose Syria’s decision to renew talks with Israel in December 1999, although those talks quickly broke down and have not resumed. Despite these public pronouncements, Iran continues to provide financial aid and materiel to anti-Israel groups, particularly Hizballah, Hamas, and Palestinian Islamic Jihad, according to the Administration, and it reportedly encouraged them to continue violent actions against Israel during the September - October 2000 Israeli-Palestinian clashes. It is unclear whether or not the Iranian aid to Hizballah has diminished following Israel’s withdrawal from southern Lebanon in May 2000. The withdrawal accomplished Hizballah’s key military objective of ending Israel’s occupation of Lebanon, although Hizballah disputes the U.N. determination that the withdrawal was complete. Iran also refused a U.S. request in mid-1999 to cooperate with the U.S.-Saudi investigation of the June 1996 bombing of the Khobar Towers military housing complex in Saudi Arabia, which killed 19 U.S. airmen.

President Khatemi has attempted, with some success, to change Iran’s image in the Gulf as an aggressor and to have the country seen more as a pragmatic neighbor. Saudi Arabia has been particularly receptive to overtures from Khatemi, and the two countries are working together amicably on oil pricing issues as well as on anti-crime and anti-narcotics activity in the Gulf. Bahrain, which in 1996 openly accused Iran of attempting to overthrow the ruling Al Khalifa regime, in December 1998 restored full relations with Iran by appointing an Ambassador to Tehran. At the same time, Khatemi’s government has reaffirmed Iran’s claim to three Gulf islands in dispute between Iran and the United Arab Emirates, and maintains small amounts of conventional military equipment on these islands.

Khatemi, despite his efforts to end Iran’s isolation, has not sought to curb Iran’s WMD programs. All factions in Iran appear to agree on the need to continue developing these programs. They perceive that Iran is threatened on virtually all sides – by erstwhile adversary Iraq to the west; by a nuclear-equipped Pakistan and its client, the Taliban of Afghanistan, to the east; by U.S. forces in the Gulf, to Iran’s

---

south; and by political instability in the Caucasus and Central Asia, to the north. Iran views Israel as an illegitimate state, an adversary, and a strategic threat that possesses ballistic missiles and, according to numerous accounts, nuclear weapons. U.S. government officials and reports say Iran is actively pursuing a long-range missile program, that it is building a chemical and biological weapons infrastructure, and that it is acquiring expertise and technology that could be used in a nuclear weapons program. On the other hand, there are factional differences over the degree to which Iran should cooperate — or appear to cooperate — with international anti-proliferation regimes. Governing bodies of several international non-proliferation regimes, including the Nuclear Non-Proliferation Treaty and the Chemical Weapons Convention, say Iran is generally fulfilling its obligations under these agreements.

President Khatemi has attempted to liberalize social and political life since taking office, but conservative forces in Iran appear intent on thwarting his internal reforms. Throughout 2000, hardliners have closed over twenty pro-reform newspapers and imprisoned some of their editors. Most observers believe that hardliners, hoping to stanch any improvement in relations with the West, were responsible for the 1999 arrest and the trial in April - June 2000 of 13 Jews from the Shiraz area on charges of spying for Israel. In July 2000, ten of the Jews, along with two Muslim associates, were found guilty and given prison sentences ranging from four to thirteen years. (An appeals panel subsequently reduced the sentences by a few years in each case, but none of those convicted were released.) On the other hand, in 2000, for the first time since the revolution, women have been appointed to judgeships.

The Persian Gulf Monarchies: Coping With Internal and External Threats

U.S. attempts to contain the threats from Iran and Iraq depend heavily on cooperation with the Persian Gulf monarchies of the Gulf Cooperation Council (GCC). U.S. defense officials maintain that close post-Gulf war cooperation with the Gulf states has placed the United States in a far better position to prevent or manage a major Gulf military crisis than was the case prior to the Iraqi invasion of Kuwait. The need for will with the GCC states on defense gives the United States a strategic stake in their political stability. However, unlike defense cooperation

---

13 Testimony of John A. Lauder, Director of the Central Intelligence Agency’s Nonproliferation Center, before the Senate Foreign Relations Committee. October 5, 2000.

14 For further information on the Gulf states, see CRS Issue Brief IB93113, Saudi Arabia: Post-War Issues and U.S. Relations; and CRS Reports 95-1013, Bahrain; 95-1071, Oman; 98-436, United Arab Emirates: U.S. Relations and Prospective F-16 Sale; and 98-600, Kuwait: Current Issues and U.S. Policy.
decisions, the United States has little ability to influence their economic or internal political decisions, and the United States limits itself to providing advice on Gulf internal policies and practices. Despite the threats they face, the GCC states have proved more durable politically than some scholars had predicted, surviving attempts to subvert them by Iraq (1970s) and Iran (1980s and 1990s), the eight year Iran-Iraq war (September 1980-August 1988), the Iraqi invasion and occupation of Kuwait (August 1990 - February 1991), and post-Gulf war unrest and uncertain leadership transitions in a few of the GCC states.

Domestic Stability

The key domestic threats to GCC political stability, in most cases, come from internal, ethnic, ideological, and sectarian differences within these states. (See appendix on Gulf state population and religious composition.) Since November 1994, Bahrain's Sunni Muslim ruling family has faced several cycles of serious unrest (demonstrations, occasional rioting and some bombings) from elements of the Shia Muslim community, which constitutes a numerical majority but feels excluded from national decisionmaking. Saudi Arabia has been the only other GCC state to face significant political unrest since the Gulf war. The kingdom experienced outbreaks of rioting and demonstrations in the two years after the Gulf war because of the regime's perceived deviations from Islamic purity. Several opposition Islamic clerics were arrested.

At large in Afghanistan is an exiled Saudi opposition figure, Usama bin Ladin, who is not a religious authority but is viewed by some Saudis as a revolutionary Islamic figure who is fighting to expel U.S. influence from Saudi territory. Some observers maintain that many Saudis privately agree with bin Ladin that the Saudi regime has turned the kingdom into a vassal state of the United States that allows Saudi territory to be used for U.S. aggression against oppressed Muslims in Iraq. Saudi official concerns about such sentiment might explain why Saudi Arabia refused to allow U.S. combat aircraft to strike Iraq from Saudi Arabia during Operation Desert Fox, and might account for occasional reports that Saudi Arabia wants the United States to reduce its military presence in the kingdom. Bin Ladin supporters and other Islamic activists are present in the other Gulf states, and there are occasional reports of specific threats to U.S. forces or personnel, but they do not appear to pose a major challenge to the other Gulf regimes.

Leadership Transition. Still governed by hereditary leaders, several of the GCC states are coping with current or imminent leadership transitions. Although few observers forecast bloody succession struggles in any of the Gulf states, succession uncertainties could cloud political or economic reform efforts under way or planned.

---


In Saudi Arabia, King Fahd suffered a stroke in November 1995 and, although still in power, he has increasingly yielded day-to-day governance to his half-brother and heir apparent, Crown Prince Abdullah. Abdullah is the same age as Fahd (about 75) but he is in reasonably good health, according to visitors who have met with him. Abdullah is perceived as somewhat more willing than Fahd to question U.S. policy in the region and U.S. prescriptions for Saudi security, which, together with his image of piety, could account for his relative popularity among the Saudi tribes and religious conservatives.

In Bahrain, the sudden death of Amir Isa bin Salman Al Khalifa on March 6, 1999 led to the accession of his son, Hamad bin Isa Al Khalifa, who was commander of Bahrain’s Defense Forces. Shaykh Hamad has moved slowly but decisively to try to address the grievances that caused Bahrain’s unrest in the mid-1990s.

The UAE is in transition from the ailing Shaykh Zayid bin Sultan al-Nuhayyan, ruler of the emirate of Abu Dhabi who helped found and became President of the seven-emirate UAE federation in 1971. His eldest son, Crown Prince Khalifa, is the likely successor. Khalifa has been assuming a higher profile in the UAE over the past few years, but he is relatively untested and his succession could become clouded if the rulers of the other six emirates of the UAE federation oppose his accession. However, the UAE is well placed to weather this transition because it has faced the least unrest of any of the Gulf states and there are few evident schisms in the society.

The reform-minded ruler of Qatar, Shaykh Hamad bin Khalifa Al Thani, overthrew his father in a bloodless coup in June 1995, and most of his father's supporters quickly declared their loyalty to the new Amir. Although the Amir accused his father and other GCC states of attempting a countercoup in early 1996, the Amir and his father reconciled to some extent in late 1996 and there is little evidence of unrest.

In Kuwait, virtually the entire top leadership – Amir Jabir al-Ahmad Al-Sabah, Crown Prince/Prime Minister Sa’d al-Abdullah Al-Sabah, and Deputy Prime and Foreign Minister Sabah al-Ahmad Al-Sabah – is ailing. However, should they pass from the scene, there are several potential successors with significant experience in government. Islamic fundamentalist opposition to the ruling Al Sabah family is contained within the context of Kuwait's elected National Assembly, and virtually no anti-regime violence has occurred there since the Gulf war.

With the exception of an alleged Islamist plot in 1994 that led to a few hundred arrests, Oman has seen little unrest since Sultan Qaboos bin Said Al Said took power from his father in 1970. Qaboos is about 61 years old and in good health, but the royal family in Oman
is relatively small and there is no heir apparent or clear successor, should he pass from the scene unexpectedly.

**Political Liberalization.** Some of the Gulf states, in part to help them cope with leadership transitions and the challenges of modernization and globalization, are gradually opening the political process. The Gulf leaders hope that political liberalization will ensure stability, although some fear that this process could backfire by providing Islamic extremists a platform to challenge the incumbent regimes. Since the 1991 Gulf war, the United States has encouraged the Gulf states to open their political systems, although U.S. officials imply that political liberalization is clearly subordinate to defense and security issues on the U.S. agenda for the Gulf. U.S. officials also tell experts that the Administration is not pressing the Gulf states to adopt a U.S. or European concept of democracy, but rather to widen popular participation within their own traditions.

! Kuwait, Qatar and Oman have been at the forefront of political liberalization in the Gulf, and Bahrain’s new Amir appears to want to follow in their footsteps. In response to popular pressure after liberation, Kuwait revived its elected National Assembly in October 1992. The Assembly was suspended by the government in 1986. Kuwait’s Assembly has more influence in decisionmaking and more scope of authority than any representative body in the GCC. However, on two separate occasions in 1999, a long awaited effort by the government to institute female suffrage was rebuffed by a coalition of conservative tribal deputies and Islamists in the National Assembly. The U.S. Administration expressed support for the government’s effort. Opening a new session of the Assembly in October 2000, the Amir implied that the government would press for passage of a new female suffrage bill.

! In March 1999, Qatar held elections to a 29-member municipal affairs council. In a first in the Gulf, women were permitted full suffrage and 6 women ran for the council, but all six lost. In late 1998, the Amir of Qatar announced that a constitution would be drafted providing for an elected National Assembly to replace the appointed 35-member consultative council in place since independence in 1971. On April 13, 1999, the House passed H.Con.Res. 35 congratulating Qatar on its holding of the municipal elections. The Senate passed a companion measure, S.Con.Res. 14, on July 1, 1999.

! On September 14, 2000, Oman held its first direct elections to its 83-seat Consultative Council. The electorate consisted of 115,000 men and women, far short of a genuine popular electorate. However, the process represented a clear contrast with past elections (1994 and 1997) in which a smaller electorate consisting only of “notables,” according to Omani statements, chose two or three nominees per district and the Sultan then selected the final membership. Two women were elected to the Council in the September 2000 elections. Oman also has instituted an appointed 41-seat State Council to serve,
in part, as a check and balance on the elected Consultative Council. In October 2000, Sultan Qaboos named a new State Council which includes five women, up from four previously.

The new Amir of Bahrain appears to be abandoning his late father’s refusal to accommodate opposition demands to restore an elected national assembly. In late September 2000, the Amir broadened representation in the 40-seat appointed Consultative Council, naming to the body 19 newcomers including a Jew, a man of Indian origin, and four women, one of whom is Christian. The Administration hailed the appointments as a “positive step” to broaden political participation there. On October 3, 2000, the Amir opened the Council’s term by promising a “new era” of dialogue on a new constitution. The Amir has promised that the next Council, to be inaugurated in 2004, would be elected.

In the other Gulf states, political liberalization has been somewhat slower. Saudi Arabia expanded its national consultative council to 90 seats from 60 in 1997, but it continues to rule out national elections or the appointment of women to the Council. On the other hand, in the past year, the Saudi government has parted with tradition by naming two women to high ranking government positions. The UAE has not moved at all to broaden the authority of its forty seat advisory Federal National Council. However, the wife of UAE President Shaykh Zayid bin Sultan al-Nuhayyan said on January 31, 1999 that women will participate in the political life of the UAE in the future. A few weeks after that statement, Shaykh Zayid appointed a woman to be undersecretary of the Ministry of Labor and Social Affairs, the first woman to hold such a high-ranking government post.

Despite the move toward political openness in some of the Gulf states, the Administration and many in Congress believe that the Gulf states continue to rely heavily on repression and denial of internationally recognized standards of human rights to maintain political stability. Even the moves toward political liberalization in the Gulf states do not give Gulf citizens the right to peacefully change their government, and the foreign workers on which their economies rely have virtually no political rights at all. Almost all the Gulf states are cited by human rights organizations and U.S. human rights reports for arbitrary arrests, religious discrimination, suppression of peaceful assembly and free expression, and the denial of popular ability to peacefully change the government.

Congress has been particularly interested in the issue of religious discrimination. The 105th Congress enacted the International Religious Freedom Act (IRFA, P.L. 105-292) which, among other provisions, requires the Administration to report to Congress on the status of religious freedom worldwide. Of the Gulf states, only Saudi Arabia actively prohibits the practice of non-Muslim religions on its territory, even in private, with limited exceptions. In July 2000, the U.S. Commission on International Religious Freedom, which was chartered by IRFA, recommended to

---

18 For further information, see CRS Report 98-444, Religious Discrimination in the Middle East. May 7, 1998, by Alfred Prados.
the Secretary of State that Saudi Arabia be designated a “country of particular concern” on the grounds that it “vigorously enforces its prohibition against all forms of public religious expression other than that of Wahhabi Muslims.” At least in part because of Saudi Arabia’s pivotal role in U.S. efforts to stabilize the Gulf region, the Secretary did not designate Saudi Arabia as a country of particular concern in September 2000. Qatar prohibits public non-Muslim worship but tolerates it in private. In Kuwait, Bahrain, the UAE, and Oman, there are functioning Christian churches and congregations. Small Jewish communities in some Gulf countries are generally allowed to worship freely.

Economic Reform. At the same time the Gulf states are coping with political change, they appear to be taking steps to reform their economies. The Gulf states were shaken economically in 1998 when oil prices fell to a multi-year low of about $10 per barrel. Although production cuts in 1999 and early 2000, as well as rising global demand, caused prices to rise sharply to over $30 per barrel by the fall of 2000, the Gulf state want to reduce their vulnerability to future sharp price drops. As noted in Table 1 below, oil export revenues constitute a high percentage of GDP for all of the states of the Gulf, including Iran and Iraq. The health of the energy infrastructure of the Gulf producers is also a key concern of the United States – Gulf petroleum comprises almost one quarter of the United States’ approximately 10 million barrels per day (mbd) net imports.

Table 1. Gulf Oil Exports, U.S. Imports, and % GDP, 1999

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Exports (mbd)</th>
<th>U.S. Imports (mbd)</th>
<th>Oil Revenues as % GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>2.4</td>
<td>0</td>
<td>45%</td>
</tr>
<tr>
<td>Iraq</td>
<td>2.1</td>
<td>0.7</td>
<td>100%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1.8</td>
<td>0.24</td>
<td>50%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>7.2</td>
<td>1.45</td>
<td>40%</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.74</td>
<td>negligible</td>
<td>30%</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>2.0</td>
<td>negligible</td>
<td>40%</td>
</tr>
<tr>
<td>Oman</td>
<td>0.9</td>
<td>none</td>
<td>40%</td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.02</td>
<td>none</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17.16</strong></td>
<td><strong>2.42</strong></td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

Source: DOE, Energy Information Agency (EIA), OPEC Revenue Fact Sheet. Some figures from supporting EIA data.

---


20 For further information on the GCC economies, and trade and investment policies and practices, see CRS Report RL30383, U.S.-Gulf Cooperation Council (GCC) Trade and Investment: Trends and Implications. December 3, 1999, by Joshua Ruebner.
The 1997-98 oil price decline prompted the Gulf monarchy states to reevaluate their longstanding economic weaknesses, particular the generous system of social benefits they provide to their citizens. However, the strong expectation in these countries of continued benefits led the Gulf regimes to look to other ways to reform their economies. Rather than cut benefits, institute or raise taxes, or dramatically reduce their defense budgets, most of the Gulf states have chosen to try to reduce economic vulnerability by attracting international capital to the energy and other sectors, as well as by diversifying economically. Despite intense sensitivities to any perceived loss of sovereignty, Kuwait and Saudi Arabia have begun discussions with Western oil companies, including several American firms, about further developing their oil and gas reserves. The international firms bring technology and capital that are now in short supply to the Gulf's state-owned oil companies, such as Aramco (Saudi Arabia) and Kuwait Oil Company. It should be noted that the Kuwaiti government is having some difficulty obtaining National Assembly approval for opening the energy sector to foreign investment, although approval is expected eventually. The Saudi opening of its energy sector may also have strategic motivations – the Saudis appear to want to draw similar investment away from competing projects in Iran and the Caspian region.

As part of the process of attracting international investment, the Gulf states are starting to open their economies. The Gulf states have passed laws allowing foreign firms to own majority stakes in projects, and easing restrictions on repatriation of profits. U.S. officials have recognized progress by the GCC states in eliminating the requirement that U.S. firms work through local agents, and protecting intellectual property rights of U.S. companies. Oman has taken enough steps to open its economy to be approved, on October 10, 2000, for membership in the World Trade Organization (WTO). This leaves Saudi Arabia as the only GCC state still outside that body, but Saudi Arabia is in the final stages of negotiations with the WTO on the terms of its entry and it expects to be admitted by mid-2001. However, the United States still has concerns about Saudi Arabia’s enforcement of the primary Arab League boycott of Israel. Oman, by exchanging trade offices with Israel in 1996, had alleviated that concern. In 1994, all six GCC countries relaxed their enforcement of the secondary and tertiary boycott, enabling them to claim that they no longer engage in practices that restrain trade (a key WTO condition).

**Gulf Foreign Policy and Defense Cooperation With the United States**

Even with a weakened Iraq and a moderating Iran, most experts believe the GCC countries cannot face their security challenges alone or even in concert with each other. The GCC countries have chosen to ally with the United States and, to a lesser degree, other Western powers. Although their combined forces might be equipped as well as or better than Iran or Iraq (see Table 2 below), the GCC countries suffer from a shortage of personnel willing to serve in the armed forces or commit to a military career, and they lack much combat experience. Defense agreements with the United States are the keys to their security.

---

Table 2. Comparative Military Strengths of the Gulf States

<table>
<thead>
<tr>
<th>Country</th>
<th>Military Personnel</th>
<th>Tanks</th>
<th>Other Armored Vehicles</th>
<th>Artillery</th>
<th>Armed Helicopters</th>
<th>Combat Aircraft</th>
<th>Naval Units</th>
<th>Patriot Firing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>162,500</td>
<td>1,055</td>
<td>2,870</td>
<td>448</td>
<td>118</td>
<td>432</td>
<td>34</td>
<td>0</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>64,500</td>
<td>313</td>
<td>1,003</td>
<td>223</td>
<td>49</td>
<td>99</td>
<td>21</td>
<td>0</td>
</tr>
<tr>
<td>Oman</td>
<td>43,500</td>
<td>178</td>
<td>103</td>
<td>109</td>
<td>0</td>
<td>40</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>15,300</td>
<td>385</td>
<td>495</td>
<td>59</td>
<td>20</td>
<td>76</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Qatar</td>
<td>11,800</td>
<td>44</td>
<td>248</td>
<td>40</td>
<td>18</td>
<td>18</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Bahrain</td>
<td>11,000</td>
<td>106</td>
<td>365</td>
<td>98</td>
<td>26</td>
<td>24</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Total: Allies</td>
<td>308,600</td>
<td>2081</td>
<td>5084</td>
<td>977</td>
<td>231</td>
<td>689</td>
<td>88</td>
<td>25</td>
</tr>
<tr>
<td>Iraq</td>
<td>429,000</td>
<td>2,200</td>
<td>2,900</td>
<td>1,950</td>
<td>120</td>
<td>316</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Iran</td>
<td>545,600</td>
<td>1,345</td>
<td>990</td>
<td>2,460</td>
<td>100</td>
<td>304</td>
<td>67</td>
<td>5</td>
</tr>
</tbody>
</table>

* Iranian aircraft figures include aircraft flown from Iraq to Iran during 1991 Gulf war. Patriot firing unit figures do not include firing units emplaced in those countries by the United States. Six U.S. Patriot firing units are emplaced in Saudi Arabia, according to Teal’s World Missiles Briefing.

Source: International Institute for Strategic Studies, *The Military Balance 1999-2000*. (Note: Figures shown here do not include materiel believed to be in storage and inoperable.)

In return for providing protection to the Gulf states, the Administration and Congress have expected these states to support U.S. policy in the Middle East, including the Arab-Israeli peace process. All the GCC states have participated in the multilateral peace talks, but only Bahrain, Qatar, and Oman have hosted sessions of the multilaterals. As noted above, the GCC states have ceased enforcing the secondary and tertiary Arab League boycott of Israel, and Oman and Qatar opened low-level direct trade ties with Israel in 1995-1996. A regional water desalination research center has been set up in Oman as a result of an agreement reached at the multilaterals. In November 1997, at a time of considerable strain in the peace process, Qatar bucked substantial Arab opposition and hosted the Middle East/North Africa economic conference, the last of that yearly event to be held. Israel’s Foreign Minister said in October 2000 that, in recent years, diplomats from all six Gulf states have met with Israeli diplomats during reciprocal visits or at the margins of international meetings.

At the same time, as Arab states, the Gulf states have tried to remain within an Arab consensus on the peace process and other issues of concern to the Arab and Islamic world. During the October 2000 Israeli-Palestinian clashes, Oman closed its trade office in Israel and ordered Israel’s trade office in Muscat closed. After the
October 21-22 Arab League summit that convened to discuss the violence, Qatar said it would consider closing Israel’s trade office in Doha. The declaration of the meeting also commits the Gulf states to suspend their participation in the multilateral peace talks, although little activity has taken place on that track since 1996.\textsuperscript{22} Even though the Gulf states still resent PLO leader Yasir Arafat for supporting Iraq in the Gulf war, the Gulf states have bowed to public sympathy for the plight of the Palestinians by giving financial assistance to the Palestinian Authority. The Arab League summit adopted a Saudi suggestion to provide $1 billion in aid to the families of Palestinians killed or injured in the clashes and to Arab and Islamic institutions in Jerusalem. Apparently responding to U.S. overtures prior to the summit, the Gulf states generally supported the successful effort of Egypt and other moderate Arab states to leave the door open for future Israeli-Palestinian peace talks. However, there is concern in the U.S. defense establishment that Gulf support for the Palestinians in the ongoing crisis could lead the Gulf regimes to become less forthcoming in defense cooperation with the United States. To date, there are no signs the Gulf leaders are considering such a move.

Although committed to defense cooperation and some foreign policy coordination with the United States, the Gulf rulers do not want to be seen by their populations as vassals of the United States. As discussed below, the Gulf states host U.S. forces tasked with containing Iraq, but Gulf leaders say their people are increasingly opposed to what they see as a U.S. effort to punish rather than merely contain Iraq. The Gulf states are also reflecting public opinion in their shift against the U.S. policy of maintaining sanctions on Iraq, which many Gulf citizens believe is hurting only the Iraqi people. Echoing the position of several Gulf leaderships, Qatar’s Foreign Minister told visiting Secretary of Defense Cohen in March 1999 that Qatar does “not wish to see Iraq being bombed daily.” He was referring to the U.S. strikes on Iraq in the no fly zones since December 1998. In June 2000, both the UAE and Bahrain re-established diplomatic relations with Iraq. Qatar re-established relations in 1992 and Oman did not break relations when Iraq invaded Kuwait. With the exception of Kuwait, all the Gulf states have resumed trade ties with Iraq and Saudi Arabia said in October 2000 that it might open up a border crossing with Iraq (at al-Arar) to facilitate direct shipments of goods to Iraq.

In the same way as U.S. policy toward Iran has shifted, so has the GCC perception of Iran as a threat has given way to rapprochement. Some of the Gulf states, particularly Saudi Arabia, Kuwait, and Oman, have improved relations with Iran dramatically over the past few years. Oman and Kuwait have already agreed to limited pacts with Iran to cooperate on smuggling and illegal immigration in the Gulf, and Saudi Arabia is contemplating a similar agreement with Iran.\textsuperscript{23} The United States views these steps as helpful to its own efforts to achieve a rapprochement with Iran. However, were these or other pacts to evolve into full-fledged defense agreements between Iran and the Gulf states, the United States might view them as a threat to its

\textsuperscript{22} For further information on the multilaterals, see CRS Report 30311. \textit{Middle East: The Multilateral Peace Talks}. Updated August 17, 2000, by Joshua Ruebner.

own close defense relations with the Gulf. Some experts see Iran as attempting to “charm” the Gulf states into scaling back their defense cooperation with the United States as part of an effort to replace the United States as the chief Gulf power. Others believe Iran shares the GCC interest in reducing tensions in the Gulf, and that Iran does not believe it could ever maneuver the United States out of the Gulf.

Defense Agreements and U.S. Forces in the Gulf. With the exception of Saudi Arabia, the Gulf states have entered into defense pacts with the United States, which provide not only for facilities access for U.S. forces, but also for U.S. advice, training, and joint exercises; lethal and non-lethal U.S. equipment prepositioning; and arms sales. The pacts do not formally require the United States to come to the aid of any of the Gulf states if they are attacked, according to U.S. officials familiar with their contents. Nor do the pacts give the United States automatic permission to conduct military operations from Gulf facilities — the United States must obtain permission on a case by case basis.

An influx of U.S. military personnel and equipment has accompanied the defense pacts, and Administration officials have generally praised Gulf state cooperation in ensuring the safety of American personnel from terrorist attacks. Despite the host country cooperation, terrorists killed 5 American military advisers in an attack in Saudi Arabia in November 1995 and 19 U.S. airmen in the June 1996 Khobar Towers attack.

The following is a brief overview of U.S. operations and presence in each of the six GCC states, as well as Yemen:

Concerned about internal opposition to a U.S. presence, Saudi Arabia has refused to sign a formal defense pact with the United States. However, it has entered into several limited defense procurement and training agreements with the United States.\(^\text{24}\) It currently hosts about 150 U.S. combat aircraft performing the Southern Watch operation over southern Iraq, and, as noted above, six U.S. Patriot firing units. The number of U.S. military personnel there and in the rest of the Gulf theater of operations is listed in Table 3 below.

Bahrain has hosted the headquarters for U.S. naval forces in the Gulf since 1948, long before the United States became the major Western power in the Gulf. (During the 1970s and 1980s, the U.S. presence was nominally based offshore.) Bahrain signed a separate defense cooperation agreement with the United States on October 28, 1991. In June 1995, the U.S. Navy reestablished its long dormant Fifth fleet, responsible for the Persian Gulf region, and headquartered in Bahrain. It should be noted that no U.S. warships are actually based in Bahraini ports; the headquarters is used to command the 20 or so U.S. ships normally in the Gulf.

An April 21, 1980 facilities access agreement with Oman provides the United States access to three Omani airbases (Seeb, Thumrait, and Masirah) and some Air Force prepositioning of equipment. The agreement was renewed in 1985 and 1990, and is up for renewal at the end of 2000. Oman, dismayed at the closeout of U.S. economic aid to Oman as of the end of FY1996 (economic aid was a condition of the original access agreements), has suggested that the United States fund the construction of an airbase at Mulladah as a condition of renewal, or upgrade the three air bases the United States now uses. However, U.S. officials expect the access agreements will be renewed and negotiations are ongoing, “in a positive manner,” Oman’s Minister of State for Foreign Affairs said in April 2000.

On September 19, 1991, Kuwait, which sees itself as the most vulnerable to renewed Iraqi aggression, signed a ten year pact with the United States allowing the United States to preposition enough equipment to outfit a U.S. brigade, and joint U.S.-Kuwaiti exercises are held almost constantly. Kuwait routinely allows the United States to conduct airstrikes on Iraq from its territory and to station additional air and ground forces in Kuwait during times of crisis. As part of a plan to be able to hold off a potential Iraqi invasion until reinforcements arrive, the United States opened a Joint Task Force headquarters in Kuwait in December 1998. In October 1999, Secretary Cohen said the United States would spend $173 million to upgrade the two Kuwaiti air bases that host about 40 U.S. aircraft (Ali al-Salem and Ali al-Jabir), and to upgrade the headquarters of U.S. Army troops in Kuwait.

Qatar appears increasingly receptive to a close defense relationship with the United States. It signed a defense pact with the United States on June 23, 1992, and has thus far accepted the prepositioning of enough armor to outfit one U.S. brigade, and the construction of a facility that could accommodate enough equipment to outfit at least two U.S. brigades. Qatar has expressed willingness to host a forward presence for U.S. Central Command, which is based at MacDill Air Force Base in Tampa, Florida, and it has begun allowing U.S. P-3 maritime patrols from Qatar. The United States is currently helping Qatar expand a large air base (Al Udaid) and, according to Defense Department officials, the United States is negotiating with Qatar to use Al Udaid as a permanent host for U.S. aircraft. The Administration apparently wants to place aircraft in Qatar in order to reduce the number stationed in Saudi Arabia.

The UAE does not view Iraq as the only threat that a U.S. presence might help deter. The UAE wants a close relationship with the United States in part to deter and balance out Iranian naval power.

---


On July 25, 1994, it announced it had signed a defense pact with the United States. The UAE allows some U.S. prepositioning, as well as U.S. ship port visits (about 20 dockings per month), at its large man-made Jebel Ali port. It also hosts U.S. refueling aircraft participating in the southern no fly zone enforcement operation. However, concerned about a perceived loss of sovereignty to the United States, the UAE also insisted on a clarification, resolved in mid-1997, of the defense pact's provisions on the legal jurisdiction of U.S. military and other official personnel in the UAE.

Yemen is not a GCC state and U.S. relations with it were limited until the mid 1990s because of Yemen’s support for Iraq in the Gulf crisis. However, U.S. military ties to Yemen were expanding before the October 12, 2000 terrorist attack on the U.S.S. Cole, which killed 17 U.S. Navy personnel. Former commander of U.S. Central Command Anthony Zinni visited Yemen four times during 1997-99 to broaden U.S.-Yemen defense cooperation, and some combined military exercises have been conducted. Yemen has also been storing 300,000 barrels of oil for use by U.S. ships patrolling the Gulf, and these ships, including the Cole, used Yemen to refuel. Even though Yemen has cooperated with U.S. anti-terrorism efforts and the Cole investigation, the Cole attack has heightened longstanding concerns about the presence of terrorists in Yemen, and it is likely that defense relations with Yemen will be scaled back, at least in the short term.
### Table 3. U.S. Troops in the Gulf Theater and Host Nation Support

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>3,903 Air Force 329 Navy 773 Army 4 Marine 5,009: Total Joint Task Force/Southwest Asia About 160 U.S. aircraft</td>
<td>$1.79 direct $90.22 indirect $92.01: Total</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,893 Air Force 23 Navy 2,238 Army 6 Marine 4,160: Total Joint Task Force/Kuwait About 40 U.S. aircraft</td>
<td>$171.05 direct $4.90 indirect $175.95: Total</td>
</tr>
<tr>
<td>UAE</td>
<td>323 Air Force 11 Navy 6 Army 6 Marine 346: Total</td>
<td>$0.06 direct $10.38 indirect $10.43: Total</td>
</tr>
<tr>
<td>Qatar</td>
<td>2 Air Force 1 Navy 32 Army 35: Total</td>
<td>$0.00 direct $11.00 indirect $11.00: Total</td>
</tr>
<tr>
<td>Oman</td>
<td>50 Air Force 60 Navy 2 Army 9 Marine 121: Total</td>
<td>$0.00 direct $44.94 indirect $44.94: Total</td>
</tr>
<tr>
<td>Bahrain</td>
<td>21 Air Force 746 Navy 20 Army 560 Marine 1,347: Total Fifth Fleet Headquarters</td>
<td>$1.70 direct $1.23 indirect $2.93: Total</td>
</tr>
<tr>
<td>Turkey</td>
<td>1,805 Air Force (Northern Watch) About 24 aircraft (Northern Watch)</td>
<td>N/A</td>
</tr>
<tr>
<td>Afloat in the Gulf</td>
<td>About 13,000 mostly Navy 1 aircraft carrier plus about 10 associated ships, with about 70 aircraft. 2 U.S. ships help enforce Iraq embargo.</td>
<td>N/A</td>
</tr>
</tbody>
</table>


Direct support refers to financial payments to offset U.S. costs incurred. Indirect refers to in-kind support such as provision of fuel, food, housing, basing rights, maintenance, and the like.
U.S. Arms Sales and Security Assistance. A key feature of the U.S. strategy for protecting the Gulf has been to sell arms and related training services, to the GCC states. Congress has not blocked any U.S. sales to the GCC states since the Gulf war, although some in Congress have expressed reservations about sales of a few of the more sophisticated weapons and armament packages to the Gulf states in recent years. Some Members believe that sales of sophisticated equipment could erode Israel’s “qualitative edge” over its Arab neighbors,27 if the Gulf states were to join a joint Arab military action against Israel. Few believe that, absent a major Arab-Israeli war, the Gulf states would seek conflict with Israel. Even if they were to do so, the Administration maintains that the Gulf states are too dependent on U.S. training, spare parts, and armament codes to be in a position to use sophisticated U.S.-made arms against Israel.28

Fearing that some U.S. weapons could fall into the hands of terrorist groups operating in the region, recent foreign aid appropriations laws have barred sales of “Stinger” man-portable ground-to-air missiles systems to all Gulf countries except Bahrain, which purchased U.S. Stingers in the late 1980s. A similar provision was included in a security assistance law (H.R. 4919, P.L. 106-280), the Security Assistance Act of 2000. The Foreign Relations Authorization Act of 1994-95 (P.L. 103-256, signed April 30, 1994) bars U.S. arms sales to any country that enforces the primary and secondary Arab League boycott of Israel, but the Administration has waived the application of this law to the Gulf states every year since enactment.

Most of the GCC states are considered too wealthy to receive U.S. security assistance. Only Bahrain and Oman – the two GCC states that are not members of the Organization of Petroleum Exporting Countries (OPEC) – receive any U.S. aid. In FY2000, Bahrain and Oman each received $225,000 in International Military Education and Training Funds (IMET). Slight increases are planned for FY2001. In FY2000, Oman also received $300,000 in Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) funds for demining in southwest Oman; $500,000 is planned for FY2001. Bahrain and Oman are eligible to receive U.S. excess defense articles (EDA) on a grant basis, and the UAE is eligible to buy or lease EDA. In 1995-96, Oman received 30 and Bahrain 48 U.S.-made M-60A3 tanks on a "no rent" lease basis. The Defense Department subsequently transferred title to the equipment to the recipients. Since July 1997, Bahrain has taken delivery of a U.S. frigate and a HAWK air defense battery as EDA.

Some of the major U.S. arms sales to the Gulf states, either in progress or under consideration, include the following.29

29 Information in this section was provided by the Defense Security Cooperation Agency (DSCA) in Security Assistance Program Summaries (unclassified) for each of the Gulf states. July - September 2000.
The UAE historically has purchased its major combat systems from France, but UAE officials now appear to believe that arms purchases from the United States enhance the U.S. commitment to UAE security. In May 2000, Congress supported the President’s proposal to finalize with the UAE a contract to purchase 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM), the HARM (High Speed Anti-Radiation Missile) anti-radar missile, and the HARPOON anti-ship missile system. Some in Congress objected to the inclusion of the AMRAAM equipment as the first introduction of that weapon into the Gulf region, but the Administration apparently satisfied that objection by demonstrating that France had already introduced a similar system in an arms deal with Qatar. The total sale value is estimated at over $8 billion, including a little over $2 billion worth of weapons, munitions, and services being sold under the Foreign Military Sales (FMS) program. The UAE is evaluating the Patriot PAC-III theater missile defense system, as well as a Russian equivalent, to meet its missile defense requirements.

Although oil prices have roughly tripled since their lows in 1998, Saudi Arabia is still digesting about $15 billion in purchases of U.S. arms in connection with the Gulf war, and few major new sales are on the horizon. Having purchased 72 U.S.-made F-15S aircraft in 1993, (delivery completed in July 2000) DSCA says there are reports that the Saudis will request to buy an additional 12 - 24 F-15's to replace aging F-5's, although no official request has been made. In July 2000, the United States proposed a sale to Saudi Arabia of up to 500 AMRAAM missiles and related equipment and services, at an estimated cost of $475 million, to outfit their F-15's. Congress did not attempt to block the sale.

A planned sale to Kuwait of an unspecified number of AH-64 “Apache” helicopters has not materialized because of Kuwait’s indecision about the equipment to be included, particularly the “Longbow” fire control system. A U.S. offer to sell Kuwait 48 U.S.-made M109A6 "Palladin" artillery systems, (worth about $450 million) was withdrawn in July 2000. The sale, which might be revived later, had languished for about two years because of opposition from several members of Kuwait’s National Assembly. Assembly opponents of the sale believe that the Palladin is not the best available system and that the purchase represents an attempt to curry political favor with the United States.

In 1998, Bahrain chose to purchase 10 F-16's from new production at a value of about $390 million; delivery is planned for early 2001.
In late 1999, the Administration, with congressional approval, agreed to sell Bahrain up to 26 AMRAAM’s, at a value of up to $69 million, with delivery not to occur before 2002. Among the more controversial sales to a Gulf state, Bahrain has requested up to 30 Army Tactical Missile Systems (ATACM’s), a system of short-range ballistic missiles fired from a multiple rocket launcher. Although the Defense Department has told Congress the version sold to Bahrain would not violate the rules of the Missile Technology Control Regime (MTCR), some in Congress fear the proposed sale could facilitate the spread of ballistic and cruise missiles in the Gulf. In an effort to allay these concerns, the Administration is proposing a system of joint U.S.-Bahraini control of the weapon under which Bahraini military personnel would not have access to the codes needed to launch the missile.

Although Qatar has traditionally been armed by France and Britain, the Foreign Minister said in mid-1997 that it is "probable" that Qatar will buyarms from the United States in the future. No major U.S. sales seem imminent, but Qatar is evaluating a few U.S. systems including the Patriot (PAC-III), the M1A2 “Abrams” tank, and a Low Altitude Surveillance System (LASS). The United States has told Qatar it is eligible to buy the ATACM system (see above) because the Administration has approved Bahrain for purchases of that system, but Qatar has not expressed an interest in the ATACM to date.

Oman has said it might select a new fighter aircraft after 2000 and, if it does, it will likely resurrect past consideration of the U.S. F-16. However, with its funds limited over the past few years, Oman has had to refurbish British-built aircraft already in its possession. Oman does not appear to be considering the purchase of any major U.S. systems at this time, although it has requested some items be supplied as EDA, including patrol boats to combat smuggling.

**Joint Security/ “Cooperative Defense Initiative.”** The United States has encouraged the GCC countries to increase military cooperation among themselves, building on their small (approximately 5,000 personnel) Saudi-based force known as Peninsula Shield, formed in 1981. Peninsula Shield did not react militarily to the Iraqi invasion of Kuwait, casting doubt on the force’s viability. Manpower shortages and disagreements over command of the force have prevented the GCC states from agreeing to a post-Gulf war Omani recommendation to boost Peninsula Shield to a

---

31 The MTCR commits member states not to transfer to non-member states missiles with a range of more than 300 km, and a payload of more than 500 kilograms. Turkey, Greece, and South Korea are the only countries to have bought ATACM’s from the United States.


33 Ibid.
100,000 man force. Suspicions of Syria and Egypt have prevented closer military cooperation with those countries, as envisioned under the March 1991 "Damascus Declaration." However, in September 2000, the GCC states agreed in principle to increase the size of Peninsula Shield to 22,000.\textsuperscript{34} It should be noted that the GCC states have announced similar agreements on Peninsula Shield in the past without implementation, and that no time timetable has been set for reaching this level of strength. In October 2000, the GCC states announced that they are close to completing the linking of their early warning radar and communication systems.

The linked GCC early warning system, which is expected to eventually include a link to U.S. systems, is part of the Administration’s “Cooperative Defense Initiative” to integrate the GCC defenses with each other and with the United States. Another part of that initiative is U.S.-GCC joint training to defend against a chemical or biological attack, as well as more general joint military training and exercises.\textsuperscript{35} The Cooperative Defense Initiative appears to be a scaled-back version of an earlier U.S. idea to develop and deploy a GCC-wide theater missile defense (TMD) system that could protect the Gulf states from Iran's increasingly sophisticated ballistic missile program and from any retained Iraqi ballistic missiles.\textsuperscript{36} The Department of Defense, according to observers, envisioned this system under which separate parts (detection systems, intercept missiles, and other equipment) of an integrated TMD network would be based in the six different GCC states. In proposing such a project, Secretary of Defense Cohen said on October 10, 1998, during a visit to the Gulf, that TMD technology was sophisticated and costly. His statement implied that cost sharing and integration among the GCC states was preferable to individual country purchases of Patriots or other TMD equipment. However, that concept ran up against GCC states’ financial constraints, differing perceptions among the Gulf states, some level of mistrust among them, and the apparent UAE preference for Russian made anti-missile/air defense systems.\textsuperscript{37} As noted in Table 3 above, Kuwait and Saudi Arabia have Patriot anti-missile units of their own; the other four GCC states have no missile defenses.

**Conclusions and Prospects**

U.S. Gulf policy faces several uncertainties when a new U.S. administration and a new Congress take office in January 2001. Analysts expect that Iraq will continue to show some success in breaking out of its international isolation, although probably not to the point where it re-emerges as an immediate strategic threat to U.S. interests.

\textsuperscript{34} "GCC States Look to Boost 'Peninsula Shield' Force to 22,000." \textit{Agence France Press}, September 13, 2000.


\textsuperscript{36} Under Resolution 687, Iraq is allowed to retain and continue to develop missiles with a range of up to 150 km, which would put parts of Kuwait and Saudi Arabia within range of Iraq, even if Iraq abides completely by the provisions of the resolution.

As long as Security Council states such as France and Russia argue its brief within the Council, Iraq senses little urgency to allow a resumption of U.N. weapons inspections. However, Iraq also has little incentive to undermine its powerful friends by threatening its neighbors or resuming an all-out effort to rebuild its WMD programs. With Iraq’s opposition divided and weak inside Iraq, it is not likely that U.S. efforts to support the opposition will lead to a near-term coup d’etat or popular uprising against Saddam Husayn.

In Iran, observers sense some movement on the part of the regime to begin a political dialogue with the United States or accept the Secretary of State's proposed "roadmap" to normal relations. However, Khatemi is up for re-election in mid-2001 and his ability to undertake bold new foreign policy initiatives might be limited. If he runs for re-election, a convincing win could allow Khatemi to push forward on outreach to the United States. Whether Khatemi is politically weak or strong, Iran will probably continue to develop its WMD programs, especially its ballistic missiles. There is a consensus among all Iranian factions that the strategic threats facing Iran, from Iraq, the United States, Afghanistan, Israel, or other quarters, justify developing WMD. The September - October 2000 Israeli-Palestinian clashes have also unified Iran’s factions to maintain support for Hizballah and the Palestinian rejectionist groups.

Higher oil prices have brightened the economic and political outlook for the Gulf regimes as 2000 draws to a close. However, in the relatively near future, Saudi Arabia might face the completion of a leadership transition from King Fahd to Crown Prince Abdullah, who is now King in all but formal title. The UAE might soon face a leadership transition. Although unrest in Bahrain has quieted over the past two years, the potential for renewed unrest remains if Amir Hamad is perceived to renege on his promises of additional political reform.

Perhaps a more significant unknown is whether or not Gulf public sympathy with the Palestinians in the September - October clashes will cause the Gulf regimes to loosen their strategic ties to the United States. The Gulf states already have faced some internal pressure to downplay their defense relations with the United States because the cooperation is directed against Iraq, which is increasingly perceived in the Gulf as unjustly victimized by U.S. and international sanctions. However, as long as Saddam Husayn remains in power, the Gulf governments are unlikely to jeopardize relations with the United States to the point where they might be vulnerable to Iraqi pressure or intimidation. The Gulf states, although willing to improve relations with Iran, are also unlikely to trust Iran to the point where they will allow it to dominate Gulf security arrangements.
### Appendix 1. Gulf State Populations, Religious Composition

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Population</th>
<th>Number of Non-Citizens</th>
<th>Religious Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>68.9 million</td>
<td>607,000</td>
<td>89% Shia; 10% Sunni; 1% Bahai, Jewish, Christian, Zoroastrian</td>
</tr>
<tr>
<td>Iraq</td>
<td>21.7 million</td>
<td>—</td>
<td>60-65% Shia; 32-37% Sunni; 3% Christian or other</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>20.8 million</td>
<td>5.2 million</td>
<td>90% Sunni; 10% Shia</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1.91 million</td>
<td>1.56 million</td>
<td>45% Sunni; 40% Shia; 15% Christian, Hindu, other</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>2.3 million</td>
<td>1.56 million</td>
<td>80% Sunni; 16% Shia; 4% Christian, Hindu, other</td>
</tr>
<tr>
<td>Bahrain</td>
<td>661,300</td>
<td>224,600</td>
<td>75% Shia; 25% Sunni</td>
</tr>
<tr>
<td>Qatar</td>
<td>697,000</td>
<td>516,000</td>
<td>95% Muslim; 5% other</td>
</tr>
<tr>
<td>Oman</td>
<td>2.36 million</td>
<td>—</td>
<td>75% Ibadhi Muslim; 25% Sunni and Shia Muslim, and Hindu</td>
</tr>
</tbody>
</table>

**Source:** Central Intelligence Agency World Factbook, 1998. Population figures are estimates as of July 1998. Most, if not all, non-Muslims in GCC countries are foreign expatriates.
## Appendix 2. UNSCOM Accomplishments and Unresolved Issues

<table>
<thead>
<tr>
<th>Weapons Category</th>
<th>Accomplishments</th>
<th>Unresolved Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Status: Nuclear</strong></td>
<td>IAEA reports Iraq's nuclear program dismantled and rendered harmless (April and October 1998 reports)</td>
<td>Questions remain about nuclear design drawings, documents, and fate of some equipment</td>
</tr>
<tr>
<td>Nuclear Fuel</td>
<td>All removed by IAEA</td>
<td></td>
</tr>
<tr>
<td>Nuclear Facilities</td>
<td>Dismantled by IAEA</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>IAEA says it has assembled a picture of Iraq's nuclear suppliers</td>
<td>Most of 170 technical reports from a German supplier unaccounted for</td>
</tr>
<tr>
<td><strong>Overall Status: Chemical</strong></td>
<td>Declared munitions, chemical precursors destroyed by UNSCOM</td>
<td>Most outstanding questions involve Iraqi production of VX nerve agent</td>
</tr>
<tr>
<td>VX nerve agent</td>
<td>Iraq admits producing 4 tons</td>
<td>No verification of the fate of the agent</td>
</tr>
<tr>
<td>VX precursor chemicals</td>
<td>191 tons verified as destroyed</td>
<td>About 600 tons unaccounted for, enough to make 200 tons of VX</td>
</tr>
<tr>
<td>Other chemical munitions</td>
<td>38,500 found and destroyed by UNSCOM</td>
<td>Fate of 31,600 munitions, 550 mustard shells, and 107,000 chemical casings unaccounted for</td>
</tr>
<tr>
<td>Chemical Weapons Agents</td>
<td>690 tons found and destroyed by UNSCOM</td>
<td>3,000 tons unaccounted for</td>
</tr>
<tr>
<td>Precursor Chemicals</td>
<td>3,000 tons found and destroyed by UNSCOM</td>
<td>4,000 tons unaccounted for</td>
</tr>
<tr>
<td>Chemical Monitoring</td>
<td>170 sites monitored during UNSCOM tenure</td>
<td>No monitoring since UNSCOM departure</td>
</tr>
<tr>
<td><strong>Overall Status: Biological Program</strong></td>
<td>UNSCOM has obtained Iraqi admissions that it had a biological warfare program</td>
<td>UNSCOM says most work remains in this category; no biological weapons found by UNSCOM</td>
</tr>
<tr>
<td>Biological Agents</td>
<td>Iraq admitted producing 19,000 liters of botulinum; 8,400 liters of anthrax; and 2,000 liters of aflatoxin and clostridium</td>
<td>No verification of destruction or amounts produced</td>
</tr>
<tr>
<td>Munitions</td>
<td>Iraq admits loading biological weapons onto 157 bombs</td>
<td>No verification of bomb destruction; fate of additional 500 parachute-dropped bombs unknown</td>
</tr>
<tr>
<td>Agent Growth Media</td>
<td>Supplier records show 34 tons imported</td>
<td>4 tons unaccounted for</td>
</tr>
<tr>
<td>Delivery Equipment</td>
<td>Iraq admits testing helicopter spraying equipment and drop tanks</td>
<td>Fate of these systems unknown</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Production Facilities</td>
<td>Salman Pak facility buried by Iraq before inspections; Al Hakam bulldozed by UNSCOM</td>
<td>UNSCOM notes that biological agents can be produced in very small facilities</td>
</tr>
<tr>
<td>Monitoring</td>
<td>86 sites monitored during UNSCOM tenure</td>
<td>No monitoring since UNSCOM departure</td>
</tr>
</tbody>
</table>

**Overall Status: Ballistic Missiles**

<table>
<thead>
<tr>
<th>Imported Scud Missiles</th>
<th>UNSCOM says it has accounted for 817 of 819 Scuds imported from Russia</th>
<th>Two Scuds missing by UNSCOM accounting; U.S. and Britain believe 10-12 Scuds still unaccounted for</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical/Biological Warheads</td>
<td>75 warheads declared. 30 destroyed by UNSCOM, and at least 43 others, including 25 biological warheads, verified as destroyed</td>
<td>Two declared chemical warheads may be missing. Undeclared chem/bio warheads may exist</td>
</tr>
<tr>
<td>Imported Conventional Warheads</td>
<td>Iraq admits importing 50 Scud warheads for high explosives</td>
<td>Warheads unaccounted for</td>
</tr>
<tr>
<td>Indigenously-produced Missiles</td>
<td>30 warheads and 7 missiles unaccounted for</td>
<td></td>
</tr>
<tr>
<td>Missile Propellant</td>
<td>300 tons unaccounted for</td>
<td></td>
</tr>
<tr>
<td>Production Equipment</td>
<td>Iraq admits having 150 tons of equipment</td>
<td>Fate unknown</td>
</tr>
<tr>
<td>Monitoring</td>
<td>63 sites monitored during UNSCOM tenure</td>
<td>Missiles of up to 150 km range permitted. U.S. reports note permitted programs can benefit research on prohibited-range missiles.</td>
</tr>
</tbody>
</table>

**Source:** The information in this table is derived from reports to the U.N. Security Council by the U.N. Special Commission on Iraq (UNSCOM) and the International Atomic Energy Agency.
Appendix 3. No Fly Zones in Iraq

Northern No Fly Zone Established April 1991
Southern No Fly Zone (South of 32\textsuperscript{nd} Parallel) Established August 1992
Southern No Fly Zone Extended to 33\textsuperscript{rd} Parallel Established September 1996