

Economic conspiracy against Iraq exposed

by Joseph Brewda

The Iraqi government released a top-secret Kuwaiti intelligence memorandum on Oct. 31, which confirms Iraq's charges that the United States government had conspired with the former British colony of Kuwait to wage economic warfare against Iraq. Other evidence has shown that the economic warfare, which dates back to the end of the Iran-Iraq War in August 1988, was designed to prevent Iraq from recovering from the war.

The Kuwaiti document had reportedly been recovered intact from Kuwait's Internal Security Bureau, among many classified files which were abandoned without destruction when the Kuwaiti royal family fled within the first few hours of the Iraqi invasion of Aug. 2. The document was written by Kuwait's former security chief, Brig. Gen. Fahd Ahmed Al-Fahd, to the member of the Kuwaiti royal family responsible for covert operations and internal security, Minister of Interior Salem Sabah Al-Salem Al-Sabah. It reports on a secret meeting between General Al-Fahd and CIA director William Webster at the CIA headquarters in Langley, Virginia on Nov. 14, 1989.

CIA spokesman Mark Mansfield denounced the Iraqi-released memo as a "fabrication." He did admit that the meeting of the spy chiefs took place, but insisted that it was a mere "courtesy call."

The document reports on a U.S.-Kuwaiti plan to "exploit and benefit from the deteriorating economic situation" of Iraq. The Iraqi government has maintained, long before Aug. 2, that Kuwait's oil-dumping policies, in violation of its OPEC agreements, were aimed at destroying Iraq's economy, and were part of a colonialist effort to control the oil fields of the region. As a result of Kuwait's oil-dumping, the price of oil dropped from \$17 a barrel to less than \$10, with the result that war-ravaged Iraq was losing \$7 billion in foreign exchange earnings. Economic reconstruction from the disastrous war, and the renewal of Iraq's ambitious pre-war development program, became impossible.

In a confidential letter to U.N. Secretary General Javier Pérez de Cuéllar on Oct. 24, subsequently made public, Iraqi Foreign Minister Tariq Aziz reported that the document "clearly and unequivocally confirms the connivance between the United States Central Intelligence Agency" and Kuwait, in "plotting against Iraq's national security." Iraq has called

for a U.N. investigation of the conspiracy.

In September, the Iraqi government released a tape of an intercepted July 9, 1990 telephone conversation between the Emir of Qatar and Saudi King Fahd, which provides corroborating evidence. King Fahd cautioned the angry Emir that he only had to wait "two months" more before their mutual problems with Iraq would be ended. It would appear, in context, that the Saudi King was alluding to the already planned Anglo-American Gulf deployment, following the provoked Iraqi invasion of Kuwait on Aug. 2.

A longstanding policy

The policy of destroying Iraq through financial warfare had been clearly stated on the day of the Iran-Iraq War ceasefire, in an editorial in a British intelligence mouthpiece, the London *Economist*. The Aug. 20, 1988 editorial, "Out of the Gulf's rubble," gloated about Iraq's vulnerability due to its massive war debt. "About half of this is owed to Saudi Arabia and Kuwait, which may forget it, perhaps \$10 billion to Russia and Eastern Europe, which will not. Nor will the West's commercial banks, which have lent Iraq \$26 billion." The editorial chuckled that "Iraq's chances of securing new loans to finance postwar reconstruction are slim." Credit would only be forthcoming, if Iraq would turn over its "oil reserves of 100 billion barrels—second only to Saudi Arabia—and rich deposits of other minerals like sulfur, phosphates, and bauxite."

Since that time, the United States and most nations of Western Europe began to systematically cut Iraq off from credit needed for reconstruction. The key architect of this economic warfare policy in the United States has been former Secretary of State Henry Kissinger. Kissinger, who is also the behind-the-scenes overseer of the U.S. Gulf deployment, has repeatedly demanded that Iraq's infrastructure be destroyed—war or no war.

The timing of the CIA-Kuwaiti intelligence meeting is also significant. Two months earlier, on Sept. 20, 1989, William Webster reported that the CIA would be undergoing a major reorganization now that the "Cold War was over." In a speech before the Los Angeles World Affairs Council, Webster said that the CIA would instead concentrate on economic matters. Directly referring to Western Europe and Japan, Webster added that "our political and military allies are also our economic competitors." In an obvious reference to Iraq, Argentina, and Brazil, among other Third World states, Webster also railed against "the proliferation of nuclear, chemical, and biological weapons," an issue typically used as a cover for blocking Third World economic development.

Shortly after this address, and prior to his meeting with Kuwaiti intelligence, Webster created a new CIA directorate, one of only five, to coordinate actions that would counter this supposed threat. The fifth directorate is overseeing the blockade of Iraq.

Documentation

The following memorandum was recovered the Kuwait's Internal Security Bureau by Iraqi forces on Aug. 2. The document was written by Kuwait's former security chief, Brig. Gen. Fahd Ahmed Al-Fahd, to the member of the Kuwaiti royal family responsible for covert operations and internal security, Minister of Interior Salem Sabah Al-Salem Al-Sabah. The document was translated from the original Arabic by the United Nations.

Top secret and private

His Excellency Sheikh Salem Al-Sabah Al-Salem Al-Sabah, Minister of the Interior

In accordance with Your Highness's orders, as given during our meeting on 22 October 1989, I visited the headquarters of the United States Central Intelligence Agency, together with Colonel Ishaq Abd al-Hadi Shaddad, Director of Investigations for the Governorate of Ahmadi, from 12 to 18 November 1989. The United States side emphasized that the visit should be top secret in order not to arouse sensibilities among our brothers in the Gulf Cooperation Council, Iran, and Iraq.

I hereby inform your Highness of the most important elements of what was agreed with Judge William Webster, Director of the United States Central Intelligence Agency, in the course of my private meeting with him on Tuesday, 14 November 1989.

1) The United States is undertaking to train individuals selected by us to protect His Highness the Emir and His Highness Sheikh Saad Al-Abdullah Al-Salem Al-Sabah. The instruction and training is to take place at the headquarters of the United States Central Intelligence Agency itself, and we have set their number at 128, some of whom are to be used for special missions with the royal family, as determined by His Highness the Crown Prince.

In this connection, the United States side informed us of its dissatisfaction with the performance of the Royal Guard forces at the time of the criminal attack on His Highness the Emir.

2) We agreed with the United States side that visits would be exchanged at all levels between the State Security Department and the Central Intelligence Agency, and that information would be exchanged about the armaments and social and political structures of Iran and Iraq.

3) We sought assistance from Agency experts in reviewing the structure of the State Security Department, which, according to the instructions given by His Highness the Emir, was to be accorded major priority at our meeting

with the United States side. This would involve use of their expertise in drawing up a new strategy for action commensurate with the changes in the Gulf region and the country's internal situation, by developing a computer system and automating functions in the State Security Department.

4) The United States side said it was entirely willing to meet our request for an exchange of information concerning the activities of extremist Shia groups in the country and certain States of the Gulf Cooperation Council. Mr. Webster applauded our measures to combat movements backed by Iran and said that the Agency was willing to take joint steps to eliminate points of tension in the Gulf region.

5) We agreed with the American side that it was important to take advantage of the deteriorating economic situation in Iraq in order to put pressure on that country's Government to delineate our common border. The Central Intelligence Agency gave us its view of appropriate means of pressure, saying that broad cooperation should be initiated between us, on condition that such activities are coordinated at a high level.

"We agreed with the American side that it was important to take advantage of the deteriorating economic situation in Iraq."

6) The United States side is of the opinion that our relations with Iran should be conducted in such a way as, on the one hand, to avoid contact with that country and, on the other, to exert all possible economic pressure on it and to concentrate on effectively bolstering its alliance with Syria. The agreement with the United States side provides that Kuwait will avoid negative media statements about Iran and restrict its efforts to influence that country to Arab meetings.

7) We agreed with the United States side that it was important to combat drugs in the country, after Central Intelligence Agency narcotics experts informed us that much Kuwaiti capital is being used to promote drug trafficking in Pakistan and Iran, and that the spread of such trafficking will have negative consequences for the future of Kuwait.

8) The United States side place a special telephone at our disposal to promote the rapid exchange of views and information that do not require written communications. The number of the telephone, which is Mr. Webster's private line, is (202)-659-5246.

I await your Highness's instructions and convey to you my best regards.

(Signed) Brigadier Fahd Ahmed Al-Fahd
Director General of the State Security Department