A VERY PERFECT INSTRUMENT

The ferocity and failure of America's sanctions apparatus

By Andrew Cockburn

At the beginning of World War I, Britain set up a blockade designed, according to one of its architects, Winston Churchill, to "starve the whole population of Germany—men, women and children, old and young, wounded and sound—into submission." By January 1918, the country's food supply had been reduced by half and its civilians were dying almost at the same rate as its soldiers. When the war finally ended eleven months later, the Germans assumed the blockade would be lifted and they would be fed again.

Instead the blockade went on, and was even tightened. By the following spring, German authorities were projecting a threefold increase in infant mortality. In March 1919, General Herbert Plumer, commander of British occupation forces in the Rhineland, told Prime Minister David Lloyd George that his men could no longer stand the sight of "hordes of skinny and bloated children pawing over the offal" from the British camps.

A woman collapses from starvation in front of a food shop, Germany, 1915 © dpa/Corbis

In a later memoir, the economist John Maynard Keynes, at the time a chief adviser to the British Treasury, attributed this collective punishment of the civilian population

> most profoundly to a cause inherent in bureaucracy. The blockade had become by that time a very perfect instrument. It had taken four years to create and was Whitehall's finest achievement; it had evoked the qualities of the English at their subtlest. Its authors had grown to love it for its own sake; it included some recent improvements which would be wasted if it came to an end; it was very complicated, and a vast organization had established a vested interest. The experts reported, therefore, that it was our one instrument for imposing our peace terms on Germany, and that once suspended it could hardly be re-imposed.

Not until five months after the armistice did the Allies allow Germany to import food—not out of concern for the ongoing death and suffering, but out of fear that desperate Germans would follow the Russians into Bolshevism. By the time it was lifted, the peacetime blockade had killed about a quarter of a million people, including many children who either starved or died from diseases associated with malnutrition. There were efforts meanwhile among the victors to blame the food crisis on the postwar chaos inside Germany itself. What Woodrow Wilson approvingly called "this economic, peaceful, silent deadly remedy" re-

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tained its place in the armory of nations powerful enough to use it, preserved in international law as a mechanism for dealing with recalcitrant foes.

During the Cold War, the United States deployed sanctions and embargoes on a routine basis to punish countries that had earned Washington's disfavor. The Cubans were embargoed for having a revolution and rejecting U.S. supervision. The Vietnamese were embargoed for having the temerity to win the Vietnam War—and after the Vietnamese army ejected the genocidal Khmer Rouge from Cambodia, U.S. sanctions were brought to bear on that country too, down to school pencils. Sanctions also crushed the economy of Sandinista-ruled Nicaragua, where household goods such as toilet paper became virtually unobtainable.

Thanks to the Cold War standoff between the United States and the Soviet Union, countries subject to American sanctions, most notably Cuba, could survive on trade and aid from the communist bloc. The fall of the Berlin Wall altered this equation. The United States was suddenly free to enforce peacetime sanctions quite in the spirit of 1919. Today, as America's armies of occupation fly home and defense budgets get squeezed, such sanctions have in fact become our principal tool for global enforcement.

This tool has turned into a "machine unto itself," claims Vali Nasr, who served in the State Department during Obama's first term and is now dean of the Johns Hopkins School of Advanced International Studies. "It becomes a rote habit," he says, "operated by a bureaucracy that is always looking to close that last loophole. Pressure becomes the end, not the means." The roster of the twenty-three separate U.S. sanctions programs ongoing today—a living memorial to the national-security preoccupations of past decades—tends to support Nasr's contention, ranging alphabetically from the Balkans to Cuba (on the list since the Kennedy Administration) to Zimbabwe.

The Iraq Stabilization and Insurgency Sanctions Regulations are on the list, too, though sanctions on Iraq supposedly ended with the 2003 invasion. (There are still Americans in jail for violating them.) Iran has been targeted ever since the takeover of the U.S. Embassy in 1979, when David Cohen, now the Treasury Department's undersecretary for terrorism and financial intelligence and the overall supervisor of American sanctions operations, was in high school. In consequence, Iran has lost 60 percent of its oil exports; it is not free to spend the money earned from remaining oil sales; it cannot insure its tankers; it has almost no access to the international banking system. Its economy is shrinking and inflation is gathering speed.

Though food and medicine are theoretically exempt from this blockade, Iranians face huge obstacles in importing them. Three thousand Iranian cargo ships are stranded. The dragnet is global. An American who inherits an Iranian business, for example, risks arrest for violating sanctions. Individuals face jail time for exporting medical equipment to Iran or investing in an Iranian certificate of deposit. Costco recently acknowledged that it had allowed six employees of targeted Iranian institutions in Japan and Britain to buy its deeply discounted goods—a clear violation of sanctions—and duly struck them from its membership rolls.

Elsewhere, Syrians shivered for much of last winter because sanctions had halted supplies of home heating oil. Lebanese banks, a traditional refuge for Syrian capital, have been threatened as well. Despite its recent elevation in U.S. favor, Burma still finds itself facing sanctions, either active or threatened. The system is enforced with punitive rigor. In sharp contrast to the benign treatment meted out to Wall Street banks following the 2008 crash, fines for sanctions infractions have risen to the hundreds of millions for foreign banks caught transferring Iranian payments.

Just as air power has evolved from the area bombing of entire cities during World War II to "precision" drone strikes, so the theory and practice of sanctions has evolved from straightforward blockades into a more ambitious and intricate system known as "conduct-based targeting," aimed at the economic paralysis of thousands of designated "entities"—people, companies, organizations. Drone operations attract widespread comment, inquiry, denunciation. Our modern economic warfare, though it bends the global financial system to its ends and can blight entire societies, operates well below the radar, frequently justified as a benign alternative to military action.

"Sanctions are the soft edge of hard power," said Robert McBrien as he put aside the broad-brimmed hat and dark glasses he'd worn to our meeting at a downtown Washington hotel. "They make people suffer. They hurt. They can destroy."

McBrien may be considered an authority on the subject, given his twenty-four years directing Global Targeting at the Office of Foreign Assets Control, the obscure but immensely potent executor of U.S. sanctions warfare. OFAC is headquartered in the Treasury Annex, a building across from the White House that bears no outward identification save a plaque attesting to its former role as the site of the Freedman's Bank, which served emancipated slaves. The two hundred professionals in the well-guarded offices almost all carry SCI (Sensitive Compartmented Information) clearances, beyond Top Secret, authorizing them to read decrypted signals intelligence. Most of them are lawyers—increasingly, former federal prosecutors—and they tend to stay in the job.

Cohen has no qualms about acknowledging that his office does more than just enforce sanctions. "We very much see ourselves as involved in the policymaking process," he told me.

"First they make the policy," commented a Washington attorney with years of experience of the system. "Then they write the laws. Then they enforce the laws. Imagine if the police did all of that. It would be a scary world."

Should OFAC's targeteers ("I hired most of them," says McBrien) even suspect that you are in some way connected with a violation of a U.S. sanctions program, you may suddenly discover you are an SDN (Specially Designated National). Roughly 5,500 people, organizations, and businesses are listed as such on the OFAC website. SDNs are essentially economic pariahs. Not only are they cut off from any contact with the U.S. financial system, but banks who deal with them are threatened with similar exclusion. Given that almost all international business is carried out in dollars or euros—and that the Europeans are willing partners in our sanctions enforcement—this is a persuasive threat. As a former Obama Administration official told me, "There are businessmen all over the world terrified that they might have had lunch with an SDN."

"I tend to like sanctions programs that come as a complete surprise," remarked McBrien, sipping an iced tea. "It's shock and awe." Thus, the first you may know of your newfound status is when a U.S. bank declines your ATM card, followed shortly after by a listing on the website for all to see. Finding out precisely why you have been listed can be tough, since OFAC is under no obligation to give anything but a vague explanation to Americans, and none at all to foreigners, nor even to wait for airtight proof that you are engaged in a sanctioned activity.

"This is considered an administrative matter," explains Erich Ferrari, a Washington lawyer specializing in relief for SDNs. "So all they need is a 'reason to believe' you are up to something, which can be based on a press clipping or a blog entry. You start by listing your assets and business activities for them. They send you questions. You reply. And so it goes on," he said, laughing ruefully, "for a number of years."

Given a good lawyer and a lot of time, an SDN can get off the list, though with one's assets frozen there is obviously a problem paying legal bills. OFAC will release money for fees—but it caps them at a rate equivalent to $175 an hour, chump change for the D.C. bar. And while foreign SDNs may have liquid funds, their lawyers risk having their own names added to the roster.

"The same people who put you on the list are the ones who decide whether to take you off," says Ferrari. "It's up to them whether to review the case. Often the evidence is classified and they won't show it to me." The classified information comes courtesy of OFAC's access to U.S. intelligence, including the NSA's ubiquitous communications intercepts. ("When you've just talked to a European finance minister," one former Treasury official told me, "it's quite useful to read the transcript of the call he then makes to the head of his central bank.")

Death can bring relief from the list—but not automatically. Osama bin Laden is still there, the multiple spellings of his name meticulously noted. "Just because a party is dead does not mean that they cannot or will not be targeted for U.S. sanctions," observes Ferrari. "Of course, it's hard to change their behavior. But without the targeted party alive to contest the designation, no one is going to be overly concerned with that aspect of it."

The system, according to the men who built it, has grown gradually but inexorably. The immediate predecessor to OFAC was created in 1950, when the Chinese entered the Korean War and President Truman decided to freeze all Chinese and North Korean assets. A Treasury official named Richard Newcomb took it over in 1987, when it had a staff of twenty, and ran it for the next seventeen years—one of those powerful Washington bureaucrats unknown to the wider world. He reminisced proudly to me about the invention of the SDN, which took place around the time the Cold War ended. It "really was a [new] foreign-policy tool in the state's quiver," Newcomb said.

He recalled a brief period in 1990 when it appeared that peace might break out all over and even the long-standing Cuban embargo was apparently winding down. "A major network was going to broadcast its morning show from Havana!"

Then, on August 2, 1990, came news that Saddam Hussein had invaded Kuwait. Summoned to an urgent meeting in the White House Situation Room, Newcomb was asked how quickly the U.S. could freeze Saddam's assets. "I told them, 'You can implement it overnight,' and they woke up Bush to sign the order," he said. "It was very exciting." With the Soviets a spent force, the U.N. could easily be brought into line, and Iraq was soon under total blockade. As the merits of war with Iraq were hotly debated in Washington, sanctions drew hearty endorsements from the antiwar faction as a peaceful alternative: surely they could achieve the same objective if given "time to work."

It was the dawn of a golden age for sanctions. OFAC's portfolio steadily expanded, targeting opponents of the Israeli-Palestinian peace accords, zeroing in on the Serbian regime of Slobodan Milošević, shredding the business empires of Colombian cartel chiefs. And even before 9/11, OFAC had assumed a growing role in counterterrorism as Newcomb connected with Richard Clarke, a rising star in the security and intelligence apparatus.

Though Saddam was long gone from Kuwait, sanctions on Iraq were still a major operation. Meanwhile, the sanctions on Iran imposed back in 1979 had never been totally lifted. Along with enforcing a trade embargo, Carter had seized $12 billion of Iran's money held in American banks. Supposedly the money was to be released and the trade embargo lifted once the embassy hostages came home, but a large portion remained frozen pending claims by U.S. corporations over contracts signed with the shah but never fulfilled. As McBrien puts it, "We grabbed much of Iran's wealth and kept it."

Formal sanctions were resurrected and gradually strengthened during the early 1990s, banning arms sales and spare parts for Iran's American-built warplanes and airliners, as well as all imports of Iranian oil into the United States. By 1995, U.S. investment in Iran's petroleum industry was forbidden, followed by a further bar on U.S. trade with the country. But efforts to get other countries to support the campaign withered in the face of European resistance.

Indeed, up until this point, sanctions had suffered from a fundamental flaw: true effectiveness required international cooperation. The Cubans had survived decades of U.S. embargo because the rest of the world had seen no reason to join in. But all that began to change when the United States learned to use its dominance of the international financial system as a weapon.

In 2004, George W. Bush appointed Stuart Levey, then an ambitious Justice Department lawyer, to oversee all sanctions operations. Levey realized that he could pressure foreign banks into cutting off relations with Iranian banks by threatening their access to U.S. financial markets—a process that Cohen has demurely described as a "vigorous outreach and education effort." Since all international banks must be able to trade in dollars, this was a formidable threat. The point was driven home by an $80 million fine, huge for its time, imposed on a Dutch bank, ABN Amro, that had processed dollar transactions for Iranian and Libyan banks. The Amro settlement set a pattern, with fines climbing toward $1 billion within a few years.

The beauty of the "secondary sanctions" system lay in its self-enforcing nature. Repeatedly reminded of what could happen if they were caught dealing with a targeted Iranian, terrified foreign banks preferred to avoid contact with any Iranian of any description, whether they were on the target list or not. Meanwhile, the banks and other major corporations hurriedly expanded their "compliance" departments, a fruitful source of employment for OFAC veterans, to further ensure against unwitting contamination.

So for all the claims of precise, "conduct-based" targeting, Levey's revolution rendered sanctions far more blunt and indiscriminate than officially advertised. In theory, trade in humanitarian goods, food, and medicine has always been exempt—but if payments for such goods cannot be processed, then the effect is the same. Meanwhile, European governments were now obediently adopting their own stringent sanctions against Iran. Paris was especially vigorous in leading this united front—as a former French diplomat told me, the foreign ministry "drank from the cup of neoconservatism."

If Iranians hoped that the election of Barack Obama would bring some relief, the new president's retention of Levey in his post was a clear indication that little would change. The same might be said of Levey's trip to Israel two weeks after the election. An instructive cable released by WikiLeaks detailed not only his reassurances to a slew of Israeli officials, but also the progress report he delivered on his success in curtailing most "major players" from doing business with Iran, as well as plans to hit Iran's oil-refining and insurance industries.

In contrast to Hillary Clinton, who threatened during her presidential campaign to "totally obliterate" Iran, candidate Obama had indicated an interest in a "dual track" approach to the Iranian nuclear issue—that is, pursuing diplomacy while maintaining "targeted" sanctions. In the end, though, it came to the same thing. Negotiations to swap Iranian stocks of low-enriched uranium for supplies of more highly enriched fuel (necessary for the production of medical isotopes to treat 850,000 Iranian cancer patients) ended up going nowhere. It was time, as David Cohen said later, to develop and implement "truly biting sanctions" against Iran.

So eager was the Obama Administration to proceed that other issues took second place. In return for Russian cooperation, for example, the United States abandoned its cherished goal of NATO expansion, discarded plans for a missile shield in Eastern Europe, stopped lecturing the Russians about human rights, and lifted earlier restrictions on Russian arms exports. Just as bombing strategists had searched for the "critical nodes" that would cripple the German, Korean, Vietnamese, and Iraqi war economies, so the sanctions planners successively targeted elements of the Iranian economy, including what Cohen called the "key node" for processing oil revenues: the Iranian central bank.

Since Iran refined little oil itself, gasoline imports were targeted in 2010 in the expectation that this would generate potentially destabilizing unrest. Fuel shortages did make it harder for ordinary Iranians to get around, thinning out Tehran's legendary traffic jams—but they also forced drivers to use low-quality, locally refined gasoline, increasing pollution to dangerous levels. A year later, sanctions were imposed on any foreign bank that processed oil deals with the Iranian central bank. In 2012, Obama signed the Iran Threat Reduction and Syria Human Rights Act, cutting off access to the U.S. market for any foreign company doing business with Iran's energy sector and freezing any American assets they might have. A similar provision was inserted into Section 1245(d)(1) of the 2012 National Defense Authorization Act, which is meant to be about Pentagon funding, not sanctions.

Thanks to such "innovative tools," as Cohen has proudly called them, Iran's oil exports plummeted from 2.4 million barrels a day in 2011 to 1 million just a year later. "We have in place now," declared Cohen in September 2012, "an enormously powerful set of sanctions at home and around the world. It retains its essential conduct-based foundation as it broadens out to target an ever more comprehensive set of Iranian commercial and financial activities."

Iraqi children scavenging in a garbage dump, 1995 © Barry Iverson/Time & Life Pictures/Getty Images

Once upon a time, such tactics had been the exclusive preserve of presidents. Kennedy had put Cuba under total embargo with a stroke of the pen (though not before securing a hoard of 1,200 Cuban cigars for himself). Carter had imposed sanctions on Iran in 1979 with a similar executive order, and Reagan had lifted them the same way—except, of course, for the frozen and effectively confiscated Iranian deposits in U.S. banks. But in the 1990s Congress began passing its own sanctions laws. As Nasr pointed out to me, "It's a way for Congress to have a foreign policy." Having long since forfeited its ability to declare war, Congress can still impose sanctions—which it does with increasing avidity and no inhibitions about targeting ordinary citizens. ("Critics [have] argued that these measures will hurt the Iranian people," wrote Brad Sherman, a Democratic congressman from California, in 2010. "Quite frankly, we need to do just that.")

In consequence, many of the "truly biting" measures cited by Cohen have come from Capitol Hill, passed with crushing bipartisan majorities, and can be repealed only from there. Certain members, such as Senators Mark Kirk of Illinois and Robert Menendez of New Jersey, as well as Ed Royce, chairman of the House Foreign Affairs Committee, have emerged as pacesetters on the issue. Behind these public figures stand an assortment of more shadowy aides, such as Kirk's deputy chief of staff Richard Goldberg or Royce's foreign-policy adviser Matthew Zweig. They in turn work closely with powerful outside players in the world of sanctions, most notably a group called the Foundation for Defense of Democracies, chaired by former CIA director James Woolsey.

"A friend told me recently that we are the Special Forces of the Washington think-tank community," Woolsey said cheerfully when I called. "I liked that." Founded in the immediate aftermath of 9/11, the group has in the past secured its funding, currently around $8 million a year, from such traditional wellsprings as Edgar Bronfman and Michael Steinhardt. Fusing in one entity the parallel tracks of sanctions and drone warfare, the FDD also publishes *The Long War Journal,* a chronicle of American military conflict in the twenty-first century.

Woolsey quickly referred me to the foundation's executive director, Mark Dubowitz, who came to his $300,000-a-year job from the world of venture capital. Dubowitz was happy to endorse the Special Forces accolade when I reached him, though he insisted that "being a Canadian, [and] by upbringing modest," he couldn't take much credit for crafting the destruction of the Iranian economy. Others in the community are more generous, noting Dubowitz's handiwork in stipulations buried deep in congressional bills. Section 219 of the Iran Threat Reduction Act, for example, requires any company that files with the SEC to report any connection to trade with Iran—or any connection to *another* company that trades with Iran. This was the mechanism that unmasked the six Costco club members in Japan and Britain.

"The aim of sanctions," Dubowitz told me, "is to try and bring the Iranian economy to the brink of economic collapse and, in doing so, create fear on the part of the Supreme Leader and [his Revolutionary Guards] that economic collapse will lead to political collapse and the end of their regime.... We're trying to break the nuclear will of a hardened ideologue."

Effortlessly reeling off statistics on hard-currency earnings and the technicalities of petroleum refining, Dubowitz lamented the resources still available to the enemy. He outlined a plan to cut off all remaining Iranian oil exports. "Countries would have to stop buying Iranian oil immediately, or their banks would be sanctioned," he explained. "Chinese, Japanese, South Korean, Indian, South African, Turkish, Taiwanese—everyone who's buying Iranian oil would be given a short period of time to go buy it somewhere else, or face sanctions against their financial institutions.... We could take a million barrels of Iranian oil off the market tomorrow."

China? India? This seemed ambitious indeed. I asked Dubowitz whether the administration had the will to enact such measures. "Congress has the will to do this," he answered firmly, and predicted that I would see legislation along these lines within a few weeks.

Sure enough, on May 22, Ed Royce's Foreign Affairs Committee voted unanimously for the Nuclear Iran Prevention Act, aimed not only at eliminating practically all remaining Iranian oil exports but also at choking off Iran's access to its dwindling foreign-currency reserves. "We squeeze—and then squeeze some more," said Royce. Representative Tom Cotton, an Arkansas Republican, suggested a provision mandating punishment for relatives of sanctions violators, including uncles, nephews, great-grandparents, great-grandchildren, and so forth. But this was too much even for his colleagues, who rejected the proposal.

Meanwhile, across Capitol Hill, in the Hart Building, Senator Kirk was germinating another bill, one that would dispense with the fiction that Iranian sanctions are aimed purely at the country's nuclear program. In theory, Iran's abandonment of its nuclear ambitions would lead to the end of sanctions. But the ayatollahs don't believe this. In their view, the United States has never accepted their revolution and is still bent on overthrowing them. According to two former State Department officials, Ayatollah Ali Khamenei, the Supreme Leader himself, made this very argument to the American diplomat Jeffrey Feltman (now U.N. under-secretary-general for political affairs) when the latter visited Tehran with a high-level U.N. delegation in 2012. America's credibility with the Iranians is shot. Or as Trita Parsi, president of the National Iranian American Council, puts it: "We have sanctioned ourselves out of any influence on Tehran."

Khamenei will find no surprises in Kirk's upcoming bill, which will condition sanctions not on the cessation of the nuclear program, but on OFAC's certifying that

> the Government of Iran has released all political prisoners, is transitioning to a free and democratically elected government, and is protecting the rights and freedoms of all citizens of Iran, including women and minorities.

As Parsi notes, the Iranian leadership has responded to previous sanctions by redoubling work on its nuclear program—not exactly the intended effect. Nor is the election of Hassan Rohani as president of Iran, despite his reputation as a "moderate," likely to lead to any softening of sanctions. "My sense," Dubowitz assured me shortly after the vote, "is that it's full steam ahead."

Of course, we have been here before. For twelve years, we were asked to accept that the sanctions on Iraq were tied to Saddam's alleged weapons of mass destruction. U.N. inspectors dutifully combed the country year after year in an unrelenting search for the merest trace of a chemical, biological, or nuclear weapon, but after initial nuclear discoveries, nothing was ever found. Even at the very end, as George W. Bush and Tony Blair pushed us into war, dovish commentators lamented that the inspectors "had not been given more time."

Once in a while, officials would casually concede the truth: WMDs had nothing to do with it. As George H. W. Bush noted immediately after the 1991 Gulf War, there would be no normal relations with Iraq until "Saddam Hussein is out of there," and we would meanwhile "continue the economic sanctions." In case anyone had missed the point, his deputy national-security adviser, Robert Gates, spelled it out a few weeks later: "Saddam is discredited and cannot be redeemed. Iraqis will pay the price while he remains in power. All possible sanctions will be maintained until he is gone."

This sounded like an inducement to Iraqis to rise up and overthrow Saddam, and so relieve their misery. But I was assured at the time by CIA officials that an overthrow of the dictator by a desperate population was "the least likely alternative." There could be only one conclusion about the purpose of the sanctions program: the impoverishment of Iraq was not a means to an end, it *was* the end.

Visiting Iraq in that first summer of postwar sanctions, I found a population stupefied by the disaster that was reducing them to a lower-tier Third World standard of living. Baghdad auction houses were filled with the heirlooms and furniture of the middle classes, hawked in a desperate effort to stay ahead of rising inflation. Doctors, most of them trained in Britain, displayed their empty pharmacies. "No Iraqi babies invaded Kuwait, so why must they suffer?" cried one staffer in a hospital in Amara, as I toured a ward of sickly, wasted infants. Everywhere, people asked when sanctions would be lifted, assuming that it could only be a matter of months at the outside (a belief initially shared by Saddam). The notion that they might still be in force a decade later was unimaginable.

In theory, the doctors should not have had anything to worry about. Sanctions made a specific exception for "supplies intended strictly for medical purposes, and in humanitarian circumstances, foodstuffs." However, every single item that Iraq sought to import, including such clearly humanitarian commodities as food and medicine, had to be approved by the U.N. committee created for this purpose and staffed by diplomats from nations belonging to the Security Council, including OFAC officials. It met in secret and published few records of its proceedings.

Throughout the entire period of sanctions, the United States blocked attempts to import pumps desperately needed in water-treatment plants along the Tigris. The river became an open sewer. Chlorine, vital for disinfecting such a tainted water supply, was excluded on the grounds that it could be used as a chemical weapon. The results were visible in hospitals' pediatric wards. Health specialists agreed that contaminated water was killing the children with gastroenteritis and cholera—diseases that overcame their victims with relative ease since the children were already weak from malnutrition.

Every so often a press report from Baghdad would highlight the immense, slow-motion disaster taking place in Iraq. For the most part, however, the conscience of the world, and especially that of the U.S. public, was left untroubled. Administration officials reassured themselves that any hardship was purely the fault of Saddam, and that in any case reports of civilian suffering were deliberately exaggerated by the Iraqi regime. As one U.S. official with a key role in the U.N. weapons inspections remarked to me with all sincerity at the time: "Those people who report all those dying babies are very carefully steered to certain hospitals by the government."

From time to time, this curtain of hypocrisy would slip, as when Madeleine Albright, then U.S. ambassador to the United Nations, told *60 Minutes* that the price paid by the multitude of dead Iraqi children was "worth it." When the chief U.N. inspector, a Swedish diplomat named Rolf Ekéus, concluded that there were no WMDs in Iraq and urged that the embargo be lifted, Albright had no shame in publicly proclaiming that sanctions would remain, WMDs or no. Saddam then ceased cooperating with inspectors—as the Clinton Administration fully expected he would—thus freezing both the bogus weapons issue and sanctions in place until superseded by war, occupation, I.E.D.'s, and suicide bombers.

Invading forces arriving in Baghdad found a society degenerated into criminality and corruption, its once vaunted education and health systems in tatters, its populace seeking solace in fundamentalist Islam. With the slender threads of state authority finally broken, the capital dissolved into anarchy. "We destroyed the middle class," observes Vali Nasr, "so when we arrived, we got Sadr City"—the impoverished slum from which rioters emerged to pillage Baghdad.

It should be noted in passing that although sanctions are frequently promoted as, in Cohen's words, "a heck of a lot better than war," Iraqi sanctions are conservatively estimated to have killed at least half a million children, while estimates of the total death toll from subsequent violence—a still horrific 174,000—are lower.

No one in Washington these days likes to talk about Iraqi sanctions, or to reflect on whether they might have had anything to do with Iraq's inability to recover as a functioning state. "First of all, I don't believe half a million died," a former sanctions official told me. "And secondly, there were supplies of food and medicine, but Saddam controlled them. He was a brutal dictator." I asked Cohen if he saw any parallels between that era and his present activities. "Not really," he replied. "I think the sanctions that we have in place today are far different from those that we constructed at that time.... The differences far outweigh whatever similarities there may be."

Yet there are ominous echoes of the Iraqi disaster in recent reports from Iran. The most obvious similarity is the collapsing currency, dropping from 16,000 rials to the dollar in early 2012 to 36,000 a year later—very much according to the sanctions plan. (As Cohen noted with satisfaction in Senate testimony in mid-May, "There's a tremendous demand for gold among private Iranian citizens, which in some respects is an indication of the success of our sanctions.") The price of a kilo of low-quality minced meat, for example, recently doubled in a week, to the equivalent of a day's pay for a construction worker.

The echoes recur in less statistically obvious ways. Aircraft are crashing in greater numbers, largely because of an ongoing shortage of long-embargoed spare parts. Crime and drug addiction are growing exponentially, there being absolutely no shortage of narcotics, especially heroin from nearby Afghanistan, but also cocaine, the perquisite of the rich. Just as sanctioned Iraqis found a class of "new billionaires" flaunting their wealth in the midst of want, so sanctions are enriching a similar class of Iranians, not only drug dealers but smugglers, refinery operators, and other profiteers.

The clearest echo of all is to be found in the sanctions on medicine. As in the case of Iraq, where "humanitarian" goods and services were supposedly exempt, this embargo does not officially exist. Even Congress, despite calls to "hurt" the Iranian people, makes an exception for such goods in its otherwise draconian legislation. OFAC will grant licenses for shipments, though not always expeditiously. (As a former OFAC staffer told me, "Licenses get done when they get done.") Cohen, too, insisted that his organization would not bar such aid: "The reality is that our sanctions do not forbid the export to Iran of food, medicines, [or] medical devices, whether it's some U.S. company or some foreign company that wants to export those humanitarian goods. There's nothing that forbids that."

Reality gives the lie to these assertions. Simply put, licenses and waivers are irrelevant, because the excision of Iranian banks from the global financial system makes it practically impossible for anyone exporting medical supplies to Iran to get paid. The U.S. campaign to scare banks out of dealing with Iran under any circumstances has seen to that. And while Levey, like Cohen, insists that "U.S. sanctions carve out transactions for medicine and agricultural products," Siamak Namazi, a Dubai-based researcher who has made the deepest study of this issue, argues otherwise. He quotes a senior Iranian pharmaceutical executive who flew to Paris to present a French bank with documents showing a trade was fully legal, only to be told: "Even if you bring a letter from the French president himself saying it is okay to do so, we will not risk this."

So, years pass. We "squeeze, and then squeeze some more" with no end in sight. I am told that there were high-level intelligence briefings in Washington late last year predicting popular unrest in Iran due to hardships inflicted by the sanctions. I myself saw evidence of this misapprehension in a chance dinner conversation with a very senior State Department official and a wealthy Iranian-American businessman.

"The Iranians will respond to pressure," said the official confidently.

I repeated this remark to the Iranian sitting beside him, whose eyes promptly widened in astonishment. "Oh no, not at all," he replied. "You should meet my aunts in Tehran. They are from the old regime, nothing to do with the government, and yet they are so angry about the sanctions, they demonstrate for a nuclear Iran."

The official looked astonished in turn. The notion that sanctions might be counterproductive was clearly new to him. But then, that was never the point of the "perfect instrument." As for those "skinny and bloated children" who so disgusted the British troops in Germany a century ago, a later survey of 600 young Nazis on their motivations for supporting Hitler suggested that a major influence was their vivid memories of childhood hunger and privation. ■