

## Cato Institute Policy Analysis No. 64: What's Wrong With Trade Sanctions

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### Executive Summary

Under pressure from a majority of Congress, President Reagan has recently instituted a program of economic sanctions against South Africa to protest that country's racial policies. Although there is no question that the South African government's apartheid regime is abhorrent, before rushing into sanctions we ought to give serious thought to whether they will work. There is little historical evidence that sanctions have ever achieved their purpose; recent examples of such nonsuccess include the U.S. embargo on grain shipments to the Soviet Union in 1981 and U.S. sanctions against Nicaragua in 1985. More often than not, sanctions end up making the target country more self-sufficient and strengthening its resolve to continue its policies. In the case of South Africa, the result may be a strengthening of apartheid, rather than its demise.

### Past Failure

The first recorded case of trade sanctions occurred in 432 B.C., when the Athenian leader Pericles imposed sanctions on Megara. Megara appealed to Sparta for aid, resulting in the Peloponnesian War.<sup>[1]</sup> An early example of U.S. trade sanctions occurred in 1807, when President Jefferson embargoed all U.S. trade with Europe to protest British attacks on U.S. merchant ships. As with later trade sanctions, this effort also proved to be a complete failure.<sup>[2]</sup> In modern times, sanctions have been used a great many times in both major and minor efforts to change government behavior. Almost universally they have failed.

A particularly dramatic failure was the Roosevelt administration's program of economic sanctions against Japan in the late 1930s and early 1940s. U.S. sanctions against Japan were first instituted in 1938, following the Pana incident. Private companies were urged to halt shipping goods to Japan and banks were discouraged from extending credits to Japan. In this effort the administration was continually pressed by businessmen who wished to exclude Japanese goods from the U.S. market.<sup>[3]</sup> U.S. sanctions were extended in 1940 to a mandatory embargo on the export of arms, munitions, aviation fuel, and other items deemed useful to Japan's war effort. They culminated in Roosevelt's July 25, 1941, order freezing all Japanese assets in the United States, thereby effectively shutting off all trade between the two countries. The major impact of this action on Japan was the immediate loss of virtually all oil imports. At that time 80 percent of Japan's oil came from the United States.<sup>[4]</sup>

Historians agree that the freeze order was the final straw causing Japan to attack Pearl Harbor. Robert J. C. Butow says the order produced feelings in Japan "similar to those that grip a man when a noose is placed around his neck."<sup>[5]</sup> William L. Langer and S. Everett Gleason believe that the freeze order "was probably the crucial step in the entire course of Japanese-American relations before Pearl Harbor."<sup>[6]</sup> Former under secretary of state George W. Ball concludes from this episode that economic sanctions are more likely to strengthen aggressive tendencies than to compel greater docility:

One has only to recall the effect of the so-called ABCD (American-British-Chinese-Dutch) encirclement of prewar Japan, and particularly the American embargo on oil exports to Tokyo. Not only did the latter action play into the hands of the aggressive Japanese military clique, it provided a decisive argument for seizing the oil-rich Dutch East Indies and attacking Pearl Harbor. [7]

Recently, Gary Clyde Hufbauer and Jeffrey J. Schott of the Institute for International Economics studied 103 episodes of trade sanctions since World War I. They conclude that sanctions are seldom successful, even under a loose definition of "success," except against small countries and only when the goals are modest. [8] Moreover, since 1973 the proportion of cases in which sanctions have achieved any success has fallen from almost half to about one quarter. "In most cases," according to Hufbauer and Schott, "sanctions do not contribute very much to the achievement of foreign policy goals. . . . We conclude that sanctions are a decreasingly useful policy instrument." [9] These findings are summarized in Table 1.

This negative view of trade sanctions is widely shared by those who have studied them. Robert Gilpin of Princeton University notes that the theory behind sanctions is that they cause a split within the leadership and the masses of the people, "but in almost all cases, it's been just the opposite. What you have is really a rallying-around-the-flag response in these countries." [10] Margaret Doxey of Trent University (Peterborough, Ontario) says, "One may conclude that economic sanctions should not be seen as a useful, peaceful weapon of pressure which can be readily employed at low cost." [11] And Secretary of State George Shultz has said, "As a general proposition, I think the use of trade sanctions as an instrument of diplomacy is a bad idea. . . . Our using it here, there and elsewhere to try to affect some other country's behavior basically has not worked." [12]

**Table 1: The Failure of Sanctions**

Policy Goal	Pre-1973		1973-84	
	Successes	Failures	Successes	Failures
Modest policy changes	9	3	9	23
Destabilization	9	6	1	3
Disruption of military adventures	5	8	1	4
Military impairment	2	6	0	2
Other major policy changes	2	11	1	3
Total	27	34	12	35

**Source:** Gary Clyde Hufbauer and Jeffrey J. Schott, *Economic Sanctions Reconsidered* (Washington: Institute for International Economics, 1985), p. 81.

## Rhodesia

An example of the failure of trade sanctions is the case of Rhodesia, the case that most closely corresponds to the South African situation. An embargo sponsored by the United Nations against Rhodesia ran from 1965 to 1979. On November 11, 1965, Rhodesian prime minister Ian Smith issued a unilateral declaration of independence from Great Britain, setting up a government controlled by Rhodesia's white minority. Great Britain immediately announced the imposition of sanctions, including the freezing of Rhodesian assets. Shortly thereafter, the UN passed a resolution urging member states to withhold recognition of the new regime, break economic relations, and embargo oil exports. Eventually, the sanctions were broadened, culminating in a 1968 UN resolution requiring mandatory sanctions against Rhodesia.

Although the Smith regime was ultimately thrown out in 1979, it does not appear that the economic sanctions contributed much to that result. In a study for the Harvard Center for International Affairs, Robin Renwick, head of the Rhodesian department of the British Foreign Office, reports that between 1965 and 1974 Rhodesia's real output increased 6 percent per year "despite the depressing effect of sanctions"; the value of exports more than doubled between 1968 and 1974 and continued to rise afterward, although much more slowly. [13]

Hufbauer and Schott calculate that the annual cost of economic sanctions to Rhodesia was just \$130 million per year. This figure is only slightly higher than the \$100 million annual cost to its neighboring countries, Zambia and Mozambique, which lost trade and had to bear the increased costs of acquiring goods and raw materials elsewhere. Great Britain also sustained heavy costs in airlifting oil to Zambia and maintaining a naval blockade against the Rhodesian port of Beira. Hufbauer and Schott conclude that the per capita cost of the embargo was just \$29 per year for each Rhodesian.[\[14\]](#)

The embargo did have important effects on the Rhodesian economy, of course. According to Renwick, however, it led mainly to Rhodesia becoming more self-sufficient. "In the decade from 1965 to 1975," he says, "the Rhodesian economy was transformed from virtually total dependence on the importation of manufactured goods in exchange for raw materials to a remarkable degree of self-sufficiency in most areas except oil and industrial plant and machinery." Renwick concludes that "sanctions against Rhodesia did exert some pressure for a negotiated solution, though the pressure was never irresistible and they did so at the considerable political cost of tending to consolidate rather than diminish white support for the regime."[\[15\]](#)

## **Evading Sanctions**

Trade sanctions, especially when they are unilaterally imposed by only one country or a small group of countries, are more likely to alter trade patterns than to inflict serious damage on the target nation. The U.S. embargo on grain shipments to the Soviet Union is instructive in this regard. In the end, the Soviets imported only 1 percent less grain than pre-embargo forecasts had predicted, and U.S. grain exports were about the same as pre-embargo estimates. What happened, according to economist Clifton B. Luttrell of the Federal Reserve Bank of St. Louis, was that "large quantities of U.S. grain were shipped to nations which normally purchase grain from other sources, thereby permitting these sources to supply grain to the Soviet Union."[\[16\]](#) Similarly, Congress's Office of Technology Assessment found that the costs of the grain embargo to the U.S. economy "were at least as great as those which devolved on the U.S.S.R., and that the Soviet Union seems to have succeeded in replacing the United States as its principal agricultural supplier."[\[17\]](#)

This failure was recognized by President Reagan, and it contributed to his decision to rescind the grain embargo in 1981. He stated later:

In the Spring of 1981, I lifted the grain embargo imposed by the previous administration because it was not having the desired effect of seriously penalizing the USSR for its brutal invasion and occupation of Afghanistan. Instead, alternative suppliers of this widely available commodity stepped in to make up for the grain which would have been normally supplied by U.S. farmers.[\[18\]](#)

Other methods of evading sanctions include substituting other products--if steel is not available, for example, one might make do with aluminum--and obtaining embargoed goods through third parties. As Time magazine observes, "There are too many middlemen for supplies to be effectively shut off--they can simply be routed through friendly countries."[\[19\]](#)

The magnitude of the problem is probably best shown by the consistent ability of the Soviet Union to obtain U.S. technology, which, we may assume, is far more closely guarded than shipments of nonstrategic materials we may wish to keep out of another country's hands simply for political reasons. The fact is, with an open economy like ours, it is almost impossible to keep the Soviets from obtaining much of the technology they desire.[\[20\]](#) Moreover, the United States is not the only place where many strategic materials can be obtained, and most of our allies are far more lax about protecting such material than we are. It is more and more frequently the case that when the United States embargoes the export of goods to the Soviet Union or any other country, there is another nation willing and able to provide similar goods. As Donald M. Kendall, chairman of PepsiCo, recently put it:

We are no longer the sole or predominate supplier of equipment and technology in the world marketplace. As we have witnessed so many times in the past, unilateral U.S. actions to control the transfer of our equipment and technology have generally contributed to the export sales of our trading competitors rather than a denial of such items to the Soviet Union.[\[21\]](#)

Consider the U.S. embargo on pipeline equipment to the Soviet Union in 1981-82. The United States embargoed the sale of equipment the Soviets intended to use for the construction of a 2,000-mile natural gas pipeline. It immediately became apparent that much of this equipment could simply be supplied by foreign subsidiaries of U.S. companies. Although the Reagan administration attempted to control these exports as well, it was generally unsuccessful. "As a result," one assessment found, "it appears that the sanctions neither thwarted nor appreciably delayed construction of the Yamal pipeline." [22] However, the pipeline embargo fiasco did sow deep seeds of discord within the Western alliance and further contributed to foreign perception of the United States as an unreliable trading partner, thereby costing us sales throughout the world. [23]

In spite of this, many American conservatives continue to push for sanctions against the Soviet Union. However, they would do well to consider the possibility that such actions will strengthen, rather than weaken, the Soviets' aggressive tendencies. As George Ball argues:

American sanctions are more likely to strengthen the aggressive tendencies in Soviet policy than to impel the leadership toward greater docility and arms reduction. If, as some in the Administration would wish, the Western allies were to try through collective action to impose economic hardship on the Russians, the most likely effect would be to strengthen the military's hand in shaping Soviet policy. That would only heighten the danger of military adventurism. [24]

## Nicaragua

Similarly, many conservatives applauded President Reagan's imposition of trade sanctions against Nicaragua on May 1, 1985, despite evidence that sanctions are unlikely to cause the Nicaraguan government to alter its policies. Nevertheless, conservatives argued that sanctions were an important symbolic action. "I'd always opposed sanctions before," said Sen. Lloyd Bentsen (D-Tex.), "but this time I thought at least sanctions would be an overt action we could take." And Sen. Nancy L. Kassebaum (R-Kans.) said, "I never believed sanctions will make a lot of difference. I just felt it was important to take an action that could be legally done and would show we're not going to carry on business as usual with the Sandinistas." [25]

Perhaps the principal reason that sanctions will not have a major impact on Nicaragua is that no other nation in the world has participated in the embargo. Typical has been the response of an Italian government official: "We are not going to participate in the boycott. We are not going to cut aid to a country that could otherwise go toward the Eastern bloc. We don't think the boycott is the way to put pressure on Nicaragua." [26]

Nor were the sanctions really intended to be effective. From the beginning, the Reagan administration gave wide latitude to companies with contracts for delivery to Nicaragua to honor those contracts. [27] The sanctions were not accompanied by other diplomatic efforts, such as breaking relations, which would have buttressed the embargo effort. In any case, U.S. trade with Nicaragua is not very significant, the Sandinistas apparently having anticipated U.S. sanctions some years ago and reduced their dependence on U.S. trade accordingly. As [Table 2](#) indicates, Nicaragua's trade with the United States has fallen sharply since the Sandinistas took power.

**Table 2:**  
**Nicaragua's Trade with the United States**  
**(\$ Millions)**

<b>Year</b>	<b>Imports</b>	<b>Exports</b>
1984	122.6	62.5
1983	145.1	98.6
1982	147.6	82.3
1981	261.4	135.3
1980	242.1	160.2

**Source:** International Monetary Fund,  
Direction of Trade Statistics Yearbook 1985,

Moreover, such trade is not heavily made up of what one might call essential commodities. According to the Commerce Department, U.S. exports to Nicaragua consist largely of insecticides, organic chemicals, paper and paper products, hydrocarbons, vegetable oils, and animal fats and oils--hardly the sorts of things Nicaragua would have difficulty replacing on the open market. From the very beginning, therefore, the efficacy of the embargo was questioned by many commentators, including some conservatives, such as William F. Buckley, Jr.[\[28\]](#)

Six months after sanctions were imposed, the New York Times reported that "the embargo on United States trade with Nicaragua . . . has yet to result in more than a ripple in Nicaraguan economic activity." Canada and several European nations have replaced the United States as major buyers of Nicaraguan exports, and Nicaragua seems to have had no trouble getting the spare parts it cannot obtain from U.S. companies. Furthermore, the sanctions do seem to have pushed the Sandinistas even closer to Moscow; the Soviet Union recently promised to supply practically all of Nicaragua's oil needs.[\[29\]](#)

### South Africa

Unfortunately, many of the people who point out the weaknesses of sanctions against Nicaragua and the Soviet Union reverse themselves on the question of sanctions against South Africa. When the Nicaragua sanctions were applied, for example, Rep. Don Bonker (D-Wash.) said, "I fear that when all is said and done, we will see as we have in the past that such actions are not effective when they are applied unilaterally."[\[30\]](#) Rep. Michael D. Barnes (D-Md.) called the sanctions against Nicaragua "ludicrous."[\[31\]](#) Earlier, on the floor of Congress, Rep. Paul Simon (D-Ill.) had criticized the embargo on grain shipments to the Soviet Union in these words: "First generally, the country that imposed the embargo shot themselves in the foot. And second, an embargo can be effective only if you have a monopoly on the product."[\[32\]](#) Nevertheless, Bonker, Barnes, and Simon, along with many other congressmen who in the past had voiced opposition to sanctions, supported sanctions against South Africa.

In any case, no matter how tight the sanctions eventually become against South Africa, they are unlikely to deny that country any essential commodities. As one South African economist recently put it, "Given time, we can probably replace whatever we can't import"[\[33\]](#)--a prediction that has some historical basis. Before the UN arms embargo was imposed in the early 1960s, South Africa was 60 percent dependent on foreign arms. Now it is 90 percent self-sufficient, in many cases producing weapons under license from such countries as France and Israel.[\[34\]](#) Similarly, South Africa has dealt with the embargo on oil exports by developing a synthetic-fuels industry that manufactures oil and gas from abundant supplies of available coal.[\[35\]](#)

Moreover, just because the United States honors an embargo does not mean that other countries will. As a 1984 Commerce Department report points out, past U.S. sanctions against South Africa led Europe and Japan to increase their marketing effort there, turning U.S. restrictions into strong selling points for their own manufacturers. The report also notes that U.S. controls have furthered South Africa's determination to achieve economic self-sufficiency and independence from any one foreign supplier.[\[36\]](#) Thus the U.S. share of South Africa's imports has fallen from over 19 percent in 1977 to a current level of less than 16 percent. Even more dramatically, South Africa has reduced the share of its imports from the European Common Market from about 53 percent in 1978 to about 38 percent today. (See [Table 3](#)) These reductions are part of a significant overall reduction in South Africa's vulnerability to foreign trade embargoes.

**Table 3: Shares of South African Imports**

Year	Percent from Common Market	Percent from United States
1984	38.3	15.9
1983	36.2	15.3
1982	37.5	14.6
1981	36.0	14.4
1980	35.3	13.8



1979	51.6	17.7
1978	52.9	15.8
1977	48.4	19.1

**Source:** International Monetary Fund.

Ironically, another important reason South Africa is unlikely to suffer too much from U.S. sanctions is because so many black African nations are expected to continue trading with it. Although no black African state will admit to trading with South Africa, many already do trade with it for simple economic reasons: whatever they may think of apartheid, South Africa is their best source of many commodities, credit, and services. For most African countries, to adhere strictly to an embargo on trade with South Africa would impose a far more severe burden on them than on South Africa.[\[37\]](#) Indeed, there is evidence that the United States could also suffer badly from an all-encompassing trade embargo, owing to South Africa's position as a supplier of many critical strategic materials. According to a recent Commerce Department report, the United States obtains 61 percent of its cobalt, 55 percent of its chromium, 49 percent of its platinum, 44 percent of its vanadium, and 39 percent of its manganese from South Africa.[\[38\]](#)

The more self-sufficient South Africa becomes, the less dependent it will be on any single country to supply it with goods, the less leverage the United States will have on the South African government, and the more strongly that government will be able to resist demands to end apartheid. As the Economist recently put it, "The assumption that isolation would cause the Afrikaner electorate to alter its current policy of controlled political change in any fundamental way has no evidence to support it. The more sweeping the economic sanctions, the more self-sufficient South African industry would set out to become, and the more protectionist the government would be towards it."[\[39\]](#)

Hence, it has been a longstanding principle of U.S. policy not to push South Africa too far, lest it make the South African government even more intransigent. As early as 1963, the U.S. ambassador to the UN, Adlai E. Stevenson, spoke out against an arms embargo against South Africa: "The application of sanctions in this situation is not likely to bring about the practical result that we seek. . . . Punitive measures would only provoke intransigence and harden the existing situation."[\[40\]](#) More recently, former deputy secretary of state Kenneth W. Dam told Congress, "Sanctions . . . would be counterproductive: they are more likely to strengthen resistance to change than to strengthen the forces of reform."[\[41\]](#)

## Conclusion

Why, then, is there such a clamor to impose sanctions on South Africa?[\[42\]](#) The answer, as former secretary of defense James R. Schlesinger remarked with regard to the embargo on grain shipments to the Soviet Union, is that sanctions "appeal to Americans because they seem to be a substitute for the stiffer measures that may be required."[\[43\]](#) In short, they are a way of making ourselves feel that we are doing something substantive about a serious problem without really doing anything at all.

The problem is that we are paying a heavy price for invoking this "feel good" policy over and over again, currently for 10 different countries.[\[44\]](#) First, there is the question of effectiveness. Trade sanctions rarely achieve their purpose because the goods controlled are generally available from our trading partners. Clearly, the 25-year U.S. embargo on trade with Cuba has done little to curb that country's aggressive tendencies.[\[45\]](#)

There are also the effects U.S. trade sanctions have on our own economy to consider. Because controls are often applied to preexisting contracts and foreign affiliates of U.S. firms, "we have created a reputation for American industry as an unreliable supplier."[\[46\]](#) A recent report by the U.S. International Trade Commission shows that past agricultural embargoes have substantially reduced the U.S. market share of major commodities and have given the United States a reputation as an unreliable supplier.[\[47\]](#) Similarly, the President's Commission on Industrial Competitiveness concluded that foreign policy controls are costing the United States \$4.7 billion per year in lost sales.[\[48\]](#) Other studies confirm these huge losses, which are contributing to the growing U.S. trade deficit.[\[49\]](#) Even the modest sanctions being imposed on South Africa are bound to add to the perception of U.S. unreliability and will possibly cost us billions of dollars more.

This does not suggest a do-nothing policy. It simply argues against the use of trade sanctions as an instrument of

foreign policy. They seldom accomplish their purpose, but they do often exacerbate the problems they were supposed to correct, make the United States appear to be an unreliable trading partner, and cost us foreign sales in areas unrelated to the embargo--all of which translates into reduced exports and increasing unemployment.

Sanctions are hardly in keeping with the United States' historic role as an international leader in the effort to preserve and extend free trade. This commitment to open world markets is worth preserving, even if it costs us an occasional chance to "punish" a government we disapprove of. Trade should not be viewed as a favor that a beneficent America bestows on other nations but rather as a thoroughly practical policy that leads to international prosperity and a reduction in tensions. In any case, it is not the responsibility of the United States to punish Nicaragua for its moves toward totalitarianism or to punish South Africa for its racist policies, however much we deplore them.

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## **Appendix: Commerce Department Comments on Export Controls for Foreign Policy Purposes**

### **Human Rights**

Reaction of Other Countries: "Other supplier countries have not placed similar human rights controls."

Effectiveness: "Limited by the availability of comparable goods from foreign sources."

Impact on the United States: "Applications with a total value of less than \$55,000 were denied in 1982."

### **South Africa and Namibia**

Reaction of Other Countries: "The United Nations arms embargo has generally been adhered to by other nations."

Effectiveness: "Given the foreign availability of products that go beyond the U.N. embargo, these controls will not prevent access to similar goods from other sources."

Impact on the United States: "The competitiveness of U.S. suppliers for long term contracts may . . . have been weakened." U.S. market share has fallen from 19.1 percent in 1977 to 14.7 percent in 1982, owing to a "deliberate South African decision to disperse its import business."

### **Anti-Terrorism**

Reaction of Other Countries: "Controls against the designated nations have had spillover effects on U.S. business relations with other countries, particularly the oil-producing states on the Persian Gulf. Some of these nations see the U.S. controls not as 'anti-terrorist' but as 'anti-Arab.'

Effectiveness: Comparable goods are generally available from alternative suppliers in other countries.

Impact on the United States: "The restrictive U.S. policy . . . has discouraged exports, particularly of civil aircraft. The requests that were submitted in recent years and not approved have represented lost sales totaling several hundreds of millions of dollars. . . . Indications are that approximately \$20 billion worth of future contracts may have been jeopardized over the next ten years."

### **Regional Stability**

Reaction of Other Countries: "No other country has taken similar action "

Effectiveness: "These items are available from other sources."

Impact on the United States: In 1982, export licenses totaling \$239 million were denied.

### **Libya: Off-Highway Wheel Tractors**

Reaction of Other Countries: "No other supplier country has taken similar action."

Effectiveness: "Foreign availability is a major deterrent to the effectiveness of these controls."

Impact on the United States: U.S. exports of such vehicles declined from \$7.1 million in 1977 to \$2.2 million in 1982.

### **Libya: Aircraft and Avionics**

Reaction of Other Countries: "No other supplier country has taken similar action."

Effectiveness: "Foreign availability reduces the effect of these controls."

Impact on the United States: Aircraft licenses declined from \$14.8 million in 1979 to zero in 1982. In addition, "there have been reports that foreign competitors have cited our Libyan controls in bidding for aircraft sales elsewhere in Africa, suggesting that the U.S. could take similar actions against other countries that use U.S. origin aircraft."

### **Libya: Other**

Reaction of Other Countries: We have urged other countries to adopt similar policies.

Effectiveness: "We recognize that continued willingness by other industrial countries to trade with Libya . . . will limit the impact of these controls."

Impact on the United States: "The U.S. restrictive export licensing policy was probably the most important factor in the \$500 million reduction in U.S. exports to Libya." Some firms feel not only that they have lost Libyan business, but that their ability to compete worldwide has been weakened.

### **North Korea, Vietnam, Kampuchea, Cuba**

Reaction of Other Countries: "No other country has imposed similar controls on exports to any of these four countries."

Effectiveness: "In each case . . . the availability of foreign goods limits the extent to which the controls deny exports to these countries."

Impact on the United States: U.S. exports to North Korea could rise \$35 million per year if controls were lifted; U.S. exports to Vietnam could rise \$1 billion per year; no estimate for Kampuchea; U.S. exports to Cuba could rise \$300 million per year.

### **USSR and Afghanistan: Kama River and ZIL Truck Plants**

Reaction of Other Countries: "No other country has imposed comparable export controls in response to Soviet actions."

Effectiveness: "Many of the controlled items can still be shipped to other destinations in the USSR without a validated license."

Impact on the United States: \$8 million.

### **USSR and Afghanistan: Oil and Gas Exploration and Production Equipment**

Reaction of Other Countries: "No other government has taken measures to control the sale of oil and gas equipment to the USSR "

Effectiveness: "The effectiveness of this tool is limited by the availability of equipment and technology in other countries."



Impact on the United States: As much as \$178 million per year.

**Source:** Department of Commerce, International Trade Administration, Office of Export Administration, *Export Controls for Foreign Policy Purposes Extended for the Period January 21, 1983 through January 20, 1984* (Submitted to Congress January 20, 1983).

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## Notes

[1] Will Durant, *The Life of Greece* (New York: Simon and Schuster, 1939), p. 441.

[2] Robert H. Ferrell, *American Diplomacy: A History* (New York: W. W. Norton, 1969), p. 141; Richard Leopold, *The Growth of American Foreign Policy* (New York: Alfred A. Knopf, 1962), pp. 5-6.

[3] See Mira Wilkins, "The Role of U.S. Business," in *Pearl Harbor as History: Japanese-American Relations 1931-1941*, ed. Dorothy Borg and Shumpei Okamoto (New York: Columbia University Press, 1973), pp. 341-76; William L. Neumann, *America Encounters Japan. From Perry to MacArthur* (Baltimore: Johns Hopkins University Press, 1963), pp. 212-27.

[4] See Irvine H. Anderson, Jr., "The 1941 De Facto Embargo on Oil to Japan: A Bureaucratic Reflex," *Pacific Historical Review* 44 (May 1975): 201-31; Jonathan G. Utley, "Upstairs, Downstairs at Foggy Bottom: Oil Exports and Japan, 1940-41," *Prologue* (Spring 1976): 17-28.

[5] Robert J. C. Butow, *Tojo and the Coming of the War* (Stanford: Stanford University Press, 1961), p. 242.

[6] William L. Langer and S. Everett Gleason, *The Undeclared War, 1940-1941* (New York: Harper & Brothers, 1953), p. 708.

[7] George W. Ball, "The Case Against Sanctions," *New York Times Magazine*, September 12, 1982, p. 119.

[8] Policy goals are defined by Hufbauer and Schott as follows:

**Modest Policy Changes:** Change target country in a relatively modest way (modest in the scale of national goals, but often of burning importance to participants in the episode), illustrated by the human rights and nuclear nonproliferation cases.

**Destabilization:** Destabilize the target government (including, as an ancillary goal, change the target country's policies), illustrated by the U.S. campaign against Castro and the Soviet campaign against Tito.

**Disruption of Military Adventures:** Disrupt a minor military adventure, illustrated by the U.K. sanctions against Argentina over the Falkland Islands.

**Military Impairment:** Impair the military potential of the target country, illustrated by World Wars I and II and the COCOM sanctions against the USSR and its allies.

**Other Policy Changes:** Change target country's policies in a major way (including the surrender of territory), illustrated by the UN campaign against South Africa over apartheid and control of Namibia.

See Gary Clyde Hufbauer and Jeffrey J. Schott, *Economic Sanctions Reconsidered: History and Current Policy* (Washington: Institute for International Economics, 1985), p. 29.

[9] *Ibid.*, pp. 79, 81.

[10] Quoted in M. S. Daoudi and M. S. Dajani, *Economic Sanctions: Ideals and Experience* (London: Routledge & Kegan Paul, 1983), p. 185.

- [11] Margaret Doxey, "Economic Sanctions: Benefits and Costs," *World Today* 36 (December 1980): 488.
- [12] Quoted in *U.S. News & World Report*, July 26, 1982, p. 25.
- [13] Robin Renwick, *Economic Sanctions* (Cambridge: Center for International Affairs, Harvard University, 1981), pp. 48, 57.
- [14] Hufbauer and Schott, pp. 413-14.
- [15] Renwick, pp. 85, 89.
- [16] Clifton B. Luttrell, "The Russian Grain Embargo: Dubious Success," *Federal Reserve Bank of St. Louis Review* 62 (August/September 1980): 7.
- [17] Office of Technology Assessment, *Technology and East-West Trade: An Update* (Washington, 1983), p. 4.
- [18] *Public Papers of the Presidents of the United States: Ronald Reagan, 1982* (Washington: Government Printing Office, 1983), book 2, p. 994.
- [19] "Grain Becomes a Weapon," *Time*, January 21, 1980, p. 22. See also Jerrold D. Green, "Strategies for Evading Sanctions," in *Dilemmas of Economic Coercion*, ed. Miroslav Nincic and Peter Wallenstein (New York: Praeger, 1983), pp. 61-85.
- [20] Joel Brinkley, "U.S., Despite Technology Curbs, Sees No Big Cut in Flow to Soviet," *New York Times*, January 1, 1985; Frederick Kempe, "Keeping Technology Out of Soviet Hands Seems to Be Impossible," *Wall Street Journal*, July 24, 1984; idem, "Austria Ignores Efforts by the U.S. to Curtail Technology Shipments," *Wall Street Journal*, July 25, 1984.
- [21] Quoted in Stuart Auerbach, "Controls on High-Tech Exports Criticized," *Washington Post*, January 22, 1984, p. G4. See also Margaret Chapman and Carl Marcy, eds., *Common Sense in U.S.-Soviet Trade* (Washington: American Committee on East-West Accord, 1983). It is estimated that 75 percent of the high-tech goods sold in free-world markets were made outside the United States; see "A Closed-Door Policy," *Newsweek*, November 12, 1984, p. 94. Thus, Saudi Arabia recently decided to buy 48 British-made Tornado combat jets as part of a \$3 billion arms deal when doubts were raised about Congress's willingness to approve the purchase of U.S.-made F-15 fighters; see Karen DeYoung, "Saudis Set to Buy British Jets," *Washington Post*, September 15, 1985, pp. A1, A23. It should be remembered that the last U.S. sale of F-15s to Saudi Arabia encountered strong opposition from Israel and was approved in the Senate by only a thin margin.
- [22] Homer E. Moyer, Jr., and Linda A. Mabry, "Export Controls as Instruments of Foreign Policy: The History, Legal Issues, and Policy Lessons of Three Recent Cases," *Law and Policy in International Business* 15 (1983). Quoted in Hufbauer and Schott, p. 708.
- [23] *Technology and East-West Trade*, pp. 6-7; Art Pine, "U.S. Pipeline Sanctions Achieved Little, But Hurt American Firms, Split Alliance," *Wall Street Journal*, November 22, 1982; Josef Joffe, "Pipeline Embargo Aims at Russians, Hits Europeans," *Wall Street Journal*, July 28, 1982.
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- [26] Quoted in E. J. Dionne, Jr., "Italy Will Ignore the U.S. Embargo," *New York Times*, May 8, 1985.
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- [28] Dan Morgan, "Why the Nicaragua Embargo?" *Washington Post*, May 5, 1985, p. C5; Richard E. Feinber, "An Unwise and Hasty Embargo," *New York Times*, May 3, 1985; William F. Buckley, Jr., "The Embargo Won't Work,"

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[29] Clyde H. Farnsworth, "Embargo on Nicaragua Appears of Little Effect," *New York Times*, November 10, 1985.

[30] Quoted in Stuart Auerbach, "Nicaragua Sanctions Seen as Symbolic," *Washington Post*, May 2, 1985, p. E1.

[31] Joanne Omang, "President Orders Halt To Trade With Nicaragua; Aggressive Activities By Managua Alleged," *Washington Post*, May 2, 1985.

[32] *Congressional Record*, September 27, 1983, p. H7541 (daily edition). Note also the large number of congressmen who spoke against trade embargoes during a special order in the House on this date who subsequently voted for sanctions against South Africa (*ibid.*, pp. H7532-46). A rough count indicates that only 2 of 16 congressmen remaining in office who spoke against trade embargoes on this date subsequently voted against the South African sanctions bill on August 1, 1985.

[33] Quoted in "South Africa Looks Capable of Surviving Sanctions for Years--but at a Stiff Price," *Wall Street Journal*, September 11, 1985, p. 37.

[34] Tony Koenderman, *Sanctions: The Threat to South Africa* (Johannesburg: Jonathan Ball Publishers, 1982), pp. 200-202.

[35] Caryle Murphy, "To Cope With Embargoes, S. Africa Converts Coal Into Oil," *Washington Post*, April 27, 1979, p. A25; Stephen Mulholland, "South Africa's 'Synfuel' Program," *Wall Street Journal*, July 23, 1979.

[36] Department of Commerce, International Trade Administration, Office of Export Administration, *Export Administration Annual Report, FY 1983* (Washington, 1984), pp. 153-154.

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[38] Albert R. Karr, "Halt to Key South African Metals Is Seen Hurting the U.S. Economy," *Wall Street Journal*, August 22, 1985; Jonathan P. Hicks, "Study Shows U.S. Reliance on South Africa Metals," *New York Times*, August 25, 1985, p. 19.

[39] "Sanctions on South Africa," *Economist*, August 3, 1985, p.13. Similar doubts about the efficacy of sanctions against South Africa have been voiced in the scholarly literature as well; see, for example, James Barber and Michael Spicer, "Sanctions Against South Africa--Options for the West," *International Affairs* 55 (July 1979): 385-401; and David F. Gordon, "The Politics of International Sanctions: A Case Study of South Africa," in Nincic and Wallenstein, pp. 183-210.

[40] Quoted in Hufbauer and Schott, pp. 346-47.

[41] Kenneth W. Dam, "South Africa: The Case Against Sanctions," *Department of State Bulletin* (June 1985): 36.

[42] Actually, there is not nearly as much of a clamor for sanctions as it appears. According to a Louis Harris poll taken in January 1985, people oppose barring new loans from U.S. banks to South Africa by a 51 percent to 41 percent margin, oppose preventing all new U.S. investment in South Africa by a 54 percent to 39 percent margin (up from 33 percent and 42 percent respectively in 1976), oppose ending all trade with South Africa by a 66 percent to 29 percent margin (up from 51 percent and 24percent in 1976), and oppose forcing all U.S. businesses now in South Africa to cease operations by a 76 percent to 18 percent margin (up from 51 percent and 21 percent in 1976). Cited in the *National Journal* (August 17, 1985): 1912.

[43] Quoted in Daoudi and Dajani, pp. 184-85.

[44] "Nicaragua Joins 10 Other Nations on U.S. List of Special Restrictions," Washington Post, May 2, 1985.

[45] See Hufbauer and Schott, pp. 315-23; and Joel Brinkley, "Cuba Case Said to Cast Doubt on the Embargo," New York Times, May 2, 1985, p. A10.

[46] President's Commission on Industrial Competitiveness, Global Competition: The New Reality, 2 vols. (Washington: Government Printing Office, 1985), vol.1, pp. 39-40.

[47] International Trade Commission, U.S. Embargoes on Agricultural Exports: Implications for the U.S. Agricultural Industry and U.S. Exports, Publication 1461 (Washington, December 1983).

[48] U.S. Embargoes on Agricultural Exports, vol. 1, pp. 39-40.

[49] Art Pine, "U.S. Trade Restrictions in Recent Years Are Said to Cost Billions in Lost Business," Wall Street Journal, May 26, 1982, p. 56; Murray Weidenbaum, "U.S. Export Curbs Contribute to the Trade Deficit," Wall Street Journal, April 2, 1985.