

# NATIONAL REVIEW

## The Dangers of Sanctions

By Jim Talent — August 2, 2017

President Trump has signed the Russian/Iranian/North Korean sanctions bill. It's the right move, though he had little choice; a veto would have been overridden.

The sanctions are a big deal. The United States has come a long way in the use of economic power as a tool of foreign policy, largely because our government figured out, during the George W. Bush years, how to target sanctions effectively, particularly against financial institutions.

Except for the jihadists, the threats America faces today come largely from authoritarian or totalitarian regimes that have different ambitions and ideologies but one common feature. They all depend on internal networks of companies and people who use their connections with the regime both to do business for the state and to accumulate enormous personal fortunes for themselves and their political masters. That wealth can be and is laundered through a number of shady enterprises, but eventually it has to surface in the international banking system.

Few legitimate banks will risk exclusion from that system in order to service entities which have been sanctioned for their involvement in terrorism, aggression, or international crime. So when sanctions are targeted effectively and enforced aggressively, including and especially against financial institutions, the autocrats begin hearing from their supporters who can no longer move money abroad, or access their villas on the Mediterranean, or do the business on which the regime depends.

Vladimir Putin is getting an earful from his cronies now, which explains this.

The sanctions are the right policy, but there is a danger. By enacting the sanctions, the United States is stepping up the use of soft power against its adversaries; meanwhile, however, the defense sequester is continuing to degrade the effectiveness of America's hard power.

In other words, our foreign policy is getting stronger, but the first and most important element of national influence — the armed forces — is getting weaker.

Teddy Roosevelt (Donald Trump's favorite president) famously advocated walking and talking softly while carrying a big stick. America is now walking and talking loudly while whittling the stick down. The danger is that we will pressure and provoke, but not deter, our adversaries — that we will convince them America is the obstacle to their ambitions, while leading them to believe that they can remove that obstacle by striking a decisive blow against the United States.

That is the approach America used with Japan in the late 1930s. We all know how that ended.

No one should underestimate the strengths of these adversaries. To be sure, North Korea is a basket case economically. Iran, even with its oil, is not much better off. Russia's economy is very fragile. China — which the Trump administration is considering pressuring with additional sanctions because of North Korea — is not as strong financially as many think it is; China has a rich state but is still a relatively poor country. But the regimes in those countries, which don't have to worry about a social safety net, have had sufficient wealth to build up their militaries. North Korea is a burgeoning nuclear power, Iran is trying to become one, and the balance of conventional strength in Eastern Europe and the western Pacific has shifted to Russia and China, respectively.

The more the United States strengthens its economic and diplomatic pressure, the greater the possibility that one or more of its adversaries will take the risk of using their hard power to change the facts on the ground before the pressure has the chance to work. They are, after all, aggressors; that is the fundamental reason they are adversaries.

The answer is not to abandon the sanctions, or the other tools of soft power, but to reinforce them with an immediate and substantial buildup of American hard power. America's armed forces are the foundation of our national security. By deterring or containing kinetic aggression, they give the tools of soft power, such as economic sanctions, time and space to destabilize and weaken the adversary.

That is one reason why, at the most basic level, defense policy is foreign policy.

There is no single action that would increase our margin of safety more, in every region and against all threats, than immediate and decisive implementation of the president's plan to rebuild America's armed forces. The only major obstacle standing in the way is the defense sequester. So the sequester has to go; whatever deals are necessary to remove it must be made.

In passing the sanctions, Congress proved that it is capable of bipartisan action in defense of American national security. Health-care reform failed, and tax reform will be a heavy lift, if it can be done at all. But the defense buildup is achievable. There is a lurking consensus in the

Congress, and the country, that it is time for the United States to use its enormous reservoirs of strength to rebuild the foundation of its power, and therefore its safety.

The moment has come, as it came in the 1980s, for America to show that “peace through strength” is more than just a slogan. Jim Mattis knows that. I suspect General Kelly does too. Taking advantage of that moment must be their top priority during the time that remains in this session of the Congress.