

POLITICS & DEFENCE

MORE POWER, FEWER FRIENDS

Iraq's President Saddam Hussein must be congratulating himself on a particularly good month. In pursuit of his blatantly obvious goal of establishing himself as the pre-eminent leader of the Arab world, he has bullied Opec into a new, coherent strategy on prices and production and scared the wits out of his Arab Gulf neighbours.

His aggressive outbursts have set Arab diplomats scurrying from capital to capital in an effort to calm the situation, dramatically demonstrating how he can make his compatriotes jump. Now he stands a good chance of extracting territorial and financial concessions from his Arab neighbours to bolster Iraq's faltering bid to reconstruct its economy.

Unquestionably, Saddam Hussein has reinforced his image as the most redoubtable Arab leader over the past few weeks. The regime's verbal aggression against the Gulf States comes on top of his blistering rhetorical attacks on Israel (threatening to wipe out half of the country in the event of aggression against Iraq) which have shrewdly exploited the growing frustration with stalled Arab-Israeli peace talks. Saddam's "macho" posture has definitely tapped an undercurrent of populist respect in the Arab world.

Bulldozer

The events of the past few weeks have been glaringly revealing of Saddam Hussein's style of bulldozer diplomacy and his assertive willingness to offend his allies if he perceives an advantage to be exploited. First, he implicitly threatened physical assault on Kuwait and the UAE, Opec's chief overproducers, who had deprived Iraq of much-needed revenues by driving down the oil price. Then his foreign minister, Tareq Aziz, explicitly attacked Kuwait for "stealing" Iraqi oil in the disputed border area. In doing so, he inevitably brought to the fore Iraq's dormant but never abandoned claims to Kuwaiti territory.

Next, the Iraqi press announced that Sheikh Sabah al Ahmed, the Kuwaiti foreign minister, was no more than "a tool to implement American policy" in the Gulf. Not only was Kuwait now being openly singled out for attack, but criticism was becoming overtly personal. (Sheikh Sabah may have been picked on because of his meeting in June with Ali Akbar Velayati, the Iranian foreign minister, which clearly signalled a Kuwaiti-Iranian rapprochement.) Meanwhile, Iraq moved 30,000 troops -- or according to some estimates, 100,000 -- to the Kuwaiti border in a distinct threat to force Kuwait to accede to its demands.

Stage management

Kuwait mounted a diplomatic effort to gain Arab support; President Husni Mubarak of Egypt intervened as a mediator; and the Arab League's secretary-general, Chedli Klibi, urged a negotiated settlement of the dispute. Saddam Hussein then graciously agreed to an Iraqi-Kuwaiti meeting in Jeddah -- but pointedly without withdrawing his troops from the Kuwaiti frontier.

Saddam Hussein's less than subtle approach has sown confusion in the ranks of the Arab countries and provided him with the gratification of seeing his putative allies jump at his command. The crisis, initiated entirely by himself and so far steered according to his directions, has evidently provided him with an opportunity to perform the strong-man role he relishes.

President Mubarak has described the confrontation as a "passing cloud". In announcing the Jeddah meeting, the official Saudi Press Agency said the talks were intended to "contain a dispute through an amicable dialogue to be held with the same well-known high fraternal spirit that is characterised by the Iraqi and Kuwaiti leaderships... on the basis of cooperation, understanding and good neighbourliness".

Baghdad will have none of this humbug. The government newspaper, *Al Jumhuriya*,

announced last week that "Iraq attends the Jeddah meeting to regain its rights and not to hear new talk about fraternity and solidarity which yields nothing". The Iraqi media have deliberately blown hot and cold in what has to be admitted as masterly stage-management. Having mounted a vitriolic attack on Kuwait, Saddam Hussein ordered the press and radio to cease their campaign once the Jeddah meeting had been agreed in principle. Then, on the eve of its taking place, he stepped up the pressure again.

The effect was evident as the parties gathered for the Jeddah meeting. The Kuwaiti delegation was headed by Sheikh Saad al Abdullah, the crown prince, who reportedly looked solemn and mouthed the required clichés about a "just solution to all problems between the two sisterly countries". Iraq was represented by Izzat Ibrahim, the vice-president of the Revolutionary Command Council, who was described as beaming when he arrived. Well he might be; Iraq certainly feels that it is control of events and regards the Jeddah meeting as a ceremonial preliminary before real pressure is put on Kuwait in negotiations in Baghdad.

Lasting?

Saddam Hussein's achievements so far look impressive. The very thuggishness with which they have been imposed may yet prove them to be brittle, however. The most palpable gain -- the reorientation of Opec's production strategy -- is dealt with later in this issue (see *Oil and Energy*), but its durability over the long-term is also questionable. What of the questions concerning money, territorial demarcation and Arab leadership?

The first two issues were due to be discussed at the meeting between Iraq and Kuwait in Jeddah last week. The cash question will be the most easily resolved since the Gulf states have little choice except to pay what amounts to protection money.

Iraq says it wants some \$35bn of war debts owed principally to Saudi Arabia and Kuwait written off (which the Gulf states never expected to see again anyway), \$2.4bn for the oil "stolen" by

Kuwait from the Rumaila oil field and an Arab "Marshall Plan" to help restore Iraq's economy to the tune of \$14bn -- the sum Iraq claims to have been losing annually because of Gulf overproduction of oil. Saudi Arabia and Kuwait can be expected (very quietly) to pay Saddam Hussein off.

Territory

Iraq's territorial demands present greater difficulty. Kuwait can find spare cash, but cannot afford to give away territory. For all the fuss about the disputed land border close to the Rumaila oilfield, Iraq's chief interest lies in the islands of Warbah and Bubiyan. Possession of these would provide an alternative access to the Gulf for Iraq, thereby allowing to compromise on its demand for sovereignty over the Shatt al Arab and thus reach a peace settlement with Iran.

Kuwait, however, feels its very survival to be at risk if it were to cede any of its territory to Iraq. Baghdad has long since claimed all of Kuwait as its own and, although the matter has not been explicitly pressed since 1961, the claim has been a constant source of tension ever since. Were the two islands to be ceded, Kuwait fears, would Saddam Hussein not be encouraged to reassert Iraq's claims to the entire emirate?

At the end of the day, Kuwait will probably be obliged to fudge the issue. In themselves, the islands are virtually worthless. Nonetheless, they are a symbol of the emirate's territorial integrity. In a demonstration of its sovereign rights Kuwait has proposed at great expense to build a causeway between the mainland and Bubiyan. Kuwait will stand firm on the issue of formally giving up the islands, but will presumably be amenable to some kind of face-saving formula which would involve "leasing" them to Iraq.

Leadership

So far, so good. Saddam Hussein will get higher oil prices (the market permitting, of course), his cash from his wealthy neighbours and his access to the Gulf. Where's the catch?

Having brought Opec to heel and orchestrated a crisis in the Arab world, Saddam Hussein has emerged as undoubtedly the most powerful figure at present on the Arab political scene. Perhaps he has a legitimate right to this position. Iraq may be broke, but so is Egypt which has traditionally seen itself as the leader of the Arab world. Saudi Arabia and its Gulf allies may have more money, but Saddam Hussein has unequivocally shown that firepower, even if unused, counts for more than bank balances -- and can, in fact, be used to raid them.

But the manner in which he has sought to assert his authority may turn out to be his undoing. Flaunting his triumph though he may be now, he has undoubtedly aroused grave misgivings -- not to say bitter enmity -- among his hitherto allies and supporters in the Arab world (not to speak of the United States).

Ingratitude

First, there are the Arab Gulf countries. Saudi Arabia and Kuwait, in particular, kept him afloat during the war with Iran and without their financial assistance it is questionable whether he would have survived. Not only has he now rounded on them, but he seems intent on publicly humiliating them. The scorn noted above with which he dismissed the usual pious rhetoric about Arab brotherliness implies that he will not even allow his victims the consolation of saving face.

Kuwait and, to a lesser extent, the UAE have been his most obvious targets. But there is no doubt that the Saudis feel wounded as well. Their pre-eminence in the Gulf and in Opec has been obtrusively challenged and, like Kuwait, they are seen to be reduced to buying off the tough guy from the north. The very fact that the Gulf states have collectively and deliberately been made aware of their ineffectiveness when confronted by Iraq's brute force will rankle for a long time.

Status

Egypt and Jordan, Iraq's other allies in the Arab world, also have reason to be

worried by this assertion of power. Both were staunch supporters of Iraq during the Gulf war and subsequently joined with Baghdad to form the Arab Cooperation Council. Now they may be wondering why they did so.

Since it has been welcomed back to the Arab League, Egypt has assumed that its traditional role as the leader of the Arab community would automatically be returned to it. Saddam Hussein has openly brought that status into question, not simply by flexing his muscles in the Arab diplomatic arena to show how much more weight he can carry than President Mubarak, but also by adopting a far more militant tone towards Israel than Egypt -- predisposed to seeking a peaceful settlement -- can possibly show.

Jordan can be scarcely less reassured by Saddam Hussein's performance of late. Having loyally backed him throughout the war with Iran, it now sees him turning on his erstwhile allies. King Hussein must be asking himself when he will be on the receiving end of Saddam's vitriol. In the front line against Israel and exposed to the potential overflow of the intifada, he must be very uncomfortable with the Iraqi president's inflammatory talk.

Mute

If proof were needed of the Arab countries' sudden awakening to the political damage they may suffer at Saddam Hussein's hands, it is nowhere clearer than in the eerie silence with which the Gulf dispute has been greeted. Apart from the palliative statements about brotherhood and the need for mediation, little sympathy has been expressed for Iraq's position.

This contrasts markedly with the enthusiastic chorus of support which greeted Saddam Hussein's complaints in recent months that he was the victim of a Western conspiracy. Almost thoughtlessly, most of the Arab countries backed him when he found himself embroiled in controversies over human rights, devious arms procurements and the execution of Farzad Bazoft, the London-based reporter. There seems to have been a noticeable change of opinion.

Disarray

The wariness of the Arab world towards Iraq does not itself pose a threat to Saddam Hussein. Much of it is simply bewilderment at his deliberately unpredictable manoeuvring. That is the way he likes to play the game.

But if he really wants to present himself as the spokesman for the Arab world, he will have to find some other way of doing so rather than wielding the big stick. So far he has established himself at the cost of engendering resentment and jealousy. The tough tactics with which he has imposed his authority at home will almost certainly prove counter-productive in the end within the Arab world at large.

Saddam Hussein needs to cultivate the tactics of consensus in order to become the accepted spokesman for the Arab countries. It is not (fortunately or otherwise) an art at which he is adept. Should he need friends again among his neighbours in the future, he may find them playing hard to get.

Strategy

Meanwhile, he pushes ahead with a geopolitical vision which looks increasingly megalomaniac and paranoid (and possibly inspired by fears of internal political security -- see *In Brief* below). For Saddam Hussein, the confrontation in the Gulf and the struggle against Israel are all part of a grand scheme plotted by wicked foreigners, and (blithely forgetting its substantial military assistance during the Gulf war) the United States especially.

The Iraqi media have linked the argument with Kuwait to a wider "imperialist and Zionist" campaign, claiming that Western "distortion and intrigue" is intended to provide cover for an Israeli attack on Iraq.

An official spokesman was quoted as saying that "we warn those who need a warning... that he who attacks Iraq must expect blows. Our armed forces... are waiting for them." *Al Thawra*, the Baath party newspaper, called for the planned "American future" for the Gulf to be resisted, warning Arab allies of the

United States that they were "ostriches" in danger of losing themselves in "a romantic dream. We in Iraq, at least, are not like that." This, unquestionably, is true. If Saddam Hussein is living in a dreamworld, it is certainly a bleaker one.

IN BRIEF

Iraq

* THE UNITED STATES SENATE HAS VOTED TO IMPOSE ECONOMIC sanctions against Iraq, increasing pressure on the Bush administration to take action against President Saddam Hussein. The Senate vote calls for an end to the \$1.2bn in loan guarantees Iraq receives to buy US farm and commercial products and is expected to be followed by a similar call from the House of Representatives. US officials have been quoted as saying that the administration is now considering new economic sanctions and export controls as a result of Iraq's bellicose behaviour in the Gulf and its denunciations of the United States. Options under review include putting Iraq back on the list of terrorist nations, ending commodity loan guarantees and banning Eximbank credits for US industrial goods, as well as imposing tighter restrictions on US exports.

Until now, the administration has argued that economic sanctions would have only a limited effect, but it is becoming clear that Washington must do something to register its displeasure about Iraq's clandestine arms equipment purchases in the United States and its threat to blast Israel with chemical weapons. President Saddam Hussein's bullying of the Gulf states may now cost him his staunchest (though discreet) Western ally.

* BRITAIN, MEANWHILE, SEEMS TO HAVE FEWER QUALMS AFTER THE release of Daphne Parish, the British nurse imprisoned for assisting Farzad Bazoft in his alleged spying activities. According to press reports, Britain wants