

# The Baghdad Summit's strategic impact

## *Renaissance of the Fertile Crescent, development of the Arab world*

While the Anglophile western press has expended much ink this week outlining the "splits" and "differences" among Arab nations during the preparatory discussions for the Arab heads of state summit beginning Nov. 2, astute observers have understood the major significance of political developments centering in Baghdad, Damascus, and other Arab capitals during the weeks since the signing of the Camp David "framework" accords in mid-September.

What is now transpiring in the Baghdad-centered motion is nothing less than a revolutionary transformation of the alignment of forces among the Arabs, with the following foci of international significance: the bringing to bear of the unified economic and military power of the Arab-Islamic East; the linking of the infrastructures and capabilities of the strategically central nations of Syria and Iraq as the centerpiece of a regional industrialization and agricultural development drive; and the decisive boxing in of attempts by the behind-the-scenes architects of the Camp David accords to force the Arab countries to submit to a policy presented as a dictate rather than as a negotiating position.

### 1. Iraq, Syria bury the hatchet

The most important in-depth transformation centering around the summit involves the unleashing of the economic potentials of the region. This possibility began to arise as soon as the Syrian and Iraqi governments dropped their long-standing bitter feud and began to seek a mutual reconciliation on the basis of mutual antipathy to the Camp David accords.

France's *Le Figaro*, on Oct. 27, captured the essence of what the reconciliation was about. In a front-page feature, *Figaro* reported:

After a 10-year quarrel, three days of intensive summit meetings have provided the opportunity for Syrian President Hafez Assad and Iraqi President Hassan Bakr to seal a reconciliation pact. Officially termed "the charter for common national action," this pact is designed to serve as a countermeasure to the Camp David accords. The Iraqi news agency stated that the accord called for the constitution of a "Joint High Political Com-

mittee" composed of the representatives of the leadership of both countries to supervise the bilateral relations in the political, military, economic and cultural as well as in the area of media exchange. *This firm accord could evolve, according to certain sources, into a union between the two countries, the beginning of the reconstitution of the famous "fertile crescent" stretching from the Mediterranean to the Persian Gulf.* (emphasis added)

Elucidating this last concept, a leading Syrian ambassador told New York reporters on the same day that the Baghdad talks "could open a new era of economic (including oil) cooperation between Syria and Iraq." Not only could the pipeline between the two countries be reopened, but "joint ventures in oil could also be undertaken. . . . Iraq has surplus money and Syria lacks capital. That is a good start for joint ventures."

Among these joint ventures could be major projects in transport, communication, and agricultural development, especially since the feud between the two countries has held up progress on sharing the water resources of the Euphrates Dam. Such multi-billion-dollar possibilities were presaged in an announcement by the Iraqi government Oct. 29 that it is extending between 10 and 15 billion dollars worth of tenders for communication, airport expansion, and port reconstruction work to American, Japanese, and French industrial concerns.

The potentialities have been corroborated by ministry and banking officials in West Germany, who have seen the alliance with Iraq as a means of straightening out Syria's economic difficulties. According to one such source, "If this Syria-Iraq alliance takes hold, it could really raise the possibilities of a regional program for development to take root. We are preparing studies now analyzing that potential."

In concrete steps in that direction, the West Germans are now studying a Syrian request for the Federal Republic to provide full-cycle nuclear processing facilities to Syria, and have been conducting discussions with a visiting Saudi Arabian delegation towards providing the Saudis with nuclear plant facilities. The West Germans are also planning to build a railroad network from Damascus to Mecca.

West Germany's growing activity in this regard is

exemplary of the increasingly bold extension of the European Monetary Fund into the Middle East. According to a First National Bank of Chicago source, this extension involves a decision by the Arab states to transform the Arab Monetary Fund into a "clearing house" regional central bank that can pool regional reserves to fund development programs — exactly the theory behind the parent EMF itself.

## 2. Boxing in Camp David

Pooling the resources of the Arab states will have a devastating effect on Camp David. Already on the eve of the actual heads of state summit itself, a Foreign Ministers' preparatory meeting issued a unanimous condemnation of the Camp David accords as an "unacceptable" framework for peace, and called for the shifting of Arab League headquarters out of Cairo until Camp David is superseded by an overall Arab-Israeli peace settlement.

The implications of the Baghdad developments for Camp David were grasped in an unusually competent and honest article in the Oct. 29 London *Observer*, the paper owned by Aspen Institute president Robert O. Anderson. In a piece entitled, "Arab Summit Will Fight Camp David," veteran Arab profiler Patrick Seale commented:

The enemies of Camp David are mounting their counter-offensive. Their objection is not so much to the notion of peace in Israel as to the implication that they must bow to an Egyptian-Israeli *diktat*, backed by the full power of the United States. They are, in effect, rebelling against the imposition on the Arab world of a new American order, which, in their minds, is little different from the mandates and foreign control of the past.

This challenge to American strategy could be effective. Since the surprise breakthrough at Camp David six weeks ago, the peacemakers have had the wind in their sails, but now the wind is turning, and, as it blows hotly from Baghdad, it may overturn a lot of well-laid plans.

The summit has been preceded by the dramatic reconciliation of Iraq and Syria, whose rival Ba'athist regimes have been at loggerheads for a decade. Their common interest in resisting the new American order has reduced their differences to something like insignificance, and brought them together in a powerful negotiating bloc . . .

The real significance of the Baghdad summit, as of the Syrian-Iraqi *rapprochement*, is that it is an attempt to force the Saudis and their oil-rich Gulf satellites to change camps. They are being asked to choose either to join the resistance to Camp David or to go along with it — at their peril. Already, the hardening Saudi line suggests they are bending to these pressures.

Much as they want peace, and however reluc-

tant they are to condemn Camp David out of hand, the Saudi royal family cannot afford to be seen as the American Trojan Horse in the region. . . .

In contrast to Egypt, where the overwhelming mass of the population wants peace, opinion in Syria, Iraq and highly politicised Gulf States like Kuwait cannot tolerate peace on the Camp David terms. Such submission to a pact made by others does too much violence to the Arabs' sense of self-respect and to the great sacrifices they have made in the Palestinian cause over the last 30 years.

The eastern Arabs have been asked to swallow proposals for the West Bank and Gaza which leave out their principal demand: a guarantee of the eventual return of these territories to Arab sovereignty.

A wider issue is the very nature of Arab independence. Can the Arabs best realise their national objectives — such as forcing Israel back to its 1967 frontiers — under the American umbrella, as President Sadat would argue? Or can true Arab independence be secured only by striking a balance between the might of America and of Russia, as is argued by Syria and Iraq?

For all President Carter's promises of support for the Arabs, repeated most recently by Assistant Secretary of State Harold Saunders on his tour of the area, Arab suspicion of American partiality for Israel remains a powerful emotion. . . .

## 3. Iraq's shift

A paramount aspect of the major changes occurring in the Arab world is the shift in direction by Iraq, from a country whose leadership has made Byzantine compromises with obvious in-place British and/or Israeli intelligence agents promoting regional destabilization, to a country reaffirming its strong national commitment to its own development and to the rapid progress of the Arab world as a whole.

In an interview with *Executive Intelligence Review*, a leading Arab diplomat outlined the Baghdad summit developments and the Syria-Iraq reconciliation with especial reference to the ways in which Iraq is changing.

*Q. Do you think that the accord between Iraq and Syria is solid?*

A. There is no question that a new era is underway in Arab relations. I think that the Soviet Union had a great deal to do with the reconciliation. But, equally, Saudi Arabia was pushing for this result. Now, with the Syrians and the Iraqis with a common point of view, it will create a situation in which the Saudis will be reinforced in their opposition to the Camp David accords. With Iraq and Syria divided, Egypt might have exerted a strong pull on Saudi Arabia.

*Q. Has Iraq changed?*

## How the Arab Monetary Fund will work

*An executive with Chicago First National Bank this week expressed full confidence that the Arab nations would soon put together a unified development fund to be centralized through the Arab Monetary Fund and the Arab League. Below are excerpts of his explanation of how the Arab Monetary Fund (AMF) will work and interface with the European Monetary Fund (EMF):*

The Arabs want their own unified monetary fund to complement the European Monetary Fund. I think most of the Arab world is well aware of the European Monetary Fund and is watching it very closely. I am very aware of Prince Fahd's discussions with the leaders of France and Germany prior to the Bremen summit.

I think the idea behind the AMF is not a very new one. You shouldn't be concerned that at this time the AMF is capitalized at only \$900 million. The important thing is that finally it is functioning and disbursing funds

to Arab countries. It was never meant to be a large development fund as such. It was meant to be a centralizer for currency stabilization, balance of payments, etc.

The Arab world will use the already established Arab development funds for disbursing revenues for development and the AMF will act as a center for a unified development approach for all of the Arab world. Ultimately, I think the plan will require the establishment of a unified Arab currency, but for various political reasons that is a ways down the road. There are some elements within the Arab world which will have to be politically disciplined before the Saudis will allow the riyal to be brought into a unified currency. The new currency will streamline the distribution of development funds.

### "Glitter of gold"

*Following are quotes from an editorial which appeared in the October 18 issue of the Saudi daily Ukaz entitled the "Glitter of gold."*

Whatever has been said and is being said about the gold base, the world has not yet found a true substitute for it. . . . New currency units are needed such as those agreed upon at the Bremen EEC summit, and such units must circulate within other international economic blocs so that the world can compare and choose on a fair economic basis instead of on the basis of the U.S. dollar alone, for which there is no substitute even if it is ill or on its deathbed. . . .

We find that going back to the gold base, despite the unrelenting war against it, is inevitable whenever the unstable systems which the world economy exchanges it for from time to time collapse. At the sign of any currency difficulties, the price of gold goes up and, to alleviate the confusion and ease the pressure on the dollar, the United States from time to time sells some of its gold reserves. But where will this road lead?

A. Very much. The Iraqis now accept the Syrian view that a settlement of the Middle East conflict might result from a UN framework. They no longer reject the Syrian approach to a peaceful settlement based on the upholding of Palestinian rights.

Q. And this must have repercussions on the Iraqi internal front?

A. There have been some changes. First of all, two weeks ago the Iraqis decided to cut off support to Abu Nidal (the terrorist ex-PLO official whom many Arabs believe to be an Israeli agent —ed.). In addition, Michel Aflaq has been put on the shelf, although this was a process lasting several months. (Aflaq is the leader of the right-wing faction of the Iraqi Baath Party, and has been the chief opponent of cooperation with Syria —ed.) And third, of course, Iraq has expelled Ayatollah Khomeini, the most bitter opponent of the Shah. So, all in all, Iraq has undergone a major shift.

Aside from ditching Messrs. Khomeini, Abu Nidal, and Aflaq, Iraq has been straightening out its international affiliations. According to the London *Finan-*

*cial Times* of Oct. 18, Iraq is beginning to substantially hurt Great Britain with a virtual embargo of contracts to British companies.

In an article entitled "Trade with Iraq: Semi-embargo is beginning to bite," reporter Patrick Cockburn commented that "U.K. exporters are now finding that the directives issued by the Iraqi government limiting trade with Britain are beginning to bite. . . . No British companies have been successful in bidding for major projects. . . . Were it not for bad political relations, Britain should be well placed to win contracts in the Iraqi market."

On the same day, France's *Le Figaro* reported a substantial improvement in Iraq's relations with France. Reporter Paul-Marie de la Gorce, in Iraq for a press conference at which the Iraqi Revolutionary Command Council announced efforts to improve bilateral French-Iraq relations, commented that Iraq was in the process of reassuming its leadership role in the Middle East, after months of isolation. Explicating this process, de la Gorce made the extraordinary revelation that it had been French-Iraqi contacts that in large part had been responsible for the 1975 Iraq-

Iran treaty which substantially cooled down tensions between the two countries and provided for a long-term stabilization of the potentially volatile Arabian-Persian Gulf area.

#### 4. Stabilization of Lebanon, greater Palestinian unity

Informed Arab sources have insisted recently that the late-October Iraq-Syria reconciliation would soon extend to Jordan, the PLO, and Lebanon, creating an Arab East confederation that could transform into a powerful joint regional political-military bloc to contain thoughts of aggression from the extremist cliques in Israel.

The likelihood of such a joint command has grown from the Jordanian side. Jordan's Foreign Minister Hassan Ibrahim strongly praised Iraq's calls for unified Arab action Oct. 31 at the Foreign Ministers' preparatory meeting, while Jordanian reps the next day explicitly supported the idea of the formation of a joint military command, according to the Nov. 2 *Baltimore Sun*.

Most important for the "eastern front" area, however, has been the past week's stabilization of Lebanon and the signs of a redirection of PLO policy toward a more global, less doctrinally rigid approach.

Last week, in close coordination with the government of Syria, Lebanese President Elias Sarkis announced what the Oct. 26 *Jerusalem Post* described as "sweeping measures to confiscate unauthorized weapons, rebuild the army and punish anyone who collaborates with Israel."

According to the account in the *Jerusalem Post*:

President Elias Sarkis asked the Syrian-dominated Arab deterrent force (ADF) to draw up a programme for disarming private armies and remove all military manifestations in this trouble-ridden country.

He gave the ADF, the Lebanese army command and internal security commanders two weeks to arrange a coordinated programme for the implementation of the "security and political rectification" resolutions reached at an all-day Cabinet session. . . .

Sarkis's strategy was analyzed by respected French writer Pierre-Marie de la Gorce in a front-page feature in the Oct. 26 *Le Figaro*:

The Lebanese government seeks to reestablish a Lebanese state and, by that, to guarantee the existence of the country: from which derives the regroupment of the Palestinian forces, the departure of those who have arrived in Beirut during the past few days, and the predicted dismantling of all the armed groups of the various parties. But the government desires, at the same time, to disarm the Maronite militias of Camille Chamoun and

Pierre Gemayel — that is to say, to neutralize the latent threat that these could bring to bear on the Syrians in the event of a new Israeli-Arab conflict. . . .

The greatest opportunity for the Lebanese government is without doubt the fractioning of the Christian communities, a significant part of which stayed on the sidelines during the recent crisis — an example of which can be seen in West Beirut where life is almost normal and where tens of thousands of Christian militiamen, many coming from Achrafiyeh (in East Beirut), live not without apprehension but without too many incidents, in the midst of a Muslim majority.

It is this climate that the government would like to see established in the zones controlled up to the present by the militias: Beirut-East, Junieh, and a part of the Lebanese mountain, the enclaves of the extreme South. For fundamentally the goal is clear: it is a question of isolating and dismantling these militias so that Lebanon would no longer be accused of breaking with Arab solidarity and give no pretext to interventions at the hands of the Syrians. . . .

The Palestine Liberation Organization and their allies are cooperating fully with the disarming of the militia. Even the *Jerusalem Post* had to admit that "observers noted the leftists' positive response to the ADF pacification action, but questioned the peacekeepers' ability to exercise similar influence on Christian militias."

The Vatican has emerged as one of the prime forces behind the restoration of peace in Lebanon. On Oct. 26, Pope John Paul II met with the Lebanese Maronite Patriarch, and held an "unusually long" meeting with French President Giscard d'Estaing to discuss the Lebanon crisis. Recently, the Pope announced that he will soon make a trip to Lebanon to work toward a solution to the situation there.

Lebanese Christian and progressive Raymond Edde, who earlier had endorsed French Foreign Minister Guiringaud's attack on the Lebanese Falange for cooperating with Israel, endorsed the Vatican-French efforts by saying, "I share with the Great Powers and the Holy See the recognition that Lebanon cannot be partitioned."

The international mobilization for peace in Lebanon, combined with the acceptance by the PLO and the left of the measures to stabilize Lebanon, has isolated the Falange, leading to fragmentation in and defections from the rightist camp.

As for the PLO, Palestinian leader Arafat is unifying the ranks in the interest of restoring peace to war-torn Lebanon and of countering Camp David. At the Oct. 27 Palestine Central Council meeting in Damascus, a joint proposal drawn up "excluded some of the more extremist points" of previous proposals, according to the *Christian Science Monitor*.

— Mark Burdman