

cations since Afghanistan. But the situation remains dangerous, he said, and the world economy is still unstable.

For pursuing their global peace diplomacy and industrial policy, France and Germany have come under extraordinary siege from the Carter administration and its allies.

The Israelis, who are pursuing a policy of willful provocation exemplified by the annexation of Jerusalem, have gone to the extreme of calling West Germany Nazi for "interfering" in Middle East politics. Similarly the Begin government is daily attacking France for its nuclear deal with the Iraqis. As President Giscard pointed out, the Iraqis, unlike the Israelis, have signed the nuclear nonproliferation treaty. It therefore appears that Israel's actual concern is to stop Arab industrial development, and not to prevent Iraq from testing a nuclear bomb.

U.S. strategic doctrine— against Europe

From the U.S. side, President Carter has just made it official that he is willing to sacrifice Europe in case of conflict with the Soviets. The announcement was made this week that Carter has made limited nuclear warfare the official military doctrine of the United States. With the acceptance of a theatre nuclear doctrine, Washington affirms that wherever the U.S. cannot mount sufficient conventional strength—in Europe as well as the Persian Gulf—it may deploy tactical nuclear weapons.

At the same time, talk of invoking the Mansfield Amendment is once again making the rounds of the various policymaking think tanks. A spokesman for the U.S. Middle East Institute who is also attached to the Ditchley Foundation noted a few days ago that if Europe continues to behave "too independently," the United States might withdraw American troops currently stationed on European soil.

There is no doubt that such threats inject caution into the Allies, particularly the more vulnerable West Germans. But there is also an important aspect of diminishing returns to this type of American blackmail. With the Soviet Union offering disarmament and highly lucrative trade, and the Arabs offering petrodollars as well as trade in exchange for assistance in securing peace in the Middle East, Europe is increasingly forced to jump one way or the other. As long as the U.S. offers nothing but Malthusian policies, it becomes increasingly clear that Washington is merely speeding up the point at which it will lose all allegiance from its most important allies. While America contracts its own industrial base, France and West Germany can organize an industrial boom that would leave the United States isolated in its economic collapse.

A paradigm: France and Iraq

by Judith Weyer

Last month the Iraqi government issued a statement through its official Iraqi News Agency explaining the motivation behind the French-Iraqi cooperation to build nuclear power generating capacity in Iraq: "Iraq intends to utilize nuclear energy notably to fertilize its western desert . . . the transformation of this region will have important climatic and agricultural repercussions and will serve as a model for analogous experiences in other parts of the Arab world, which have the largest deserts in the world."

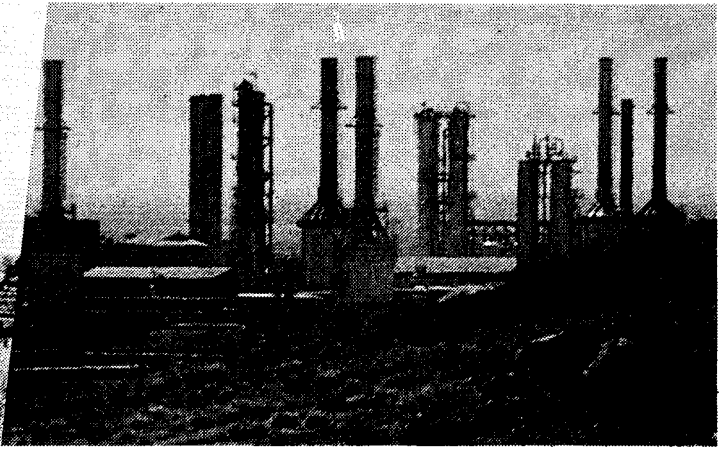
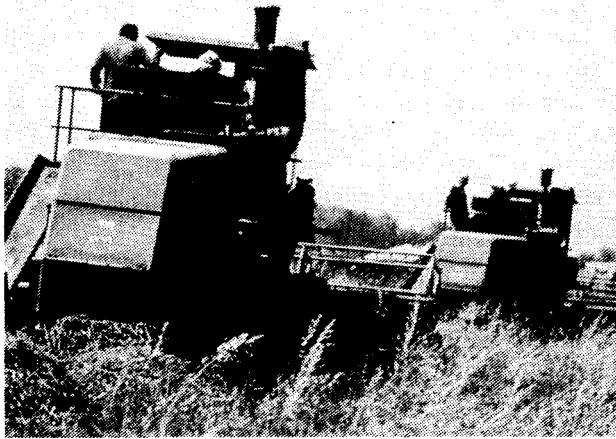
For both Paris and Baghdad, the sale of the nuclear plant to Iraq is the paradigm of growing Euro-Arab economic cooperation, in which the supply of the most advanced forms of technology to underwrite economic development is at stake.

Since July 1979, when French Premier Raymond Barre held talks with Iraqi President Saddam Hussein, the two countries have been working together not only to expedite bilateral trade relations, but to resolve the broader issues of economic growth for the developing sector as a means of providing global stability.

It is because of the far-reaching economic and political implications of the French-Iraqi nuclear agreement that Israel has used assassination and terror, threatening to escalate to a fifth Arab-Israeli war, to block the realization of Iraq's development goals.

In numerous statements since becoming president last year, Hussein has repeatedly stressed that the only long-term means by which the Arab world can confront Israel is by rapidly developing itself into a global economic force. He has stressed that Israel is fully committed to using its military strength, including its nuclear capacity, to undermine that endeavor.

In 1978, days before the French-built training reactor was to be delivered to Iraq, a terrorist bombing destroyed the reactor and the plant in which it was built. It was widely circulated in France at that time that the action had been taken by Israeli intelligence. A few months later, during a visit to Paris, a nuclear physicist working



for the Iraqi government was assassinated. The Iraqis have asserted that these incidents have set back the Iraqi nuclear development program by a period of at least two years.

The Israeli government of Menachem Begin, however, has initiated a sensationalist campaign claiming that Iraq will have the capability to build a nuclear bomb within six months. Yuval Ne'eman, who was responsible for creating Israel's nuclear arsenal, is now calling for Israel to increase its own nuclear arsenal to combat "the Iraqi threat." An official of the Begin government last month declared that if Israel did not succeed by diplomatic means in halting the French-Iraqi nuclear deal, "it will use other means." Iraq has repeatedly warned that Israel has the capability and the will to launch air attacks on Iraq as a last resort to destroy Iraq's development potential.

The French Foreign Ministry issued a statement on July 29 answering Israel's accusations that France is supplying Iraq with the bomb. The statement affirmed that "Iraq, like any other country, has the right to the peaceful uses of nuclear energy and does not see any reason for this right to be refused. . . . Iraq adheres to the Nonproliferation Treaty, and has accepted the International Atomic Energy Agency monitoring of all its nuclear activities." Unlike Iraq, Israel has not formally submitted to the nonproliferation guidelines. French press reports have stressed that the nuclear deal will vastly expand Iraq's cadre of engineers and physicists.

French Foreign Trade Minister Jean-François Deniau completed two days of intensive economic talks with the Baghdad government this week. Upon his departure from Iraq he praised the "excellence of economic relations between the two countries," and criticized the "excessive agitation" which has hit the world press over the nuclear agreement.

Since 1978, French trade with Iraq has climbed from just under \$1 billion a year to an anticipated \$2.5 billion this year. This is not only representative of the close

relations between Iraq and France but the tremendous increase in the development budget in Iraq.

Creating the Arab economic superpower

At an Arab League ministerial meeting in Amman, Jordan, last month, the Baghdad government presented an economic policy proposal for the entire Arab world designed to create an Arab economic superpower by the turn of the century.

Iraq called on the Arab nations to create a \$20 billion development fund to promote the economic development of those Arab nations lacking in the immense petrodollar wealth of the Arab oil producing states. The Arab League passed the proposal—a major victory for Iraq and its Arab allies, who have been endeavoring since the early 1960s to create the institutional financial and technical capability to unify Arab development.

In coordination with Saudi Arabia and Kuwait, Iraq is engaged in an intense diplomatic effort to win the Arab world over to a policy of aggressive economic progress. In the last six months Iraq has dramatically escalated its development momentum and in so doing is setting the pace for the rest of the region.

According to a U.S. Commerce Department official, "More than any other country in the Arab world, Iraq has all the ingredients for winning the race to be a developed country by the year 2000. It has the labor force, it has the money and the determination to buy the best of everything."

Renewing the Fertile Crescent

The government of Baghdad has embarked on an irrigation and land reclamation project which is expected to have 3.5 million hectares of land ready for cultivation by the year 1985. The plan, which involves costly drainage, land leveling and canal building, according to a consultant working for Iraq, "will last for hundreds of years and is a good long-term investment."

The Iraqis foresee the use of nuclear power in desalination as central to their massive agrobusiness plan. It has been termed the "Fertile Crescent" plan by European interests who are aiding the Iraqis in this scheme.

If the projects proceed at the pace which the next two decades of development project, Iraq is confident that it will not only be self-sufficient, but will be able to feed the entire Persian Gulf region.

The major focus of Iraq's agricultural development is in the arid Tigris and Euphrates valleys. According to the French official trade journal MOCI, each irrigation project the Iraqis intend to complete will irrigate no less than 15,000 hectares. Included in this plan will be the creation of a number of dams which will provide a major source of hydroelectric power.

For the 1980 budget alone the Baghdad government has increased the budget for irrigation and land projects by 30 percent to over \$700 million. At present Iraq is putting emphasis on completing projects already under construction. During the next five-year plan beginning next year Baghdad will initiate projects of an unprecedented size.

Most noteworthy of these is the giant \$1 billion plan for the Mosul area which will include a multi-purpose hydroelectric project including a 12,800 cubic meter capacity dam, a hydroelectric station which will produce 975 megawatts of electricity and will irrigate 230,000 hectares of land. Three dams are presently under construction, the Mosul dam, the Bokme dam, and the Hamrem dam. The Bokme dam is on the Greater Zab River, a tributary of the Tigris north of Baghdad. Upon completion, the dam will produce 1,000 to 1,200 megawatts of electricity. By 1984 Baghdad hopes to have completed the Haditha dam on the Euphrates River near the Syrian border.

A number of Iraq's neighbors are following a similar development course with respect to the crucial element of water development for the region. In Saudi Arabia's 1980-85 development plan it is anticipated that \$4 billion will be spent on water development, particularly within the area of desalination, and \$2.3 billion on agricultural development. Like the Iraqis, Saudi Arabia is also looking to the use of nuclear energy as the most efficient means of powering desalination plants.

Earlier this year a high-level meeting between the

The background of the nuclear program

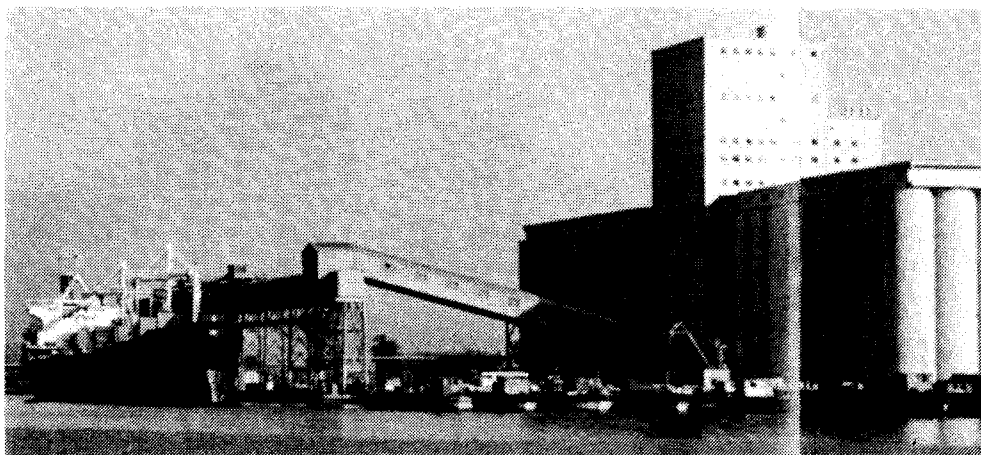
The following is excerpted from a summary of the history of Iraq's nuclear program which appeared in Le Monde on July 31.

Iraq first manifested its interest in nuclear energy in 1956 when the Iraqi Atomic Energy Commission was created. But it took 12 years for its activities to become noteworthy. In 1968, an institute for nuclear research was established in Tuvait, near Baghdad, with the aid of the Soviet Union. This institute was equipped with a two-megawatt research reactor supplied by the Soviets and baptized Manega. . . .

Toward the mid-1970s, the Iraqi leadership began to manifest its intention to extend their activity in the nuclear domain: Iraq became interested for the first time in power-generating reactors and contracts were established with the French Atomic Energy Commission. Baghdad sought to acquire at this point a 50-megawatt unenriched uranium reactor but negotiations didn't succeed. According to available information, it seems that Iraq today is on the verge of gaining a reactor of 600 MW of electric power. An internation-

al bid was issued in the end of 1977, to which several contractors responded, including an Italian firm (Italy did the feasibility study for the project) and Framatome of France, which prepares a pressurized water reactor adapted from the Electricité de France program's 900 MW reactors. The definitive choice between this line of reactors and the unenriched and heavy water—which all the experts agree is the most "sensible" from the point of view of nuclear proliferation risks—does not seem yet to have been made.

In April 1975 an accord for cooperation in the sphere of peaceful utilization of nuclear energy was signed between Iraq and the Soviet Union. Seven months later, on Nov. 18, 1975, a nuclear cooperation accord was signed between Iraq and France, completed Sept. 11, 1976 by an exchange of letters between the two governments. Iraq then signed a contract worth 1.45 billion francs with terms by which France will deliver a "turnkey" center of nuclear research. This center, which should be operational by 1981-82, is equipped with the 70 MW Osirik reactor, derived from the "Osiris" reactor from Saclay and by a small 800 kilowatt reactor, "Isis"; these two reactors are respectively called by the Iraqis Tamuz-1 and Tamuz-2. When they are fully operational, the research center will be able to harbor approximately 600 engineers and technicians in training.



The deepwater port of Al-Bakr, in Basra, Iraq.

governments of Jordan and Iraq took place that resulted in a series of agreements aimed at extending Iraqi water from the Tigris and the Euphrates to Jordan for its industrial and agricultural needs. The Jordan Valley Authority recently circulated a report warning that without new sources of water, Jordan will face a serious water shortage in the near future. Jordan envisions drawing hundreds of millions of cubic metres of water from Iraq's Euphrates River.

In addition, Kuwait, Iraq's southern neighbor, recently announced that it would open a nuclear research center. Iraq and Kuwait have initiated a number of cooperative agreements aimed at closer coordination of their respective development plans. These agreements include water sharing, building a joint railway, and integrated communications systems.

Since the 1976 Muscat meeting of the Arabian peninsula nations, Iraq has been the most outspoken advocate of closer integration and coordination in regional development, particularly with respect to agriculture and heavy industry.

Following the Islamic Revolution in Iran, Iraq has taken a turn away from its traditional leftist ideology toward a more pragmatic foreign policy which has produced a new alliance with Saudi Arabia and Kuwait, particularly on matters of regional security. The question now is whether the combined development plans of the nations of the Mideast which will account for hundreds of billions of dollars can be more efficiently coordinated.

For the year 1980 alone Iraq will spend 60 percent more for development than in 1979, and that \$18 billion development bill for 1980 is expected to be dwarfed by expenditures for 1981. MOCI reports that this year Iraq will expedite major heavy industrial projects, the most important of which is the Bassorak steel plant which when completed, will yield 1.2 million tons of steel a year. A number of cement-producing factories are also slated for completion this year. Canal building and

other irrigation construction work were set back last year due to lack of cement.

MOCI reports that Baghdad has tripled the budget for investment in heavy industry to about \$3.5 billion for 1980.

Resolving the feud with Syria

A serious impediment to Iraq's development drive has been the longstanding ideological dispute with Syria. One of the manifestations of that dispute has been uncertainties as to the availability of water from the Euphrates River flowing from Syria into Iraq. Syria has withheld water by the construction of a dam inside Syria's borders which has limited the amount of water passing into Iraq. The *Middle East Economic Digest* reports that Syria's efforts to utilize the Euphrates waters for large-scale irrigation have met with problems, given the chemical composition of Syria's land.

Moreover, Iraq needs transit access to Syrian ports to relieve the bottlenecks which have jammed up Iraq's tiny port facilities on the Persian Gulf. During a brief effort on the part of the governments of Baghdad and Damascus to overcome their differences in 1978, a wide array of economic cooperation agreements were being worked out; had they come to fruition, they would have made the Syrian-Iraqi alliance the most economically powerful unit in the Middle East.

Last month Saudi Crown Prince Fahd announced that he would undertake a series of visits to Damascus and Baghdad to mend fences between Syria and Iraq. At the same time, United Arab Emirates press revealed that leaders of the Palestine Liberation Organization are also considering a mediation effort. If such efforts find success, the lofty design envisioned by Baghdad to create a pan-Arab economic superpower and make the deserts of the Mideast bloom will have been given the greatest political boost, one which Israel and its international allies see as a deadly threat.