

## WHY WEREN'T THE RUSSIANS, CHINESE, AND FRENCH ON BOARD?

by

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(Riyadh, Saudi Arabia, Dec. 18) - Three of the most conspicuous countries opposed to American and British use of force against Iraq last week were China, France, and Russia. To many this seemed strange, as all three have interests at risk in their relationships not only with Washington and London but, also, Iraq's threatened neighbors.

Notwithstanding their rhetorical rifts and riffs with the Anglo-American alliance over this dispute, all three are keen to forge cozier ties to the United States (and to a lesser extent the UK). They know they're in a weak position regarding much of what they want from the U.S.: increased trade, investment, technology cooperation, and mutually beneficial joint-ventures.

Why, then, have their international envoys and emissaries adopted postures of pomposity and pontification towards the U.S. and Great Britain on a matter of such importance to the cause of peace and stability in one of the world's most vital regions? Take away the smokescreen surrounding their affected preaching and piety, and the reason comes down to the old adage that "Truth hurts" - or at least is sometimes embarrassing.

### Truth and Consequences

In Russia's case, the truth is embarrassing and painful. But with Moscow, as with Beijing and to a lesser extent Paris, what's not being admitted?

It's this. In firing orally strident salvos at America's actions against Iraq, China, France, and Russia are doing little more than pursuing their national economic and commercial interests - interests based on the old-fashioned, unvarnished pursuit of business and profit. The fact that few people care to be exposed for acting out of considerations related purely or mainly to greed lies behind the holier-than-thou sermonizing of these three countries.

If the primary reason for their being soft on Saddamism is m-o-n-e-y, what is lacking in all the reportage are the specific economic details of why Beijing, Moscow, and Paris refused to have nothing to do with Operation Desert Fox and decided to lambast those who did.

The media has yet to report that France is owed six billion dollars by Iraq, Moscow between eight and twelve billion, and China several billions.

### Domestic Pressures

The debt issues constitute overriding domestic political and economic pressures within the three creditor countries that cause them to view Iraq differently than the U.S. and Great Britain. These pressures are powerful realities that would weigh heavily upon any foreign policy formulator.

Combined with their acute need for Baghdad to pay its debts and enable them to earn vital hard currency, the foreign policy and economic perspectives driving Chinese, French, and Russian national decisionmaking regarding Iraq have important implications for Mideast defense.

The implications are ominous and, now, apparent for all to see. At a minimum, in taking steps that he correctly calculated would lead to the ousting of UNSCOM and his survival of yet another American punitive military strike, Saddam Hussein successfully banked on Beijing, Moscow, and Paris supporting him in the UN Security Council, where all three countries have veto power.

### Baghdad's Bursars

Russia's, and to a lesser extent China's and France's brazen bashing of the U.S. and Great Britain did much to abet Saddam's defiance. It confirmed his belief that they would ensure a divided UN Security Council. Quite apart from what he got out of it, what they achieved is no less substantial: they succeeded in further ingratiating themselves with Baghdad's bursars and thereby in retaining their places at the head of the queue among those with Iraqi accounts payable.

One needn't have to don an accountant's green eye shade to be able to see how Russia's, China's, and France's economic "bottom lines" are illuminative of the reasons prompting their contrariness towards the U.S. and Great Britain regarding what to do about Saddam.

For France, beyond the six billion owed to it by Baghdad dating from the 1980-88 Iran-Iraq war is another six billion in contracts signed between Iraqi and French companies since the UN Security Council sanctions were imposed upon Iraq in 1991.

Here's where the rubber meets the road: these contracts cannot go forward, and Iraq's unpaid and overdue debts are not likely to be paid, until the sanctions are lifted. The amount at issue is hardly pocket change. As the United States is four times as populous as France, what Iraq owes France, on a per capita basis, is the equivalent of Iraq owing the U.S. forty-eight billion dollars.

### Unsatiated Appetites

China's and Russia's economies are even more between Iraq and a hard place. Russia's, near collapse, is linked to a Western life-support machine and an indefinite intravenous injection of billions of dollars in loans. China's economy is not as precarious, but the uncertainty of its near-term prospects underscores why it, too, views Iraq through an exclusively economic prism.

The appetites of all three countries with regard to Iraq are whetted by prospects of nabbing lucrative long-term energy contracts and arms sales. The latter sustain one million workers in France and are the primary source of sustenance for four million French citizens. The equivalent U.S. economic interest at stake would be the livelihoods of sixteen million Americans.

Notwithstanding all their moralistic bluster -- a euphemism for dropping left on prairies by large leathery beasts -- the driving force behind Beijing's, Moscow's, and Paris' ta-ta-ta-ing is, therefore, much more than meets the eye. For all three countries, it's Iraq as eventual purchaser of defense equipment, Iraq as future source of bountiful and inexpensive oil, Iraq as customer for their countries' manufactured goods, Baghdad as contractor of their companies that will rebuild Iraq's economy, Iraq as potential extender of their industrial production lines, Iraq, directly and indirectly, as employer of substantial numbers of their countrymen.

Little wonder, when national economic planners and geo-political strategists in China, France, and Russia gather to focus upon Iraq, why they often have their bibs on. It is not as though they are totally blinded by greed; it's more a matter of their racking up frequent smiler miles as they envision future bank balances generated by the Iraq account.

### The Pied Piper

And imbedded in the economic jargon are matters of no small moment: the stability of their currencies, the status of their international balance of payments, their rates of interest and inflation. At stake are the prospects for their fiscal solvency, their hope for increased tax revenues.

At issue, too, are their lack of adequate amounts of investment capital for badly needed infrastructure maintenance and expansion, their paucity of funds for research and development, and, not least, their inability to provide adequate levels of employment -- in short, the well-being of their citizens.

Whoever said in the ditty about the Pied Piper that "he who pays the piper calls the tune" surely had in mind what happened this past week. Saddam, in the eyes of his creditors, is the payer; China, France, and Russia are the pipers.

In the run-up to what had these countries at diplomatic swords points with the U.S. and Great Britain last week, no comparable interests or related considerations affected the foreign policy formulations and decisionmaking of Washington and London.

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