FORREST SAWYER: [voice-over] President Clinton declares the airstrikes in southern Iraq a success.

Pres. BILL CLINTON: The targets were either destroyed or sufficiently damaged so that we can say that our mission has been achieved.

FORREST SAWYER: [voice-over] But only a few allies seem to agree.

MICHAEL PORTILLO, British Defense Minister: This major escalation, this intimidatory act in northern Iraq, to go without any response from the international community would pose a danger.

FORREST SAWYER: [voice-over] And what was the cost?

CHRISTINE HELMS [sp?]: It plays into the hands of the extremists, it promotes Islamic fundamentalism, and it removes the middle ground for political discussion and dialogue.

FORREST SAWYER: [voice-over] Tonight, is the Gulf war coalition falling apart?

ANNOUNCER: This is ABC News Nightline. Substituting for Ted Koppel and reporting from Washington, Forrest Sawyer.

FORREST SAWYER: As the dust settles in the latest Iraqi crisis, you might be tempted to conclude that Saddam Hussein is the big loser. It's a little more complicated than that. In the short run, Saddam may have managed to gain a little, including a foothold in northern Iraq, where the Kurds are. Almost all the coalition allies who stood against Saddam in the Gulf war consider the north to be none of their business, and many of them condemn the U.S. actions. In fact, Saddam still has troops there, and the U.S. has not even tried to push them out. As for southern Iraq, the U.S. has certainly improved its ability to contain Saddam, but some critics say he may look for a way to strike back. And
there is the biggest question mark of all, the coalition partners, both in the West and the Arab world- will they move away from U.S. interests? Will the larger strategic balance in the region be affected? After all, in the Middle East, solving one problem can often lead to another. Tonight, the good news and the bad news of what's ahead. First, Nightline's Chris Bury.

CHRIS BURY, ABC News: [voice-over] The latest American missile attacks served two purposes at least. They targeted Iraqi air defenses, so U.S. jets could more safely patrol the new expanded no-fly zone in southern Iraq, and they telegraph another loud message to Saddam Hussein.

Col. BILL TAYLOR (Ret.): Every time you violate a U.N. interest up there, or a U.S. interest, we can hit you where it hurts.

CHRIS BURY: [voice-over] Retired Army colonel Bill Taylor is a military analyst on Iraq.

Col. BILL TAYLOR: And that is very close to home, near Baghdad, your surface-to-air missiles, your command-and-control sites. We can do it 24 hours a day, seven days a week. Knock it off. That's the message.

CHRIS BURY: [voice-over] American F-16s have been flexing muscle in the skies over southern Iraq. They knocked out a mobile radar facility and scared off two Iraqi MiG fighters. The Pentagon reports that Iraq was apparently getting the message about the new American squeeze on Saddam, extending the no-fly zone from the 32nd parallel to the 33rd, up to the southern suburbs of Baghdad.

Pres. BILL CLINTON: This has changed the strategic situation, particularly in the southern part of Iraq, which Saddam used as a staging ground for his invasion of Kuwait and then, in 1994, for the massing of his troops near the Kuwaiti border. He is strategically worse off than he was before these strikes began.

CHRIS BURY: And that appears to be the real point of this week's American attacks.
What the Clinton administration first cast as a valiant defense of an oppressed Kurdish faction in northern Iraq has now become an American stranglehold on the south.

Col. BILL TAYLOR: We go where we can have impact, in the south, because our interests are, remember, not up here. Our interests are south of the 32nd degree parallel, now the 33rd degree parallel, south toward the Gulf states. Our vital interest, that no American disagrees with, is the free flow of oil to the western industrial democracies at reasonable prices.

CHRIS BURY: [voice-over] The other American objective, Taylor says, is simply to embarrass Saddam before his own military officers.

Col. BILL TAYLOR: What we have to do is to try to knock out his command and control, try to separate the bond between the leader and the led in the military, humiliate him.

AMATZAI BARAM, Mid-East Historian: So we [unintelligible] zero-sum game. Either the U.S. manages to get him out, and so he suffers humiliation, or he stays there and then, I think, he's getting stronger and more dangerous in the longer term, not immediately, but in the longer term.

CHRIS BURY: [voice-over] But demonizing Saddam Hussein, even if it's politically convenient, could also create a dangerous vacuum in northern Iraq. That is the fear of Middle East scholars such as Christine Helms.

CHRISTINE HELMS: Saddam has become a useful whipping boy, for a whole lot of reasons, for U.S. foreign policy. In reality, long-term strategic interest should be focused on maintaining the unity of Iraq. We're so focused on the man that we can't see these deeper, much more problematic and potentially far more catastrophic end results if this- if this country fragments.

CHRIS BURY: [voice-over] In the north, Iraqi troops have now left the devastated city of Irbil to Kurdish fighters. Since American troops first moved in to protect the Kurds after the Gulf war, the feuding factions have been their own worst enemies.
CHRISTINE HELMS: The paradox is that Operation Provide Comfort was supposed to protect the Kurds in northern Iraq from attack by troops in Baghdad, or Iraqi troops, and in reality, since mid-1994, the Kurds have been fighting each other. They've had rivalries that have gone back into the decades. Since 1994, more than 4,000 Kurds themselves have died in-fighting other Kurdish groups.

CHRIS BURY: [voice-over] To make matters messier, Iraq's northern neighbors, Syria, Turkey and Iran, also have restless Kurdish minorities, and their own vital interests in northern Iraq. Ken Katzman [sp?] is a former CIA analyst. [interviewing] What is the chief risk of this action the United States has taken?

KEN KATZMAN: The chief risk is that it's going to benefit the Iranians. In the last six months, we've seen a tremendous increase in Iranian influence.

CHRISTINE HELMS: It would be an exceedingly dangerous and incendiary situation should Iran ever gain a foothold in northern Iraq. That would really be a doorway into the Arab Middle East, and that is what concerns many of the Arab countries, and that's why there have been many critical statements throughout the Arab world, today and yesterday, regarding the U.S. bombing of southern Iraq.

CHRIS BURY: [voice-over] Today, the bombing was denounced not only in Iraq, but also in Jordan, whose parliament condemned the U.S. missile strikes. Even key allies like France and Egypt, whose foreign ministers met today, refused to endorse the American attack, and Russia's foreign minister said the bombings could lead to catastrophic consequences and anarchy, all music to the ears of Saddam Hussein.

AMATZAI BARAM: He regards this as a very promising development. He, at long last, managed, to an extent, to drive a wedge between America and some allies and alienate America with some other allies. I think it will add to his intransigence, but I still feel that the American response is the most important factor is his strategic thinking.

CHRIS BURY: So, the United States once more finds it lonely at the top. Saddam Hussein may be America's favorite enemy, but our allies and his neighbors seem just as frightened by what might happen to Iraq once Saddam is hopelessly weakened or even
gone. This is Chris Bury for Nightline, in Washington.

FORREST SAWYER: And, when we come back, the views of one of America's closest allies. [Commercial break]

FORREST SAWYER: Joining us now from our Washing studios, British defense minister Mr. Portillo, the President said today that what has happened in the past few days has changed the strategic balance in the Middle East, and certainly in Iraq. In your view, how has it changed?

MICHAEL PORTILLO, British Defense Minister: I think it's made it perfectly clear to Saddam Hussein that if he was engaged upon an intimidatory act, as I think he was, if he was involved in an escalation, a remilitarization of his forces, possibly a massacre of his people, that none of those things can be undertaken without him being checked by the international community.

FORREST SAWYER: But as for the strategic balance, certainly, what has happened is they have moved the area in which he can't fly one degree to the north, which is almost to the suburbs of Baghdad. They have knocked out his ability to use a couple of air bases there. How much does that hurt him?

MICHAEL PORTILLO: I think it will certainly inhibit him in his future operations. He'll find it humiliating, too, not to be able to control his own airspace, not to be able to use those air bases so close to Baghdad. It will be something, I think, that will cause him considerable upset. But certainly, I think it has been an effective message to deliver to him.

FORREST SAWYER: You know that on its face, if Saddam seems to move in- in the north, one would expect that the response would be in the north. It has not, and in fact, the United States has not even made it very clear to Saddam that he can't move above the 36th parallel. Why is that?

MICHAEL PORTILLO: Well, the United States, I think, has done what it believes it can do most effectively, and what it can do most effectively is to enlarge the no-fly zone in
the south. All the no-fly zones were established for the same reason. They were established to enable the allies to monitor what was going on on the ground, particularly his anti-humanitarian activities. Now, it may have seemed more closely connected to the action to attack targets to the north, but my guess would be that if you had gone against the Iraqi forces in the north, who are in towns, who are in villages, there would have been a very considerable danger of collateral danger and civilian casualties, and that is the last thing you want to inflict upon those people who are suffering at the hands of Saddam.

FORREST SAWYER: Would you also have involved yourself in a very messy bit of political business, since there are two warring or arguing Kurdish factions, one supported by Iraq, one supported by Iran?

MICHAEL PORTILLO: Well, the fact is that neither Britain nor the United States is taking sides in the inter-Kurdish question. Our concern is with Saddam Hussein. We're concerned with him because we believe he is a person who's shown clearly in the past he's willing to massacre his own population, invade other countries, and destabilize the region. That's our concern.

FORREST SAWYER: Well, the other coalition partners have not been so united in their support of these United States actions. From France to some of the Arab partners, some of them have been quite strong in saying that, in fact, it was a terrible action to take. What do you think of that?

MICHAEL PORTILLO: France has played a very important part in the coalition, and I think that France will go on doing that in the future.

FORREST SAWYER: Do you believe that the coalition partners should have been more clear in stating their support of the United States? Certainly, Britain has been.

MICHAEL PORTILLO: Britain has been. We are very strong allies of the United States, indeed. I think I can understand that each country has its own particular interest, and each country must be allowed to express that interest as it sees fit. I think it's important that we should have the maximum amount of international support for this action, and I believe that even though countries are constrained in what they say about this action, they all
share our analysis of Saddam Hussein as somebody who's very dangerous, both to his own population, and to neighboring countries, and to regional stability.

FORREST SAWYER: Certainly there are some analysts who are saying while all that may be true, what we are seeing here is that there are cracks in the facade of the coalition unity. This is a very clear indication that what was there in 1990 and in 1991 is not there now, and these nations are beginning to move their separate ways, following their own separate interests in this area.

MICHAEL PORTILLO: Well, we do not have the case that we had in 1990. We do not have Saddam Hussein moving against a neighboring state. He hasn't entered a neighboring state. So naturally, the reactions are not going to be identical to what they were in 1990. But nonetheless, we in the international community need to be extremely concerned about what would happen if Saddam got away with this move, and as I say, the analysis of the record of Saddam Hussein, I believe, is one that is absolutely shared by the neighboring countries and by the allies in the coalition.

FORREST SAWYER: What are your biggest concerns about how things stand now?

MICHAEL PORTILLO: My biggest concern, I suppose, is that I can't get inside Saddam Hussein's mind, and I don't know what he may do next. I can tell you what I hope. I hope that he will be checked in whatever operation he thought he had underway. He had 45,000 troops involved, and more than 300 tanks. It looked like a pretty ambitious project. I hope that he'll think better of it.

FORREST SAWYER: British Defense Minister Michael Portillo, visiting here in the United States, we thank you very much.

MICHAEL PORTILLO: Thank you.

FORREST SAWYER: And I'll be back in just a moment. [Commercial break]

FORREST SAWYER: Joining us from our Washington studios, Phebe Marr is a Middle East scholar and senior fellow at the National Defense University. Cherif Bassiouni is a professor of international law at DePaul University, and he joins us from our Chicago
bureau. Ms. Marr, today the President called reporters into the Oval Office and cheerfully told them that the operation is a success, thank you very much. Is he right?

PHEBE MARR, National Defense University: On balance, it is a success. We have a short-term tactical problem in containing Saddam which we've been successful in. But we do have some long-term interests that may be conflicting. We want to keep Iraq together, we've said we want to protect the territorial integrity of Iraq, and yet we seem to be at least tentatively abandoning the north. And as a result of this operation, some of our friends - Turkey - will be in worse shape, and some of our adversaries - Iran - may be in better shape.

FORREST SAWYER: Is the U.S. abandoning the north?

PHEBE MARR: It's not clear that they are abandoning the north, but certainly we've struck in the south. For example, if Saddam and his allies, the Kurdish Democratic Party, want to continue their pressure against Talabani [sp?], will we take further action? That, indeed, of course, would draw us further in. But in any event, we didn't strike in the north. Saddam and the KDP, the Kurdish Democratic Party, are now in control of Irbil, and the north is still split, the Kurds still divided, and there doesn't seem to be any really good answer as to what to do about this political vacuum in the north.

FORREST SAWYER: So Saddam has some of those gains. Mr. Bassiouni, it would appear also that Saddam has managed, as Chris reported in his- in his report, that he has gotten a wedge in between certainly the Arab allies and the United States. How strongly will he have that wedge in there?

CHERIF BASSIOUNI, DePaul University: Well, I think the wedge is quite strong, not only between the United States and the western allies and the rest of the Arab world, but it's projecting the United States into the image of a bully who decides on its own when it wants to go and bomb the country, and when it doesn't. What is particularly disturbing is that many of the facts about this situation have not been disclosed. Much of the assumptions on which the administration has based its action seem to be based on innuendoes as opposed to facts. The policy is certainly ill-conceived, and it is bound to
FORREST SAWYER: Well, why do you think it's ill-conceived? From the United States' point of view, here's what they have done. They have managed to prevent Saddam from using two air bases above the 32nd parallel that he would have been able to use to put at risk national security interests. He- they have managed to contain him in the south, and they feel that that's, on the whole, a pretty good thing.

CHERIF BASSIOUNI: Well, I think all of these facts are quite questionable. I don't think that- that having the air bases in the south were a threat to anybody. If they were, the United States could have dealt with it in a different way. And if the U.S. was feeling in any way threatened by Saddam Hussein, it would not have agreed two weeks ago to release the sale of a billion dollars of oil to allow for food and medical supplies to come in. I think one of the big problems here is that we didn't really understand why Saddam went in the north. He went in the north not only to reestablish order between competing factions of Kurds, but because it is through that territory that the pipeline goes from Iraq to Turkey. And that oil deal that the United States has just approved was going to have the oil going through the pipeline just in a few weeks from now.

FORREST SAWYER: Forgive me for- for moving forward, but there was a risk, I think you're going to argue, that Iran might have moved in there and gotten a foothold. Is that a real-

CHERIF BASSIOUNI: No, not- not Iran, but- but the- the pro-Iranian Kurd sides could have sabotaged the pipeline-

FORREST SAWYER: With Iran's help. Forgive me, I've got just a little bit of time. Ms. Marr, is Iran a big problem?

PHOEBE MARR: It's a problem. I don't know how big it is. It's got quite a bit of influence in Iran, quite aside from the Patriotic Union of Kurdistan. It has representatives in cities, it's supporting indigenous Kurdish groups, it's recently made an incursion into Iraq, and it'll certainly make another one and it's supporting a faction. Yes, it is gaining some kind of foothold in the north.
FORREST SAWYER: That is a good point for us to stop. We're going to come back and look at some of the risks and benefits of the new strategic balance when we come back.

[Commercial break]

FORREST SAWYER: Mr. Bassiouni, we began this broadcast asking whether the unity of the Gulf war coalition was put at risk by the recent actions in Iraq. Is it?

CHERIF BASSIOUNI: Well, I think it is, and one of the factors we tend to overlook is the legality of the action. I mean, it's totally unprecedented for a country to decide on its own to start bombing another country, and I think this is going to have very serious repercussions throughout the world, because it's going to project the United States as the bully. So instead of making Saddam Hussein continue to look as the bully, we're going to start making him look as a victim.

FORREST SAWYER: You believe the Arab world will pull further back, away from the United States and its interests?

CHERIF BASSIOUNI: I think so, and I think it'll send a bad signal also to other allies and supporters of the United States, and that is this is a big power, the only big power that's left, but it's a big power that may not be necessarily entrusted with the use of its power in a wise way.

FORREST SAWYER: Ms. Marr, do you agree with that?

PHOEBE MARR: No, not entirely. It's much more complex than that. Saddam is the bully, he is the threat. He still hasn't given up his weapons of mass destruction, and many of his neighbors understand that. This is an issue of the sovereignty of Iraq, however, and this particular episode goes to the unity of Iraq, and on that score, Arabs, as you well know, have some- may have some misgivings.

FORREST SAWYER: The point that you're making, really, is that there is a fear that in what is largely called Kurdistan, Turkey, Iran, Iraq, where the Kurds reside, it might be able to- they might get a foothold, Iran might move in there, and the unity of Iraq might be in question. Is that- is that a real possibility?
PHOEBE MARR: That is—well, unless the central government can reestablish its authority over the north, what is going to happen there? Now, we have said we feel this is part of Iraq. The problem is, the leader of Iraq is Saddam, who has been brutal, and so we're caught in a bind. We would like the unity of Iraq, we would like the authority of the central government, at least to have some sovereignty there, but the problem is, that sovereignty is exercised by a man whose brutality has been proven. So we're caught on a-caught in a sort of a Catch 2 [sic] dilemma here, and in this particular case, we have to be very careful about the sensitivity of surrounding Arabs, for whom the sovereignty of the central government over all of Iraq is very important.

FORREST SAWYER: Mr. Bassiouni, I really only have just a few seconds left.

CHERIF BASSIOUNI: Well.

FORREST SAWYER: Is this crisis over at this point?

CHERIF BASSIOUNI: No, the crisis is not over. We're sending conflicting messages. We want to maintain the sovereignty of Iraq, and yet, at the same time, we're sending a message that if the Kurds want to rise up, that we may protect them, and that's a very cynical message. We must make sure that the integrity and unity of Iraq is maintained, and unfortunately, we have to deal with somebody who is an unpalatable character to deal with until we find a solution to the situation.

FORREST SAWYER: And on that difficult note, I'm afraid we must leave it. Ms. Marr, Mr. Bassiouni, I thank you both. I'm Forrest Sawyer in Washington. For all of us here at ABC News, good night.