

Case 80-2

US v. Iraq (1980–2003: Terrorism; Chemical and Nuclear Weapons)

See also [Case 90-1](#) *US and UN v. Iraq (1990–: Invasion of Kuwait, impairment of military capability, destabilization)*

[| Chronology of Key Events](#) | [Goals of Sender Country](#) | [Response to Target Country](#) | [Attitude of Other Countries](#) | [Economic Impact](#) | [Assessment](#) | [Author's Summary](#) | [Bibliography](#) |

Chronology of Key Events

July 1979	Congress passes Fenwick amendment (Congresswoman Millicent Fenwick, R-NJ) to Export Administration Act requiring notification of “the appropriate Congressional committees before any license is approved for the export of goods or technology valued at more than \$7 million to any country supporting terrorism.” (Flores 1981, 567)
29 December 1979	Administration of President Jimmy Carter cites Iraq, along with Syria, Libya, and South Yemen as countries that support terrorism. (<i>New York Times</i> , 6 August 1980, A5)
23 January 1980	US Commerce Department approves license for General Electric to export eight engine cores, valued at \$11.4 million, to Italy, for use in manufacture of four frigates destined for Iraq. Fenwick protests that license violates spirit of Fenwick amendment. (Flores 1981, 572–73)
6 February 1980	Commerce Department, responding to congressional pressure, reverses itself, suspends export license for eight turbine engine cores. (<i>New York Times</i> , 7 February 1980, D2)
April 1980	Secretary of State Cyrus Vance, National Security Adviser Zbigniew Brzezinski recommend allowing sale of engine cores as means of improving ties with Iraq. (<i>New York Times</i> , 10 April 1980, A16)
7 April 1980	Arab Liberation Front (ALF), supported by Iraq, attacks Israeli kibbutz, killing three. Congressional criticism of Iraqi frigate decision escalates sharply; deal is placed under review again. (Flores 1981, 573–74; <i>New York Times</i> , 10 April 1980, A16)
14 May 1980	Members of House Subcommittee on Middle East accuse administration of breaking the law by not notifying Congress of its decision in January to approve engine sale to Iraq via Italy. Assistant Secretary of State Deane R. Hinton acknowledges mistake but says administration did not break law because engines were not on list of items restricted from sale to terrorist-supporting nations. (<i>New York Times</i> , 15 May 1980, A16)
Early August	State Department decides not to block engine deal; on 5

1980	July it announces administration is considering sale of five Boeing commercial jets to Iraq. (<i>New York Times</i> , 6 August 1980, A5)
29 August 1980	State Department, responding to congressional pressure, disapproves \$208 million sale of commercial jets to Iraq. (Flores 1981, 575; <i>New York Times</i> , 30 August 1980, A2)
25 September 1980	Claiming need to demonstrate neutrality in Iran-Iraq war, Carter administration suspends export of six remaining turbine engine cores, two having been shipped already. "In the middle of a conflict, when we proclaim our neutrality, we don't want stories saying that we are supplying either side, however indirectly," a US official said. This decision comes after Senator Richard Stone (D-FL) threatens to attach amendment opposing sale to upcoming foreign aid bill "because of Iraq's 'support for international terrorism.'" (<i>New York Times</i> , 26 September 1980, A7)
25 December 1980	Congressman Benjamin S. Rosenthal (D-NY) releases censored version of General Accounting Office (GAO) report that criticizes handling of Iraqi frigate deal. Report blames "bureaucratic bungling" for approval of deal. "Although the export license is technically still valid, the General Electric Company, which makes the engines, has voluntarily complied with a State Department request [made in September] not to ship them." (<i>New York Times</i> , 26 December 1980, A23)
June 1981	Israel bombs Iraqi nuclear reactor scheduled to go critical very shortly. Israel claims reactor would be used to manufacture nuclear weapons for use against it. (Potter 1982, 265)
1 March 1982	US lifts export restraints against Iraq imposed on antiterrorist grounds; considers sale of Boeing aircraft. Deputy Assistant Secretary of State Ernest Johnson defends decision to Congress, saying US intelligence has shown Iraq to have reduced its support of terrorism. (<i>Washington Post</i> , 19 March 1982, A27; American Israel Public Affairs Committee 1)
13 May 1982	House Foreign Affairs Committee votes to restore Iraq to list of terrorist supporting nations. (<i>Washington Post</i> , 14 May 1982, A2)
8 September 1982	Commerce Department issues license for export of six small jets, four with military applications, to Iraq. Congressman Jonathan B. Bingham (D-NY) strongly opposes sale. (<i>Washington Post</i> , 14 September 1982, A12)
November 1982	Abu Nidal, widely known Palestinian terrorist who admitted his involvement in shooting of Israeli Ambassador Shlomo Argov in London, is allowed to open office in Iraq. (<i>Washington Post</i> , 9 November 1982, A1)

October 1983	State Department announces it will not return Iraq to list of nations supporting terrorism despite congressional pressure to do so. "State Department spokesman Alan Romberg [says] US has no evidence that Iraq has supported international terrorism since publicly renouncing it a little more than a year ago." Romberg adds that Abu Nidal and his followers are not allowed freedom of movement in Iraq but are restricted by government there. (<i>Washington Post</i> , 8 October 1983, A25)
March 1984	Commerce Department embargoes export to Iran, Iraq of five chemicals, with primarily agricultural uses, that might be used to make chemical weapons. By early 1990, 50 chemicals are listed as "chemical weapons precursors" requiring validated license for export to Iraq, Iran (as well as Syria, Libya). US policy is generally to deny applications for such license. (Congressional Research Service [CRS] 107; US Department of Commerce 1990, 31)
26 August 1987	State Department announces conclusion of trade agreement with Iraq, but reiterates its refusal to sell arms to either Iran or Iraq. (<i>Wall Street Journal</i> , 27 August 1987, 26)
Fall 1988	Reagan administration opposes congressional efforts to impose sanctions against Iraq for "its alleged use of chemical weapons in August against its Kurdish population," who are suspected of collaborating with Iran in its war against Iraq). (CRS 105; <i>Washington Post</i> , 5 May 1989, A24)
23 February 1989	US imposes controls on export of "several classes of bacteria, protozoa, fungi, viruses and viroids that could be used as biological weapons" to Iraq, Iran, Syria, Libya. Applications for licenses to export to those destinations will generally be denied. (US Department of Commerce 1990, 37)
20 March 1989	Customs Service seizes shipment worth \$400,000 of vacuum pumps bound for Iraq because of concerns they might be used in enrichment of nuclear fuel to weapons-grade levels. Israeli sources claim that Iraq has initiated a "crash program" to develop nuclear weapons capability. US intelligence sources believe Iraq has nuclear weapons development program but that it will take five to ten years to produce bomb. (<i>Washington Post</i> , 5 May 1989, A24)
4 May 1989	Assistant Secretary of State Allen Holmes tells House Foreign Affairs Committee that administration accepts "in principle" legislation to impose sanctions on countries using chemical weapons. However, Holmes "insisted that any sanctions 'must be subject to executive discretion, and there must be no automatic triggering or retroactive application.'" Holmes also testifies that administration opposes provisions in House, Senate legislation that

would extend sanctions extraterritorially to companies operating in other countries, even if US-owned. Legislation is passed by Senate, but House takes no action in 1989. (*Washington Post*, 5 May 1989, A24)

Mid-March 1990 Iraq hangs Iranian-born British journalist (and convicted bank robber) accused of spying, despite appeals from Prime Minister Margaret Thatcher, other Western governments. (*Washington Post*, 29 March 1990, A1)

March–April 1990 British customs officials seize Iraq-bound shipment of US-made components that could be used to manufacture nuclear bomb triggers. Iraq denies that it is seeking to develop nuclear weapons; President Saddam Hussein threatens to retaliate with chemical weapons if Israel attempts repeat of its 1981 attack on Iraqi nuclear or other industrial research facilities. Shortly thereafter, British customs officials seize several large steel tubes believed intended for use in huge gun with potential range encompassing Israel. (*Washington Post*, 29 March 1990, A1; *The Economist*, 7 April 1990, 47, 21 April 1990, 66)

22 April 1990 Congressman Howard L. Berman (D-CA) condemns Hussein speech, announces that he will introduce legislation to ban exports to Iraq of equipment with potential military uses and to prohibit extension to Iraq of commodity credits for purchase of grains, other agricultural products. Iraq currently imports about \$1 billion a year in US agricultural products using these credits. Number of other bills to impose sanctions against Iraq are subsequently introduced in both houses. Bush administration opposes proposals, saying unilateral sanctions would only hurt US exporters, would constrain administration's ability to exercise "restraining influence" on Iraq. (*Washington Post*, 23 April 1990, A1; *International Trade Reporter*, 20 June 1990, 901)

August 1990 Comprehensive trade and financial sanctions are imposed against Iraq and Iraq is returned to list of terrorist-supporting nations after its invasion and annexation of Kuwait. (*Washington Post*, 11 September 1990, A7)

Goals of Sender Country

April 1980

Combination of factors—hostage crisis in Iran, Soviet invasion of Afghanistan, Iraq-Iran war, "a widening schism between Iraq and the Soviet Union"—make American officials anxious to develop closer association with Iraq. "Vance, with the backing of Zbigniew Brzezinski...decided to allow the sale [of the turbine engines] to signal interest in building a new relationship with Iraq." However, deal again was "under review" after 7 April ALF attack on Israeli kibbutz. (*New York Times*, 10 April 1980, A16)

August 1980

"[State] Department informed the Commerce Department that it 'cannot recommend' issuance of export licenses for the [five Boeing] aircraft in view of recent terrorist incidents which appear to have Iraqi

involvement or support, and the clear sentiment of Congress with respect to international terrorism.” (*Facts on File* 1980, 662)

October 1983

State Department officials, defending decision not to restore Iraq to list of terrorist-supporting nations, “said that the US wants to foster Iraq’s independence, keep it from the Soviet orbit and maintain lucrative trade links....They added that it also wishes to encourage what it perceives as increasing moderation in recent years in Iraq’s attitude toward the Arab-Israeli conflict.” (*Washington Post*, 8 October 1983, A25)

1990

“The purpose of the [chemical weapons] control is to prevent American contribution to, and thereby distance the United States from the proliferation and illegal use of chemical weapons. These controls demonstrate continued U.S. opposition to increasing proliferation by terrorist and aggressor nations.” (US Department of Commerce 1990, 32)

April 1990

Assistant Secretary of State John H. Kelly in congressional testimony defending administration decision not to impose new sanctions: “While we do not rule out appropriate responses to recent actions by the government of Iraq, we are not prepared to see economic and trade sanctions legislatively imposed at this stage.” (*Chicago Tribune*, 27 April 1990, 21)

“...the administration has been working to allay deep concerns in Baghdad that the United States would support an Israeli attack on Iraqi industrial facilities where research into chemical, biological and nuclear weapons is alleged to be underway. Many administration officials...believe that a repeat of Israel’s 1981 attack on Iraq’s nuclear research facilities would force Iraq to retaliate with weapons that did not exist in the Arab arsenal a decade ago, but which today would cause panic, devastation and massive retaliation from Tel Aviv.” (*Washington Post*, 23 April 1990, A1)

Response of Target Country

September 1980

Following disapproval of Boeing plane sale: “[Ath-Thawrah, Baghdad newspaper] adds that this measure is part of the Zionist, US and Persian quarters’ frenzied campaign against Iraq’s principled stands and firm confrontation of imperialist machinations and plots to liquidate the Palestinian issue. Ath-Thawrah also notes that Iraq will not succumb to pressure and blackmail. It will continue to remain the vanguard of pan-Arab struggle and faithful to this struggle’s principles and mission, until all the pan-Arab objectives are achieved.” (Foreign Broadcasting Information Service 1981)

Attitude of Other Countries

Israel

In March 1982, “the [Israeli] intelligence chief [Gen. Yehoshua Seguy] said Iraq supported a ‘May 15’ terror group that had carried out a string of bombings at El Al [Israeli airline] offices in Europe, the bombing last August of Israel’s embassy in Vienna and Israel’s diplomatic mission in Athens, and the time-bombing of a passenger ship bound for Israel last December 20. ...Iraq, he said, trains terrorists from all around the world, and the effort is supported by the Ba’ath Party.” (Potter 1982, 265; Associated Press, 2 March 1982, as quoted by American Israel Public Affairs Committee 2)

Australia Group

“This group is an informal, voluntary forum through which 20 industrialized countries cooperate to further [chemical weapons] non-proliferation efforts.” US export controls on chemical weapons precursors are

“implemented in conjunction with U.S. participation” in this group. (US Department of Commerce 1990, 32)

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Economic Impact

Observed Economic Statistics

Iraq: Trade with United States and world, 1979–82
(millions of dollars)

Year	Imports from United States	Total imports	US percentage of total
1979	486	7,006	6.9
1980	797	13,642	5.8
1981	1,005	19,040	5.3
1982	931	19,936	4.7

Source: International Monetary Fund.

Calculated Economic Impact (annual cost to target country)

Reduction in US exports of certain chemicals and Nuclear weapons–relevant technologies; welfare loss estimated at 30 percent of face value of trade	Negligible
Reduction in US exports of engine cores, commercial jets; welfare loss estimated at 10 percent of face value of trade (given availability of alternate suppliers)	\$22 million

Relative Magnitudes

Gross indicators of Iraqi economy		
Iraqi GNP (1979)		\$35.2 billion
Iraqi population (1979)		12.9 million
Annual effect of sanctions related to gross indicators		
Percentage of GNP		0.1
Per capita		\$1.71
Iraqi trade with US as percentage of total trade		
Exports (1979)		3
Imports (1979)		7
Ratio of US GNP (1979: \$2,418 billion) to Iraqi GNP		69

Assessment

David Flores

"It seems unlikely that the denial of exports to the four terrorist-supporting countries named by the Department of State will greatly influence them to halt their support of terrorism. Products comparable to the US exports, at least in the case of commercial aircraft, can usually be obtained from sources other than the United States." (Flores 1981, 589)

Authors' views

Despite congressional pressure and several instances of bad behavior by Iraq, Reagan and Bush administration increasingly concentrated on narrow sanctions to thwart Iraqi acquisition of chemical and nuclear weapons rather than broad-based sanctions in response to terrorist allegations.

Author's Summary

Overall assessment

Policy result, scaled from 1 (failed) to 4 (success)	2
Sanctions contribution, scaled from 1 (negative) to 4 (significant)	2
Success score (policy result times sanctions contribution) scaled from 1 (outright failure) to 16 (significant success)	4

Political and economic variables

Companion policies: J (covert), Q (quasi-military), R (regular military)	—
International cooperation with sender	1
International assistance to target: A (if present)	—
Cooperating international organizations	—
Sanction period (years)	23
Economic health and political stability of target, scaled from 1 (distressed) to 3 (strong)	2
Presanction relations between sender and target, scaled from 1 (antagonistic) to 3 (cordial)	2
Regime type of target, scaled from 1 (authoritarian) to 3 (democratic)	2
Type of sanction: X (export), M (import), F (financial)	X
Cost to sender, scaled from 1 (net gain) to 4 (major loss)	2

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