

America's Role in the Iran-Iraq War: From the Iran-Contra Affair to Iraqgate

Background Information/Timeline

- 1978 Protests begin in Iran—cycle of protest, mourning, protest, culminating in Dec.
- Jan. 1979 Shah goes on “vacation”
- Feb. 1979 Ayatollah Khomeini returns to Iran
- March 1979 creation of the Islamic Republic of Iran
- July 1979—Saddam Hussein bec. Chairman of RCC and President of Iraq
- Nov. 1979—US hostages taken in US embassy in Tehran
- Camp David Accords, 1979
- Civil War in Lebanon continues
- 1979: Sandanistas¹ overthrow Anastasio Somoza in Nicaragua
- Carter Doctrine, 1980: “An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the US of A, and such an assault will be repelled by any means necessary, including military force.”²
- Reagan Critique of Carter, 1980: “America’s defense strength is at its lowest ebb in a generation, while the Soviet Union is vastly outspending us in both strategic and conventional arms. ... Is America stronger and more respected now than it was three-and –a-half years ago? It is the responsibility of the President of the US in working for peace, to insure that the safety of our people cannot successfully be threatened by a hostile foreign power. ... We always seek to live in peace ... But neither can we be naïve or foolish. ... Can we doubt that only a Divine Providence placed this land ... as a refuge for all those in the world who yearn to breathe free? I’ll confess that I’ve been a little afraid to suggest what I’m going to suggest. I’m more afraid not to. Can we begin our crusade joined in a moment of silent prayer? God bless America.”³
- Botched rescue attempt of American hostages, April 1980.
- Saddam Hussein invades Iran, Sept. 1980.
- Reagan elected president, Nov. 1980.
- January 1981: Reagan inaugurated, American hostages released.
- 1981: Robert McFarlane Asst. to Sec. of State Haig, authors article on Nicaragua and is part of the policy-making group for Central America.
- 1981: Lt. Col. Oliver North joins staff of NSC
- 1981-1987: Cap Weinberger, Secretary of Defense
- Israel invades Lebanon, June 1982.
- 1982: Iraq removed from US list of terrorist states, allowing Iraq to obtain credit and loans through the Agric. Dept.’s Commodity Credit Corporation (CCC).
- George Schultz, Secretary of State, July 1982-Jan. 1989.
- Oct. 1983-Dec. 1985 Robert McFarlane serves as NSA
- Dec. 1983—Memo from Asst. Sec. of St. Richard Murphy to Under Sec. Eagleburger on importance of Iraqi access to Ex-Im funds
- Late 1983 McFarlane passes North the Contra file, with instructions from President Reagan to keep Contras alive.
- Late 1983-1985, Congress blocks funds to Contras.
- March 1984 VP Bush, SS Schultz, and SD Weinberger pressure Ex-Im Bank to offer loans for a Bechtel-sponsored pipeline that would bypass damaged Iraqi fields.
- June 1984 Ex-Im loan for \$484 million approved for pipeline
- 1984-1986 and 1987-1990—Ex-Im Bank insures export of \$297 million worth of goods to Iraq.

¹ Sandinistas were a broad group of revolutionaries and reformers who took their name from Augusto Cesar Sandino, who led the opposition to US forces in Nicaragua from 1927-32. They received aid from Cuba and the Soviet Union.

² Thomas Paterson, ed., *Major Problems in American Foreign Policy* (Lexington: DC Heath & Co., 1989), 681-682.

³ *Ibid.*, 681-682.

- Reagan Doctrine, 1985: “We must stand by all our democratic allies. And we must not break faith with those who are risking their lives—on every continent, from Afghanistan to Nicaragua—to defy Soviet-supported aggression and secure rights which have been ours from birth. The Sandinista dictatorship of Nicaragua, with full Cuban-Soviet bloc support, not only persecutes its people, the church, and denies a free press but arms and provides bases for communist terrorists attacking neighboring states. Support for freedom fighters is self-defense and totally consistent with OAS and UN Charters. It is essential that the Congress continue all facets of our assistance to Central America. I want to work with you to support the democratic forces whose struggle is tied to our own society.”⁴
- 1985: Oliver North holds two meetings with Manuel Noriega, strongman of Panama
- Dec. 1985-Nov. 1986: John M. Poindexter served as National Security Advisor
- Iraq behind on payments to Ex-Im Bank, March 1986
- May 1986: McFarlane leads delegation to Iran to discuss Lebanese hostage situation.
- Nov. 1986: Lebanese newspapers make public US funneling arms to Iran.
- Winter/Spring 1986/87: Saddam Hussein comes out in favor of private enterprise.
- Feb. 1987: McFarlane attempts suicide.
- 1988: Poindexter convicted of conspiracy, lying to Congress, defrauding the government, and destroying evidence; however, his convictions were later overturned on technicalities. North convicted of defrauding the government, destroying evidence, obstruction, etc—overturned as well.
- Spring 1988: Saddam uses chemical agents not only on enemy, but on Kurds in Halabja.
- July 1988 Iraq creates a new Ministry of Industry and Military Industrialization
- Aug. 1988: Ceasefire in Iran-Iraq War
- National Security Directive 26 signed by President Bush—thrust of the still-secret document was to moderate Iraq’s behavior and increase American influence, Oct. 1989.
- 1989: US authorities raid the Atlanta branch of the Italian-based Banca Nazionale de Lavoro (BNL).
- Oct./Nov. 1989 Meeting in Taif, Saudi Arabia which led to the end of the Lebanese Civil War
- Nov. 1989: Congress passes economic sanctions against Iraq due to Human Rights abuses—among issues discussed Iraq’s chemical, biological, and nuclear weapons programs.
- Early 1990: President Bush issues an executive order waiving economic sanctions against Iraq.
- 1991: A number of (former) State Dept. and CIA officials plead guilty to lying to Congress in the Iran-Contra cover-up—including Cap Weinberger; Federal Grand Jury in Atlanta indicts 3 BNL-Atlanta officials on charges of \$4 billion in unauthorized loans to Iraq between 1985 and 1989.
- 1992: President Bush pardons Weinberger and other implicated officials.

The multi-faceted Narrative:

The Iranian Revolution shocked both the US public and US-policy makers, and the taking of American hostages was a horrifying reminder of failed US policy in the past and the threat of an unknown future. Carter’s botched rescue effort meant continually destabilizing relations between the emerging government in Iran and the US—American TV viewers watched the evening news and counted the days of the crisis (444 days total). Carter’s chances in the 1980 election were rapidly decreasing. In the meanwhile, Iranian officials approached the Reagan-Bush team about the possibility of obtaining arms, which were now a necessity given the opportunity that had been seized by Saddam Hussein. The timing of the release of the hostages occurred just after Reagan was sworn into office.

The story might have ended there, but arms continued to flow to Iran by joining this initiative with another, the situation in Nicaragua. Reagan wanted to reverse the Nicaraguan revolution; however, he was keen on not starting a Central American “Vietnam.” He preferred aiding the Contras, who were conducting a guerilla war against the Sandinistas. The Democratic-controlled

⁴ *Ibid.*, 682-683.

Congress, however, was not so keen on providing this funding and passed legislation to prohibit either DoD or CIA efforts to aid the Contras. By joining these interests Reagan hoped to make inroads with Iranian “moderates” and to achieve the release of American hostages that were being taken by various pro-Iranian groups in Lebanon. To avoid pitfall of either Defense or CIA the administration used the National Security Council. Robert McFarlane and John Poindexter raised private and foreign funds for the Contras. Publicly, the US spear-headed an arms-embargo to Iran, while privately funneling millions of dollars worth of arms to Iran.

While arms were flowing to Iran and profits heading toward the Contras, there were also elements within the Reagan administration, most notably VP Bush, who viewed Saddam Hussein as the lesser of the evils of the region. BNL-Atlanta, relying on government-backed loans, provided some \$5 billion in assistance to Iraq between 1985-1989. This money purchased agricultural supplies, but also machinery and notably dual-use technology. Bush, Schultz, and Weinberger pressured the CCC and the Ex-IM bank to extend credit and materials to Iraq. The full story here is yet to be uncovered.

Cast of Characters Now:

- Robert McFarlane: CEO of Global Energy Investors, Director of International Center for Religion and Diplomacy, Co-founder and Vice-Chairman of America-China Society, sits of board of Washington Institute for Near East Policy, and is an active participant in the National Prayer Breakfast movement. He was also in Afghanistan meeting with opposition leader Abdul Haq, before 9/11—this leader was later ambushed and executed.
- John M. Poindexter: Before being appointed as the Director of the newly created Information Awareness office [created by Pentagon Agency DARPA, to gather intelligence from internet, phone, and fax lines], he was Vice President of Syntek Technologies, a government contractor, which created a sophisticated electronic surveillance system.
- Cap Weinberger: Prior to serving under Nixon and Reagan, Weinberger was a senior official at Bechtel, a large government contractor. Escaped any major linkage to Iran-Contra affair and went on to become Chairman of Forbes, Inc. Currently he is a news analyst for Fox news, among others.
- George Bush, Sr: Prior to serving as VP for Reagan, Bush held positions in the Drug Interdiction Task Force and the Counterterrorism Task Force, in addition to serving as director of CIA (1976-77)—although there are some allegations that his ties to CIA go back to the early 1960s and anti-Castro efforts. He staunchly maintained that he was “out of the loop;” however, memos with subject headings would reveal at least some knowledge. After his failed run for a second term in 1992, he became a senior advisor to the Carlyle Group, a major defense contractor.
- Oliver North: Reportedly sold over \$16 million in arms to Iran, but managed to funnel less than \$4 million to the Contras. After his convictions were overturned, he founded Guardian Technologies International, a company which supplies protective gear to Law enforcement. He also serves as an analyst and news commentator for Fox and has his own “War Stories” series.
- George Schultz: [MIT alumnus]—Prior to serving Nixon and Reagan, he worked for Bechtel—he is currently on the latter’s board, as well as a number of other companies and financial conglomerates.
- Ronald Reagan: Like George Bush Sr., he claimed to be “out of the loop,” although North’s testimony indicated knowledge by both Bush Sr. and Reagan. He has remained out of public life since disclosing his Alzheimer’s Disease.
- John Negroponte: Ambassador to Honduras during the Iran-Contra years, now is the US representative to the United Nations.