

Arming Iraq: From Aid to Sales, 2005 to 2012

William D. Hartung

Arms and Security Project at the Center for International Policy

It is widely assumed that the training and equipping of the Iraqi military is financed almost entirely with U.S. government assistance. This is not the case. The final report of the Special Inspector General for Iraq Reconstruction indicates that from 2003 through 2011 U.S. aid for military equipment accounted for only about \$7 billion of the tens of billions of dollars in arms transfers Iraq is scheduled to receive from the United States...¹ As early as 2005 Iraq began to enter into agreements to purchase large quantities of equipment under the Pentagon's Foreign Military Sales (FMS) program in amounts that far exceeded the funds being provided by the United States as aid. Beginning in FY 2012, the United States provided an additional \$3 billion in Foreign Military Financing to underwrite some of the transfers made under the FMS program..² So while some FMS transactions were financed by the U.S. government, the general trend towards FMS transfers set the stage for a period in which the bulk of Iraqi weapons purchases from the United States government are being paid for with Iraqi government funds.³

Why does this shift in financing matter? For one thing, it puts a budgetary strain on the Iraqi government at a time when it has yet to fully restore basic services disrupted by the war, much less go beyond that to meet needs that were not addressed during the era of Saddam Hussein's regime.⁴ Depending how much the Iraqi government chooses to spend on U.S.-origin military goods and services, these expenditures could come at the expense of economic development, which should be a central pillar of national security in Iraq going forward.

The second question raised by shifting from aid to sales in the United States' arming of Iraq is how those weapons will ultimately be used. Baghdad is still rebuilding its military,

and does not currently pose a significant military threat to its neighbors. But once Iraq has developed significant military capabilities that can have an impact well beyond its borders, the question of which countries it views as allies or adversaries becomes more important. Will Iraq continue to ally itself with Iran? Will it turn its attention south to Kuwait and Saudi Arabia? Might Iraq become not just a rhetorical but a military threat to Israel?

These questions may be difficult to answer, but they need to be considered now, before the United States helps rebuild Iraq into a significant regional power. The track record of U.S. arms transfers to the Middle East is far from reassuring in this regard.

The longstanding U.S. military alliance with the Shah of Iran – which included virtually unlimited access to U.S. weaponry – resulted in the inheritance of a substantial U.S.-supplied arsenal to the Khomeini regime when it overthrew the Shah’s government in December 1978.⁵

U.S. supplies of arms and military-related technology were part of a larger global effort to build up the regime of Saddam Hussein in exchange for access to oil and a cementing of political relations with a secular government in the region. The Hussein regime then used this foreign-purchased military capability to wage an eight-year war with Iran and to invade and occupy Kuwait, an action that sparked a military response by the United States and its allies in the 1991 Persian Gulf War.⁶

Slightly further afield, but instructive nonetheless, is the history of U.S. arms transfers to Afghan rebel groups in the 1980s. In part due to actions of Pakistani intelligence, which served as one conduit for U.S. supplies to the rebels, and in part due to the political turns taken by key Afghan rebel groups in the aftermath of their defeat of Soviet invaders of their country, U.S. arms and training to Afghanistan were put to use against the United States and its allies by extremist groups that emerged from Afghan rebel movements.⁷ The most notable example was Al Qaeda, which drew key members from

individuals who had fought in the U.S.-backed war against the Soviet occupation of Afghanistan.

Finally, there is the question of whether U.S.-supplied weaponry might be used to repress any political resistance that may emerge to the current or a future regime in Baghdad. The al-Maliki government has hardly been a shining example of democracy, and it has sparked home-grown opposition akin to that which emerged at the outset of the “Arab spring.”⁸

All of the above-mentioned factors suggest that the United States should proceed with extreme caution in deciding on the volume and types of weaponry it chooses to transfer to Iraq, and that the Baghdad government should think carefully before committing itself to costly multi-billion dollar arms deals with the United States.

So far, Washington has ignored these concerns by offering over \$35 billion in weapons and services to Iraq since 2005, for everything from combat aircraft to tanks to attack helicopters to rifles and ammunition.⁹ Table I lists arms offers of \$1 billion or more made by the United States to Iraq since 2005.

Not all of these offers have translated into final sales, but they are indicative of Washington’s strong interest in arming Iraq with a wide array of expensive weaponry, and of the Baghdad government’s interest in purchasing it. So far only a little over one-half of the \$35 billion in offers have translated into active deals, and of those just \$8 billion involve deals that have been implemented or approved by the U.S. government.¹⁰ This is still a substantial sum, and it may be just the beginning of an ongoing supplier-client relationship that could make Iraq one of the largest recipients of U.S. arms in a region that already represents Washington’s largest market. Among the most important deals already well under way are a sale of M-1 tanks – with the last of 140 tanks already delivered -- and a

transfer of 18 F-16 combat aircraft, a deal worth over \$3 billion. Pilot training is under way for the F-16 deal, and a request for a second batch of 18 aircraft is in process.¹¹

Table I: Major U.S. Arms Offers to Iraq, 2005 through 2012

Year	Major items/ (Major Contractors, where known)	Value (\$billions)
2011	18 F-16 combat aircraft (Lockheed Martin)	\$ 2.3 billion
2010	18 F-16 combat aircraft (Lockheed Martin)	\$ 4.2 billion
2009	Various helicopters (Augusta Westland, Bell Textron, Sikorsky)	\$ 1.2 billion
2008	140 M-1 tanks (General Dynamics)	\$ 2.2 billion
2008	Combat ships	\$ 1.0 billion
2008	Stryker armored vehicles (General Dynamics)	\$ 1.1 billion
2008	M-1 tanks (General Dynamics)	\$2.2 billion
2008	Helicopters (Bell Textron, Boeing)	\$ 2.2 billion
2008	Military construction	\$ 1.6 billion
2008	Light armored vehicles (LAVs) (General Dynamics, Oshkosh Truck, BAE)	\$ 3.0 billion
2008	6 C-130 transport aircraft (Lockheed Martin)	\$ 1.5 billion
2008	Vehicles, radar systems, small arms, uniforms	\$ 1.4 billion

NOTE: This chart includes only offers of arms packages worth \$1 billion or more. Arms were offered during 2005 and 2012, but none of the packages reached the \$1 billion threshold. Each package involves multiple items, but for purposes of this table only the largest items in each package are mentioned.

Source for Table I: U.S. Department of Defense, Defense Security Cooperation Agency (DSCA)

As U.S. arms transfers to Iraq accelerate, it is well past time for Congress, the media, and the public to scrutinize these deals with an eye toward their economic and security impacts, both for the United States and for Iraq.

¹ The Special Inspector General for Iraq Reconstruction, *Learning from Iraq: A Final Report From the Special Inspector General for Iraq Reconstruction*, March 2013, p. 60. See also Amy Belasco, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, Congressional Research Service, March 29, 2011. For information on Foreign Military Financing see U.S. Department of State, *Congressional Justification for Foreign Operations, FY 2013: Annex, Regional Perspectives*, p. 533.

² Data on major offers of U.S. arms to Iraq are available on the home page of the Department of Defense's Defense Security Cooperation Agency (DSCA), at <http://www.dsca.mil>. For information on assistance to the Iraqi military and police as part of the annual appropriations for Overseas Contingency Operations (OCO) see Amy Belasco, *The Cost of Iraq, Afghanistan, and other Global War on Terror Operations Since 9/11*, Congressional Research Service, March 29, 2011, Table 6, page 30, at <http://www.fas.org/sgp/crs/natsec/RL33110.pdf>

³ The Foreign Military Sales (FMS) program is an arms transfer program run by the Department of Defense (DoD) in which DoD serves as an intermediary between a foreign government and a U.S. supplier, generally a major defense contractor. The

U.S. government is involved in negotiating the deal with the foreign purchaser, and collects progress payments that are put in trust and forwarded to the contractor as work progresses. FMS deals often involve the Pentagon playing a role in the supply of spare part and other support services. They may be financed by the purchasing nation or with assistance from the U.S. government. Congress must be notified of major FMS offers. For an official definition see the glossary of Defense Security Cooperation Agency, *Security Assistance Management Manual*, available at <http://www.dsca.osd.mil/samm/ESAMM/C00/0.07.htm>

⁴ The CIA *World Factbook* for 2012 describes Iraq's economy as being saddled with "rampant corruption," "outdated infrastructure," and "insufficient essential services." Available at <https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

⁵ Drew Middleton, "West is Now Uneasy About Arms in Iran," *New York Times*, December 12, 1978.

⁶ Among the many accounts of the role of the United States in building up Saddam Hussein's military machine see Alan Friedman, *Spider's Web: The Secret History of How the White House Armed Iraq* (New York: Bantam Books, 1993).

⁷ Tim Weiner, "Blowback from the Afghan Battlefield," *New York Times Magazine*, March 13, 1994.

⁸ Liz Sly, "Arab Spring-style Protests Take Hold in Iraq," *Washington Post*, February 8, 2013.

⁹ The \$35 billion figure was arrived at by tallying the value of letters of offer for Foreign Military Sales that were notified to Congress between 2005 and the end of 2012; the letters of offer are listed on the web page of the Department of Defense's Defense Security Cooperation Agency, at www.dsca.mil. Not all letters of offer translate into final sales, but they are an indication of the interest on the part of both the United States and Iraqi governments in increasing their trade in armaments.

¹⁰ According to the most recent quarterly report of the Special Investigator General for Iraq Reconstruction, \$19.1 billion in Foreign Military Sales cases are in process, with \$8.9 billion of those implemented or having received final U.S. government approval. The remainder of the \$35 billion in arms offers made to Iraq by the U.S. since 2007 have yet to reach the stage of a formal request from the government of Iraq, meaning that they may or may not eventuate in sales. Special Inspector General for Iraq Reconstruction, *Quarterly Report to Congress*, October 30, 2012, p. 53.

¹¹ *Ibid.* p. 54.