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ASSISTANT SECRETARY OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

85 JAN 1983

INTERNATIONAL SECURITY AFFAIRS

In reply refer to: I-18015/82

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY 85 JAN 1983

SUBJECT: Sale of Helicopters to Iraq

Reference the sale by Hughes Helicopter of 60 commercial helicopters (30 Hughes 500D and 30 Hughes 300C) to Iraq which was recently reported in the Washington Post (attached). Defense was not consulted on this sale. The helicopters are considered commercial and fall under the export control requirements of the Department of Commerce. The Department of Commerce, in some instances, will send export license requests with foreign policy implications to the Department of State for review. However, Commerce believes it is not required to submit export cases to the DOD for review. Thus, Defense does not have an opportunity to approve such licenses unless State brings them to our attention.

Moreover, because these helicopters weigh less than 10,000 pounds, the sale was made under a general destination export license, and Hughes Helicopter did not have to obtain specific approval for this sale. Under the general destination export license, sales are consummated without case-by-case review. Therefore, no special staffing of this sale occurred within the Department of Commerce or State.

The 500D is a 3,000 pound helicopter used primarily for transportation, agricultural, and construction type efforts. The 300C is a 2,000 pound helicopter used primarily for training and law enforcement activities. The sale is valued at \$25 million. Hughes Helicopter has advised us that six helicopters have been delivered and the remaining will be available for shipment upon the conclusion of some financial actions related to the contract.

Attachment a/s

ad

Francis West, Jr.
FRANCIS WEST, JR.
ASSISTANT SECRETARY OF DEFENSE
INTERNATIONAL SECURITY AFFAIRS

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WASHINGTON POST
29 December 1982 Pg. 4

4 Republican Senators Call for Halt in Sale Of Helicopters to Iraq

Associated Press

The chairman of the Senate Foreign Relations Committee and three other Republicans have called on President Reagan to halt a shipment of helicopters to Iraq by Hughes Helicopter Corp.

"Our belief is that this transaction is not in the best interests of the United States," the four senators said in a Dec. 23 letter to Reagan that was made public yesterday.

"The credibility of our policy of neutrality in the Iraq and Iran war and opposition to international terrorism will be undermined in our judgment when sales of helicopters with obvious military applications take place," they said.

Hughes Helicopters is selling 60 helicopters to Iraq for \$25 million. The Republican senators said that at least 12 had already been delivered.

"It is only reasonable to assume the Iraqi government will employ this large number of helicopters in its war with Iran," they said. They also said they were troubled that Congress was not consulted in advance, and that they learned of the sale in the news media.

The signers are Sen. Charles H. Percy (Ill.), chairman of the Foreign Relations Committee, Rudy Boschwitz (Minn.), Alan J. Dixon (Ill.) and Garry Pressler (S.D.).

The Hughes Corp. said the sale was approved by Commerce Department and State Department officials.

The Commerce Department said the sale did not require an export license because the helicopters weighed less than 10,000 pounds each.

But the senators who are protesting the transaction said, "Officials should certainly have realized that because of our policy of neutrality in the war between Iran and Iraq a sale of so many helicopters is a sensitive matter requiring, at the very least, further consultations."