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PA/HO Department of State
E.O. 12958, as amended
June 21, 2006

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DECLASSIFIED
Authority *NND 969046*
By *K* NARA Date *5/7/02*



DEPARTMENT OF STATE

Washington, D.C. 20520

May 25, 1971

RS/R FILES

Attention *Mrs. Hallett*
Keep this study together.

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MEMORANDUM FOR MR. HENRY A. KISSINGER
THE WHITE HOUSE

Subject: Iraqi Seizure of Baghdad Embassy Property

During the past two years we have engaged in exchanges and formal negotiations with the Iraqi Government in an effort to arrive at a mutually acceptable response to its request to purchase our Embassy Baghdad property. This property is adjacent to the Iraqi Presidential palace. During February talks in Baghdad, our team was unable to agree to an Iraqi offer which included a price below the actual construction costs of the buildings. The talks were then broken off by the Iraqis who said they would seek other "legal" means to acquire the property. Soon thereafter the Iraqi Government informed us that our Embassy property had to be vacated by May 15 because of its location in a military zone. Although recognizing our continued right to the buildings, the Iraqis stated that they would decide what "compensation" would be paid. While not spelling out the consequences, implied in the Iraqi notification was a threat of unilateral seizure.

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At our request the Belgian Ambassador, who represents us in Baghdad, subsequently reiterated our offer to resume negotiations; indicated that unilaterally-decided compensation was unacceptable; and stated that he would not vacate the property under duress. In a formal reply the Iraqi Government (a) indicated it had

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no desire to violate the Vienna Convention; (b) argued that it had the right to request evacuation of diplomatic premises from a military zone; and (c) insisted that the property be vacated by May 15.

On May 14 the Iraqi Government informed the Belgian Ambassador that it was giving the Belgians an additional week, until May 22, in order to complete the evacuation of the property. As a last resort, we requested the Belgian Government to authorize the Belgian Ambassador to inform the Iraqi Government of his decision to evacuate and seal the USG diplomatic premises pending a final legal and amicable settlement. On May 22 the Iraqis formally rejected this proposal and gave the Belgians an additional day for evacuation. On May 23 the Belgian Ambassador was informed that all exits to the property were being blocked and he was requested to turn over the keys to the property. Under protest the Belgian Ambassador has evacuated the property but has refused with our concurrence to turn over the keys because he believes such an act would demonstrate acquiescence to this unilateral seizure.

We are now considering ways by which we might demonstrate our displeasure with the Iraqi regime over this seizure, including (a) a strong note of protest; (b) blocking Iraqi assets in the United States; and (c) recalling the two Iraqi diplomats manning the Iraqi Interests Section in Washington. However, beyond the above possibilities, we have little political or other leverage over the Iraqis to reverse their seizure decision. At the same time, we believe we have established a strong case for restitution of this property by a successor regime, or for fair compensation thereof in connection with the resumption of relations at some point in the future.

Nicholas Plets
 In Theodore L. Eliot, Jr.
 Executive Secretary

CC ~~SECRET~~ Clearances: NEA-Mr. Sisco *MS*
 NEA-Mr. Atherton *MS*
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