

MSGNO 44 (MIIR) ALL *16/05/89* *12:08*
ZCZC 17:06:43Z (MI)

89 2823864 MCR

TOR: 161455Z MAY 89

NC 2823864
RUEKJCS 1032

RR RUEAIIA
DE RUEKJCS #1032 1361449
ZNY [REDACTED]
R 161449Z MAY 89
FM JOINT STAFF WASHINGTON DC
INFO RUEADWD/OCSA WASHINGTON DC
RUENAAA/CNO WASHINGTON DC
RUEAHQA/CSAF WASHINGTON DC
RUEACMC/CMC WASHINGTON DC

(b)(3):50 USC 403-1(i)

RUEAIIA/CIA WASHINGTON DC
RUEHC /SECSTATE WASHINGTON DC
RUEAMCC/CMC CC WASHINGTON DC

(b)(3):50 USC 403-1(i)

RUCQVAB/USCINCSOC (b)(3):50 USC 403-1(i) MACDILL AFB FL

(b)(3):50 USC 403-1(i)

RUEALGX/SAFE
R 161434Z MAY 89

FM (b)(3):10 USC 424

TO RUEKJCS/DIA WASHDC
RUCJACC/USCENTCOM MACDILL AFB FL/ (b)(3):50 USC 403-1(i)

(b)(3):10 USC 424

BT
EZ1:

COMPLET 01 OF 02 (b)(3):10 USC 424

SERIAL: (U) IIR (b)(3):10 USC 424

EZ2:

COUNTRY: (U) EGYPT (EG); IRAN (IR); CHINA (CH).

SUBJ: IIR (b)(3):10 USC 424 CHINA DENIES REPORTED ARMS

DEAL WITH IRAN (U).

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY
EVALUATED INTELLIGENCE. REPORT CLASSIFIED --

DEPARTMENT OF DEFENSE

DOI: (U) 890401

REQS: (U) (b)(3):10 USC 424

SOURCE: (U) / (b)(3):50 USC 403-1(i)

SUMMARY: [REDACTED] CHINA DENIES THE NEWS OF AN ARMS DEAL TO
PROVIDE IRAN WITH MILITARY AIRCRAFT, 40 ANTI-SHIP
MISSILES, ONE SUBMARINE, SCUD MISSILES, AND
ANTI-AIRCRAFT MISSILE BATTERIES.

TEXT: 1. [REDACTED] (b)(1),1.4 (c) THE FOLLOWING ASSESSMENT
OF CHINA'S RECENT DENIAL.

A. CHINA'S DENIAL OF HAVING AGREED WITH IRAN ON A NEW
ARMS DEAL COMES WITHIN THE FRAMEWORK OF HER KEENNESS TO

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MSGNO 44 (MIIR) ALL *16/05/89* *12:08*

KEEP HER INTERNATIONAL AND REGIONAL STATUS UNSCATHED, AND TO ENSURE THE CONTINUITY OF OBTAINING AMERICAN AND WESTERN TECHNOLOGY (CHINA IS BEING PRESSED BY THE U.S. AND EUROPE TO CURB COOPERATION WITH IRAN IN THE AREA OF ARMAMENTS).

HOWEVER, THIS DOES NOT AGREE WITH WHAT IS BEING OBSERVED OF INCREASING IRANIAN-CHINESE COOPERATION IN VARIOUS FIELDS (POLITICAL - ECONOMIC - MILITARY) ESPECIALLY FOLLOWING THE CEASEFIRE.

B. IT IS WORTH POINTING OUT THAT THE CURRENT IRANIAN - CHINESE RELATIONS DEVELOPMENT WAS MEANT TO ACHIEVE A NUMBER OF GOALS FOR BOTH SIDES, THE MOST PROMINENT ARE:

(1) FOR IRAN:

(A) TO BALANCE HER RELATIONS WITH CHINA IN THE FACE OF THE GULF STATES' INCREASING COOPERATION WITH CHINA (THE SAUDI MISSILE DEAL).

(B) ATTACHING CHINA TO THE IRANIAN ECONOMY (RECONSTRUCTION) WHICH MAY PROMPT CHINA TO BACK IRAN UP POLITICALLY AND MATERIALLY.

(C) THE LOW PRICED CHINESE ARMS, BESIDES THE FACT THAT CHINA DOES NOT SET CERTAIN POLITICAL DEMANDS ON SELLING HER ARMS.

(2) FOR CHINA:

(A) REINFORCING HER REGIONAL POWER AND HER INFLUENCE IN THE REGION TO BALANCE SOVIET INFLUENCE.

(B) OBTAINING WAR INVESTMENTS AND ECONOMIC PROJECTS TO SUPPORT THE CHINESE ECONOMY.

(C) ENSURING A CHINESE PRESENCE FOR MAINTENANCE AND TRAINING ON THE NEW ARMS.

(D) BINDING THE IRANIAN ARMS SYSTEM WITH CHINESE ARMS FOR MANY COMING YEARS WHICH CONSOLIDATES CHINA'S STATUS AS AN ARMS EXPORTER (THE FOURTH THIRD-WORLD ARMS EXPORTER).

C. FOLLOWING IS A REVIEW OF THE MOST PROMINENT FIELDS OF IRAN-CHINA COOPERATION OBSERVED SINCE THE 20 AUG 88 CEASEFIRE.

(1) POLITICAL: AGREEMENT ON OPENING UP AN IRANIAN CONSULATE IN CANTON AND A CHINESE CONSULATE IN BANDAR ABBAS IN FEB 89. (ONE OF THE RESULTS OF THE IRANIAN FOREIGN MINISTER'S VISIT TO CHINA ON 15 DEC 88).

(2) ECONOMIC:

(A) SIGNING AN INDUSTRIAL COOPERATION AGREEMENT BETWEEN CHINA AND IRAN ON 5 NOV 89 DURING THE VISIT OF THE CHINESE DEPUTY MINISTER OF INDUSTRY TO IRAN.

(B) INCREASING THE VOLUME OF TRADE EXCHANGE BETWEEN THE TWO COUNTRIES BY 100 MILLION DOLLARS DURING 1989 TO REACH 600 MILLION DOLLARS (THE VISIT BY THE CHINESE DEPUTY PRIMER TO IRAN ON 5 JAN 89).

(C) TECHNICAL ASSISTANCE TO BUILD A DAM IN SOUTHERN KHOZISTAN.

(D) PARTICIPATION IN IRAN'S POST WAR RECONSTRUCTION (THERE IS NEWS OF 25 THOUSAND CHINESE WORKERS AND TECHNICIANS BEING PRESENT IN IRAN CURRENTLY).

END OF MESSAGE CONFIDENTIAL

<<<< SECTION 2 >>>>

COUNTRY: (U) EGYPT (EG); IRAN (IR); CHINA (CH).

SUBJ: IIR (b)(3):10 USC 424 /CHINA DENIES REPORTED ARMS

(E) COOPERATION IN BUILDING TWO POWER GENERATING PLANTS IN KARMAN AND GILAN PROVINCES.

(F) COOPERATION IN THE NUCLEAR FIELD (IT MAY BE USED TO DEVELOP CAPABILITIES FOR MANUFACTURING NUCLEAR WEAPONS).

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MSGNO 44 (MIIR) ALL *16/05/89* *12:08*

(3) MILITARY:

(A) A NEW ARMS DEAL COMPOSED OF ANTI-SHIP MISSILES VIA NORTH KOREA (12 LAUNCHERS AND 80 MISSILES).

(B) A CONTRACT FOR SELLING 200 PIECES OF ARTILLERY (MLRS).


(C) FIFTY EACH M-59 TANKS.

(D) ANTI-AIRCRAFT MISSILES AND 50 RADAR STATIONS.

(4) SATELLITES/LAUNCH TECHNOLOGY:

(A) COOPERATION TO LAUNCH AN IRANIAN COMMUNICATIONS SATELLITE CARRIED BY A CHINESE ROCKET.

(B) ON THE INVITATION FROM CHINA, IRANIAN REPRESENTATIVES WERE PRESENT DURING THE CHINESE TV COMMUNICATIONS SATELLITE LAUNCH ON 22 DEC 88.

COMMENTS:  (b)(1).1.4 (c)

//IPSP: (U) (b)(3):10 USC 424

//COMSOBJ:

PROJ: (U)

COLL: (U) (b)(3):10 USC

INSTR: (U) 424

PREP: (U)

ACQ: (U) (b)(3):10 USC 424

DISSEM: (U) FIELD: (b)(3):10 USC 424

WARNING: (U) ~~CONFIDENTIAL~~

DECL: ~~CONFIDENTIAL~~

END OF MESSAGE ~~CONFIDENTIAL~~

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