SECRET

90 6840768  MSR  TOR: 010228Z JUN 90  NC 6840768
RUEKJCS  8169

RR  RUEATIA
DE  RUEKJCS  #8169  1520227
LY  533548
R  010227Z JUN 90
FM  JOINT STAFF WASHINGTON DC
TO
(b)(3):50 USC 403-1
(b)(3):50 USC 403-10
INFO RUEADWD/OCSA WASHINGTON DC
RUEAAA/CNO WASHINGTON DC
RUEAHQ/CSAF WASHINGTON DC
RUECMC/CMC WASHINGTON DC
(b)(3):50 USC 403-10
RUEGADM/USEUCOM [b](3):50 U CIA VAIHINGEN GE
(b)(3):50 USC 403-10
RUEATIA/CIA WASHINGTON DC
RUEHC /SECSTATE WASHINGTON DC
RUEANCC/CC WASHINGTON DC
(b)(3):50 USC 403-10
/\
RUCQVAB/USCINCSC [b](3):50 USC 403-10 MACDILL AFB FL
RUCJACC/USCINCSENT MACDILL AFB FL [b](3):50 USC 403-10(i)
(b)(3):50 USC 403-1(i)
RUSNNQA/USCINCUS VAIHINGEN GE [b](3):50 USC 403-10(i)
(b)(3):50 USC 403-1(i)

RUEALG8X/SAFE
R  010217Z JUN 90
FM  [b](3):10 USC 424
TO  RUEKJCS/DIA WASHDC
INFO RUGHGNA/USCINC PAC HONOLULU HI [b](3):10 USC 424

BT

SECRET COMPLET 01 OF 02 [b](3):10 USC 424
SECRET /NOPRIM NO CONTRACT

EZZ:

SERIAL:  (U) IIR

PASS:  (U) [b](3):10 USC 424,[b](3):50 USC 403-1(i)

COUNTRY:  (U) CHINA (CH); IRAN (IR); THAILAND (TH);
- PAKISTAN (PK).

9000863109

[b](3):10 USC 424
MSGNO: 37 (MIIIR) ALL *01/06/90* *00:16*

SUBJECT: IIR [b](3):10 USC 424 \NORINCO SALES (U)

WARNING: (U) THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE REPORT CLASSIFIED SECRET NOFORN NO CONTRACT.

--------------------------------------------------------
DEPARTMENT OF DEFENSE
--------------------------------------------------------

DOI: (U) 900525.

REQS: (U) [b](3):10 USC 424, [b](3):50 USC 403-1(i)

SOURCE: (U)

SUMMARY: (S/NF/NC) THIS IIR PROVIDES INFORMATION ON NORINCO ACTIVITIES IN PAKISTAN, THAILAND AND IRAN. 37MM AAA SOLD TO THAILAND. TYPE 69II TANK DEAL ALMOST COMPLETE WITH PAKISTAN. STORM TANK TESTING BEGINS INiran.

1. (S/NF/NC) [b](b)(1):1.4 (c) IN NEGOTIATIONS DURING THE FIRST TWO WEEKS OF MAY WHICH INVOLVED TRAVEL TO PAKISTAN AND THAILAND IN THAILAND CONCLUDED A DEAL FOR THE SALE OF 36 SETS OF 37MM ANTIAIRCRAFT GUNS (6 GUNS WITH TYPE 702 FIRE CONTROL RADAR PER SET). THE TOTAL VALUE OF THE DEAL IS USD $300 MILLION. ALSO ATTEMPTED TO SELL THE TYPE 69II TANK WHICH WAS CONSIDERED IN COMPETITION WITH THE U.S. M60 TANK. WAS OPTIMISTIC THAT THE THAI MILITARY WOULD ULTIMATELY CHOOSE THE TYPE 69II.

2. (S/NF/NC) WHILE IN PAKISTAN, [b](b)(1):1.4 (c) THE SALE OF THE TYPE 69II TANKS WAS QUOTE ABOUT 90% CERTAIN END QUOTE [b](b)(1):1.4 (c) NOTED THAT THE DEAL WAS WORTH APPROXIMATELY USD 300 MILLION. WHEN ASKED WHEN AND WHERE THE TYPE 69II TANKS WOULD BE PRODUCED, [b](b)(1):1.4 (c) SAID THAT PRODUCTION COULD BEGIN AS SOON AS PAKISTAN MADE A DOWN PAYMENT AND THE TANKS WOULD BE MADE IN BAOTOU.

3. (S/NF/NC) [b](b)(1):1.4 (c) TO DISCUSS STATUS OF STORM TANK DEMONSTRATION FOR IRAN [b](b)(3):10 USC 424 [b](b)(1):1.4 (c) THAT THERE WERE PROBLEMS WITH THE DEMONSTRATIONS BECAUSE IRAN HAD DECIDED TO HOLD THE TESTS IN MAY RATHER THAN EARLIER IN THE YEAR AS EXPECTED. NORINCO HAD HURRIED TO PREPARE THE TANKS FOR THE TESTS AND HAD NOT COMPLETED ALL OF THE SYSTEM INTEGRATION TO ITS SATISFACTION. NORINCO EQUIPPED THE TWO TANKS WITH AN EXTENDED Lt. 105MM GUN WHICH [b](b)(1):1.4 (c) WOULD NOT BE AS ACCURATE BECAUSE IT WAS NOT PERFECTLY INTEGRATED. UPON ARRIVAL, IRAN HAD STORED THE TANKS AND WOULD NOT GIVE CHINESE ENGINEERS ACCESS TO THE TANKS. [b](b)(1):1.4 (c) THAT EVERYTHING WERE OVER ONE HUNDRED NORINCO REPRESENTATIVES IN IRAN TO PROMOTE THE STORM TANK DEAL, THE NORINCO REPRESENTATIVES WERE WORKING WITH THEIR COUNTERPARTS IN THE MINISTRY OF DEFENSE AND WITH THEIR COUNTERPARTS IN THE IRANIAN EQUIVALENT TO NORINCO. [b](b)(1):1.4 (c) SAID THAT NORINCO HAS DEVOTED A GREAT EFFORT TO THE IRAN DEAL AND
MSGNO 37 (MIIR) ALL 01/06/90* 00:16*

IS OPTIMISTIC THAT IRAN WILL PURCHASE PRODUCTION FACILITIES FOR THE STORM TANK.

4. (S/NF/NC) IN AN ASIDE THAT IRAN WAS buying CHEMICALS FROM CHINA WHICH COULD BE USED IN MISSILE FUEL PRODUCTION.

COMMENTS: (S/NF/NC) PAKISTAN WOULD BUY TYPE 69 II TANKS WHEN IT MIGHT BE ABLE TO MORE ECONOMICALLY REFIN ITS PRESENT FLEET OF TYPE 59 TANKS AND HAVE A POTENTIALLY BETTER MBI.

END OF MESSAGE

SECRET

***<<<< SECTION 2 >>>>***

SERIAL: (U) IIR

PASS: (U) (b)(3):10 USC 424,(b)(3):50 USC 403-1(i)

COUNTRY: (U) CHINA (CH); IRAN (IR); THAILAND (TH); PAKISTAN (PK).

SUBJECT: IIR (b)(3):10 USC 424

//IPSP: (U) (b)(3):10 USC 424,(b)(3):50 USC 403-1(i)


PROJ: (U)

COLL: (U)

INSTR: (U)

PREP: (U)

ACQ: (U)

DISSEM: (U)

WARNING: REPORT CLASSIFIED SECRET.

- NOT RELEASABLE TO FOREIGN NATIONALS
- NOT RELEASABLE TO CONTRACTORS/CONSULTANTS.

DECL: TOP SECRET

END OF MESSAGE

9000863111