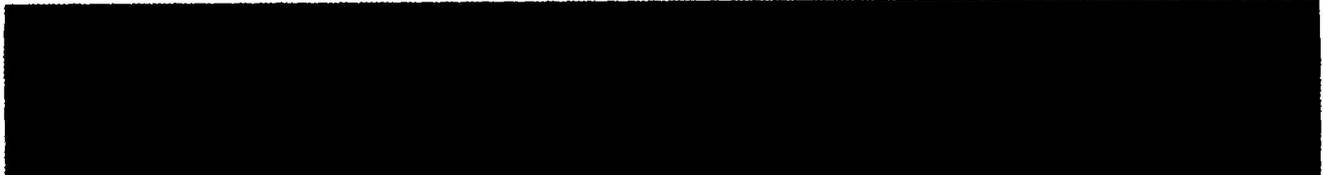


MSGNO 62 (MIIR) RSB *19/02/87* *05:15*
ZCZC 10:13:38Z (MI)

~~SECRET~~



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RUEKJCS 2726

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FM JCS WASHINGTON DC
INFO RUEADWD/OCSA WASHINGTON DC
RUENAAA/CNO WASHINGTON DC
RUEAHQA/CSAF WASHINGTON DC

(b)(3):50 USC 403-1(i) [REDACTED] /
RUEALGX/SAFE

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

R 190715Z FEB 87
FM (b)(3):10 USC 424 [REDACTED]
TO RUEKJCS/DIA WASHDC / (b)(3):10 USC 424

(b)(3):10 USC 424 [REDACTED]

RUEKJCS/SECDEF WASHDC / (b)(3):50 USC 403-1(i)

EZ1: ~~SECRET~~ (b)(3):10 USC 424 [REDACTED]

SERIAL: (U) IIR (b)(3):10 USC 424 [REDACTED]

EZ2:
PASS: (U) (b)(3):10 USC 424, (b)(3):50 USC 403-1(i) [REDACTED]

11858.
COUNTRY: (U) CHINA (CH); IRAN (IR); IRAQ (IZ);
NORTH KOREA (KN)

SUBJECT: IIR (b)(3):10 USC 424 [REDACTED] SALES MORATORIUM (U)

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

DOI: (U) 870212

REWS: (U) (b)(3):10 USC 424, (b)

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

////////////////////////////////////
SUMMARY: ~~SECRET~~ THIS IIR PROVIDES INFORMATION
CONCERNING A MORATORIUM ON THE SALE OF MILITARY EQUIPMENT
TO BOTH IRAQ AND IRAN BY CHINA. THIS MORATORIUM IS
REPORTEDLY IN EFFECT NOW AND WILL BE MAINTAINED FOR THE
NEXT FIVE TO SIX MONTHS.

////////////////////////////////////
TEXT: 1. ~~SECRET~~ (b)(1), 1.4 (c) [REDACTED] THAT THE
CHINESE MILITARY AFFAIRS COMMISSION HAS ORDERED A
MORATORIUM ON THE SALE OF MILITARY EQUIPMENT TO EITHER
BELIGERANT IN THE IRAN-IRAQ WAR. THE ORDER WAS ISSUED
TO THE FOREIGN TRADE COMPANIES ASSOCIATED WITH COSTIND AND

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MSGNO 62 (MIIR) PSB *19/02/87* *05:15*
ITS MINISTRIES AS WELL AS THE FTC'S SPONSORED BY THE
PLA DEPARTMENTS.

2. ~~(S/NOFORN/NOINTEL)~~ IN ADDITION TO THE PROHIBITION
OF DIRECT SALES TO IRAN AND IRAQ, SALES TO INTERMEDIARIES
ARE ALSO PROSCRIBED. REPRESENTATIVES HAVE BEEN TOLD TO
ADVISE CLIENTS FROM SUCH COUNTRIES AS SAUDI ARABIA AND
EGYPT THAT THEY WOULD NO LONGER BE ABLE TO PURCHASE
MILITARY EQUIPMENT WHICH WAS ULTIMATELY BOUND FOR
IRAN OR IRAQ.

3. ~~(S/NOFORN/NOINTEL)~~ (b)(1),1.4 (c) THAT CHINA IS
CONCERNED THAT THE MIDDLE EAST WAR HAS REACHED THE
STAGE WHERE CHINESE AID COULD NOW SIGNIFICANTLY INFLUENCE
THE ULTIMATE OUTCOME. ALTHOUGH CHINA WOULD LIKE TO HAVE
A MARKET FOR ITS MILITARY HARDWARE AND THE FOREIGN
EXCHANGE, IT DOES NOT WANT TO RUN THE RISK OF BEING
SEEN BY OTHER THIRD WORLD COUNTRIES AS A SUPPORTER OF
EITHER SIDE. THE LEADERSHIP HAS DECIDED TO END CHINA'S
SALES AT THIS POINT--AT LEAST TEMPORARILY.

4. ~~(S/NOFORN/NOINTEL)~~ (b)(1),1.4 (c) THAT THE
NORTH KOREANS WILL ATTEMPT TO FILL THE NEEDS OF THE
COMBATANTS AND HAS ALREADY OFFERED A GROUND TO GROUND
MISSILE SYSTEM AT A COST 20 PERCENT LESS THAN THE PRICE
OFFERED BY CHINA. (b)(1),1.4 (c) WITH NORTH
KOREAN SALES REPRESENTATIVES THROUGH A MIDDLEMAN FROM
MACAU WHERE NORTH KOREA HAS NUMEROUS PERSONNEL.

COMMENTS: 1. ~~(S/NOFORN/NOINTEL)~~

(b)(1),(b)(3):10 USC 424,1.4 (c)

2. ~~(S)~~ (b)(1),(b)(3):10 USC 424,1.4 (c)

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

//COMSOB

PROJ: (U) NONE

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

INSTR: (U)

PREP: (U)

APPR: (U)

WARNING: (U) ~~NOT RELEASABLE TO FOREIGN NATIONALS~~

WARNING NOTICE: ~~INTELLIGENCE METHODS AND SOURCES INVOLVED~~

DECL: ~~SECRET~~

END OF MESSAGE

~~SECRET~~

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