

MSGNO 7 (MIIR) ALL *20/02/90* *22:07*
ZCZC 03:06:28Z (MI)

~~SECRET~~



90 5743606

MSR

TOR: 210245Z FEB 90

NC 5743606
RUEKJCS 2697

RR RUEAIIA
DE RUEKJCS #2697 0520243
ZNY ~~SSSSS~~
RUHGOAA I (b)(3):50 USC 403-1(i)
R 210243Z FEB 90
FM JOINT STAFF WASHINGTON DC
TO (b)(3):50 USC 403-1(i)

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

INFO RUEADWD/OCSA WASHINGTON DC
RUENAAA/CNO WASHINGTON DC
RUEAHQA/CSAF WASHINGTON DC
RUIFACMC/CMC WASHINGTON DC

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

RUEGAD/USEUCOM VAIHINGEN GE

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

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

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

RUCQVAB/USCINCSOC MACDILL AFB FL
RUIIACC/USCINCCENT MACDILL AFB FL

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

RUISNNOA/USCINCEUR VAIHINGEN GE/ (b)(3):50 USC 403-1(i)

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

RUEALGX/SAFE
R 210237Z FEB 90

FM (b)(3):10 USC 424

TO RUEKJCS/DIA WASHDC
INFO RUHQHQA/USCINCPAC HONOLULU HI/ (b)(3):50 USC 403-1(i)

(b)(3):10 USC 424

BT

EZ1:

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

~~SECRET / NOFORN / NO CONTRACT~~

EZ2:

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

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

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

SUBJECT: IIR (b)(3):10 USC 424 IRAN SALES/COUNTER
TRADE (U)

0000270427

(169)

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

DEPARTMENT OF DEFENSE

DOI: (U) 900218.

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

SOURCE: (U)

SUMMARY: ~~(S/NF/NC)~~ NORINCO NEGOTIATING STORM MBT
PRODUCTION FACILITY IN TEHERAN. (b)(1),1.4 (c)
NORINCO RECEIVED ONE MILLION TONS OF CRUDE OIL FROM
IRAN IN 1989. SON OF ZOU JIAHUA WORKING WITH HONG KONG
ARMS SALES COMPANY.

TEXT: 1. ~~(S/NF/NC)~~ (b)(1),1.4 (c) THAT NORINCO WAS
NEGOTIATING A MAJOR CONTRACT WORTH OVER USD 600 MILLION
FOR THE SALE OF A PRODUCTION FACILITY FOR THE CHINESE
STORM MAIN BATTLE TANK IN IRAN. (b)(1),1.4 (c) THAT THERE
ARE PRESENTLY TWO STORM MBT'S IN TEHERAN ALONG WITH A
LARGE NORINCO NEGOTIATING TEAM. (b)(1),1.4 (c) WAS OPTIMISTIC
THAT THE DEAL WOULD BE SUCCESSFULLY CONCLUDED.

2. ~~(S/NF/NC)~~ NORINCO RECEIVED ONE MILLION TONS OF
CRUDE OIL FROM IRAN IN 1989 IN PAYMENT FOR ARMS
PURCHASES. (b)(1),1.4 (c) THAT NORINCO WAS ABLE TO
SELL THE CRUDE OIL TO CHINESE REFINERIES AT PRICES
HIGHER THAN NORINCO COULD EXPECT TO RECEIVE SHOULD
NORINCO SELL THE OIL ON THE WORLD MARKET. NORINCO DID
NOT NEED THE FOREIGN EXCHANGE FROM THE SALE OF THE
CRUDE AND PREFERRED TO RECEIVE RENMINBI FOR ITS USE IN
ITS OPERATIONS IN CHINA.

3. ~~(S/NF/NC)~~ (b)(1),1.4 (c) THAT THE SON OF VICE
PREMIER ((ZOU)) JIAHUA, ((ZOU)) XIAOKANG WAS LIVING IN
HONG KONG AND WORKING QUOTE BEHIND THE SCENES END QUOTE
TO ASSIST A HONG KONG BASED ARMS DEALER, JENNEL
((WANG)). (b)(1),1.4 (c) THAT THE YOUNGER ZOU WAS ABLE TO
TRAVEL AS HE WISHED AND USED HIS CONNECTIONS IN CHINA
TO ASSIST JENNEL IN CONCLUDING ARMS CONTRACTS BETWEEN
CHINA AND OTHER COUNTRIES.

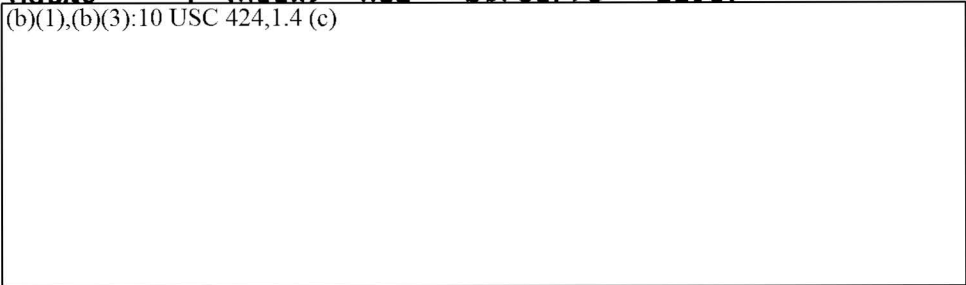
4. ~~(S/NF/NC)~~ WHEN (b)(3):10 USC 424 (b)(1),1.4 (c) TO NAME THE MAJOR
HONG KONG SHIPPING AGENT ASSOCIATED WITH CHINA-IRAN
ARMS TRADE, (b)(1),1.4 (c) THAT THE SHIPPER WAS SUN UNION.

COMMENTS: 1. ~~(S/NF/NC)~~ (b)(1),(b)(3):10 USC 424,1.4 (c)

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



//IPSP: (U) (b)(3):10 USC
//COMSOBJ: (U) 424
PROJ: (U)
END OF MESSAGE

~~SECRET~~

<<<< SECTION 2 >>>>

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

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

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

SUBJECT: IIR (b)(3):10 USC 424 / IRAN SALES/COUNTER

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

INSTR: (U)

PREP: (U)

ACQ: (U)

DISSEM: (U)

WARNING: (U) REPORT CLASSIFIED ~~SECRET~~

~~NOT RELEASABLE TO FOREIGN NATIONALS --~~

~~NOT RELEASABLE TO CONTRACTORS/CONSULTANTS.~~

DECL OADR
END OF MESSAGE
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NNDD

~~SECRET~~