DECEPTIONED

E.O. 12065: RDS-2, 3 6/1/01 (CONSTABLE, PETER)

TAGS: PEPR, MASS, US, IZ, XF

SUBJECT: U.S. POLICY ON ARMS SALES AND TRANSFERS TO IRAQ AND IRAN

REF: BAGHDAD 1446

1. (S - ENTIRE TEXT).

2. WE NOTE THAT IN COURSE OF MAY 28 MEETING WITH TARIQ AZIZ, HE ONCE AGAIN VOICED SUSPICION THAT SOMEHOW U.S. ARMS AND SPARE PARTS ARE BEING ACQUIRED BY IRANIANS. WE HAVE NO SPECIFIC INFORMATION IN THIS REGARD. WE WILL WANT YOU, HOWEVER, TO FIND AN EARLY OCCASION IN CONVERSATION WITH APPROPRIATE IRAQI CONTACT TO WAVE IN THE FOLLOWING POINTS, STRESSING OUR CONCERN THAT GOI HAVE ACCURATE UNDERSTANDING OF U.S. GOVERNMENT POLICY ON SALES AND TRANSFERS OF ARMS TO IRAQ AND IRAN. TO THE EXTENT SECRET

SECRET

POSSIBLE, YOU SHOULD ASSURE THAT THIS REAFFIRMATION REACHES AZIZ.

3. -- RESTATE U.S. POLICY AND PRACTICE AS EXPLAINED PREVIOUSLY TO GOI, MOST RECENTLY IN RESPONSE TO IRAQI QUERY REGARDING ITALIAN TRANSFERS (STATE 112538).

-- ADD THAT WE RECOGNIZE THAT PRIVATE A.G.S. MACHINERY, INCLUDING POSSIBLY AMERICANS, MIGHT BE ATTRACTED BY
TEXT OF TELEGRAM 81STATE 143542

POSSIBLE SALES OPPORTUNITIES GROWING OUT OF CONFLICT SUCH AS THAT BETWEEN IRAQ AND IRAN.

-- WE ARE CONCERNED THAT PRIVATE ACTIVITIES NOT FEED RUMORS OF CHANGES IN OR EXCEPTIONS TO THE U.S. POSITION OF PRINCIPLE WITH WHICH THE IRAQIS ARE FAMILIAR. WE ALSO WISH TO MAKE CERTAIN THAT IRAQ NOT PROCEED ON THE BASIS OF ANY MISUNDERSTANDING THAT INDIVIDUALS OR FIRMS HAVE APPROVAL OF USG FOR SALES OR TRANSFERS OF U.S.-CONTROLLED MILITARY ITEMS.

-- THE U.S. CANNOT CONTROL THE ACTIVITIES OF U.S. CITIZENS OR RESIDENTS OUTSIDE THE U.S. WE ARE SIMILARLY UNABLE TO EXERCISE CONTROL OVER MILITARY ITEMS MANUFACTURED ABROAD WHICH ARE NOT SUBJECT TO U.S. CONTROLS REGARDING THIRD-COUNTRY TRANSFERS. WE CAN AND DO ASSURE THE IRAQIS THAT THE U.S. HAS NOT APPROVED OR CONDONED ANY MILITARY SALES TO IRAQ OR IRAN.

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