

MSGNO 35 (MIIR) RSB *31/07/87* *09:09*
ZCZC 14:08:17Z (MI)

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87 5644395 MCR

TOR: 311159Z JUL 87

NC 5644395
RUEHTH 4350

RR RUEAIIA
DE RUEHTH #4350/01 2121139
ZNY

R 311133Z JUL 87

FM (b)(3):10 USC 424

TO RUEKJCS/DIA WASHDC
INFO RUSNNOA/USCINCEUR VAHINGEN GE/ (b)(3):50 USC 403-1(i)
RUEGAI0/USEUCOM (b)(3):50 VAHINGEN GE

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

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

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

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

RUEHC/SECSTATE WASHDC

RUEAIIA/CIA WASHINGTON DC

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

BT

EZ1:

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

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EZ2:

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

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

SUBJ: IIR (b)(3):10 USC 424 CONVERSATION WITH

PRC OFFICIAL (U).

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

DOI: (U) 870723.

REQS: (U) UNKNOWN.

SOURCE: (U)

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

TEXT: 1. ~~(C/NF)~~ (b)(1), (b)(3):10 USC 424, 1.4 (c)

2. ~~(C/NF)~~ (b)(1), 1.4 (c) THAT AFTER THE
CHINESE CULTURAL REVOLUTION, THEY TRIED TO
COPY THE USSR ECONOMIC POLICIES. THIS WAS
A BIG MISTAKE. HE FELT THAT A TOTAL SOCIALISTIC
SYSTEM WOULD NOT WORK BECAUSE WORKERS,
ESPECIALLY FARMERS, NEED SOME INCENTIVES TO

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WORK HARD. THE NEW PROGRAMS ALLOW THE
FARMERS TO HAVE A GREATER CHOICE IN WHAT
THEY WOULD GROW. IT ALSO ALLOWED THEM TO
KEEP SOME OF THE PROFITS OF THEIR LABORS.
THIS REDUCED A LARGE BUREAUCRACY AND ALSO
IMPROVED WORK INCENTIVES. HE FELT THAT
FARMERS ARE MUCH BETTER OFF NOW THAN IN THE
PAST. FARMERS CAN NOW EVEN AFFORD TO TRAVEL
WITHIN THE COUNTRY SOMEWHAT. IN THE
FUTURE, (b)(1).1.4 (c) THAT CHINA MUST CONTINUE
TO IMPROVE THEIR ECONOMY.

3. (b)(1).1.4 (c) THAT THE PRC RELATIONS
WITH THE USSR HAD IMPROVED SLIGHTLY OVER THE
RECENT YEARS. HOWEVER, HE FELT THAT RELATIONS
WILL NOT CONTINUE TO IMPROVE UNTIL THE USSR
(A) GETS OUT OF AFGHANISTAN, (B) REDUCES
MILITARY TROOPS ON THE PRC/USSR BOARDERS,
AND (C) STOPS AID TO NORTH VIETNAM. CHINA
SUPPORTS CAMBODIA AND HAS ALSO HAD CONFLICTS
WITH THE NORTH VIETNAMESE.

4. (b)(1).1.4 (c) IN IRAN BEFORE COMING
TO GREECE. HE SAW KHOMENI
ON SEVERAL OCCASIONS. WHEN KHOMENI
RECEIVED DIPLOMATS, HE ALWAYS WAS SEATED ON
A STAGE ABOVE HIS GUEST. HE NEVER GREETED HIS
GUEST BY SHAKING HANDS OR HAVING ANY PHYSICAL
CONTACT. BEFORE ANYONE WAS ADMITTED INTO HIS
PRESENCE, THERE WAS A THOROUGH SEARCH AND ALL
METAL OBJECTS SUCH AS WATCHES, RINGS, POCKET
KNIVES, ETC. HAD TO BE REMOVED. HE STATED THAT NO
ONE LIKED TO SEE KHOMENI BECAUSE IT WAS TOO
MUCH TROUBLE. (b)(1).1.4 (c) THAT KHOMENI
WAS IN GOOD PHYSICAL CONDITION FOR HIS AGE
(86?). HE ALSO FELT THAT KHOMENI PERSONALLY
MADE ALL THE BIG DECISIONS IN THE GOVERNMENT.
HE ALSO THOUGHT THAT KHOMENI WAS RELUCTANT
ABOUT CAUSING ANY PROVOCATION WHICH WOULD
CAUSE A DIRECT CONFLICT BETWEEN IRAN AND THE
USA.

5. (b)(1).1.4 (c) WHEN ASKED ABOUT THE SILK WORM
MISSILES IN IRAN, (b)(1).1.4 (c) THAT THE PRC
DID NOT SELL THEM TO IRAN. HE ADMITTED THAT
BOTH IRAQ AND IRAN HAD SOME CHINESE MILITARY
EQUIPMENT, BUT REJECTED THE IDEA THAT CHINA
SOLD THEM DIRECTLY TO EITHER COUNTRY. WHEN
END OF MESSAGE ~~CONFIDENTIAL~~

<<<<< SECTION 2 >>>>
SERIAL: (U) IIR (b)(3):10 USC 424
COUNTRY: (U) CHINA (CH); IRAN (IR).
SUBJ: IIR (b)(3):10 USC 424 CONVERSATION WITH
PRC OFFICIAL (U).
CHINA SELLS ARMS TO A COUNTRY, THEY DO NOT
IMPOSE LIMITATIONS TO THAT COUNTRY CONCERNING
THE FINAL USER (UNLIKE THE U.S. POLICY).
(b)(1).1.4 (c) THAT POSSIBLY A THIRD
COUNTRY MAY HAVE SUPPLIED EQUIPMENT TO
IRAQ AND IRAN. HE WOULD NOT SPECULATE
AS TO WHICH COUNTRY MIGHT HAVE SUPPLIED

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THESE ARMS.

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

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

PROJ: (U) NONE.

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

PREP: (U)

APPR: (U)

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

DECL: ~~OADR~~

END OF MESSAGE

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