

~~CONFIDENTIAL~~
Department of State

INCOMING
TELEGRAM

PAGE 01
ACTION INR-05

SH86290

E263

SH86290

INFO LOG-00 EAP-00 EUR-00 INRE-00 NEA-00 /008W
-----1B7605 151113Z /38

R 151110Z NOV 90

FM (b)(3):10 USC 424

TO DIA WASHDC

INFO RUHQHQA/USCINCPAC HONOLULU HI/ (b)(3):50

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

CIA WASHDC/ (b)(3):50

DIRNSA FT GEORGE G MEADE MD/ (b)(3):50

(b)(3):10 USC 424

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

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

NSC WASHDC

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

HQUSAF WASHDC/ (b)(3)

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

~~CONFIDENTIAL~~ SECTION 01 OF 03 (b)(3):10 USC 424

~~CONFIDENTIAL~~ NOFORN

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); IRAQ (IZ); SOVIET UNION (UR).

SUBJECT: IIR (b)(3):10 USC 424 POLYTECHNOLOGIES PRESIDENT
ON DOMESTIC AND INTERNATIONAL SITUATION AND
ARMS SALES TO IRAQ (U)

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

~~CONFIDENTIAL~~ NOFORN.

DEPARTMENT OF DEFENSE

DOI: (U) 901112.

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

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

SUMMARY: (U) POLYTECHNOLOGIES PRESIDENT DISCUSSES
CHINA'S DOMESTIC AND INTERNATIONAL SITUATION AND ARMS
SALES TO THE MIDDLE EAST.

TEXT: 1. (U) DURING DISCUSSIONS AT AN AEROSPACE FORUM
LUNCHEON IN BEIJING ON 901102, POLYTECHNOLOGIES
PRESIDENT (XIE) DATONG EXPRESSED HIS VIEWS ON THE
CURRENT INTERNAL AND EXTERNAL SITUATION FACING CHINA.
IN ADDITION, (b)(1), (b)(3):10 USC 424, 1.4 (c)

REVEALED

MORE ABOUT XIE AND POLY'S CURRENT POLICY ON ARMS SALES
TO IRAQ.

2. (U) XIE'S ASSESSMENT OF CHINA'S CURRENT INTERNAL
AND EXTERNAL SITUATION CLOSELY MIRRORS THE STATED
OPINIONS OF CHINA'S CURRENT LEADERSHIP. XIE HAS
DONE A GREAT DEAL OF TRAVELING OF LATE, INCLUDING
TRIPS TO EASTERN EUROPE (COUNTRIES UNNAMED) AND THE
SOVIET UNION (IN SEPTEMBER). IN COMPARING SOVIET AND
EASTERN EUROPEAN REFORMS WITH THOSE IN CHINA, XIE
REPEATED THE OFT-STATED OFFICIAL LINE THAT CHINA'S
REFORM AND OPENING ARE CONTINUING, BUT THAT IT CANNOT
BE ACCOMPLISHED IN "500 DAYS" AND WILL TAKE YEARS TO
COMPLETE THROUGH AN "ORDERLY PROGFSS". DESPITE THIS
ALLUSION TO CURRENT SOVIET ATTEMPTS AT ECONOMIC REFORM
AND CONCOMITANT SKEPTICISM CONCERNING SOVIET PRESIDENT
(GORBACHEV)'S CHANCES FOR SUCCESS (AND EVEN PERHAPS
FOR SURVIVAL), XIE STATED THAT HE HOPES SOVIET REFORMS
WILL SUCCEED. SOMEWHAT CONTRADICTORILY, XIE THEN
PROCEEDED TO MALIGN THE CONFUSED SITUATION NOW
EXISTING IN THE FORMERLY COMMUNIST EASTERN EUROPEAN
COUNTRIES, COMPARING THEIR CURRENT STATE TO THAT OF
CHINA DURING THE CULTURAL REVOLUTION. ACCORDING TO
XIE, HOWEVER, CHINA'S SITUATION THEN WAS COMPARABLY

BETTER THAN THAT CURRENTLY FACED BY THE REFORMING
EAST EUROPEAN COUNTRIES "BECAUSE AT LEAST WE HAD THE
PLA TO MAINTAIN ORDER". THE ULTIMATE CONCLUSION DRAWN
FROM ALL THIS, CLEARLY INTENDED FOR CONSUMPTION BY THE
PREDOMINANTLY AMERICAN AUDIENCE, WAS THAT CHINA'S
ENLIGHTENED POLICIES WILL LEAD TO STABILITY AND
DEVELOPMENT, MAKING CHINA AN IDEAL PLACE FOR FUTURE
INVESTMENT.

~~CONFIDENTIAL~~

9500853

~~CONFIDENTIAL~~
Department of State

INCOMING
TELEGRAM

PAGE 01
ACTION INR-05

SHB6293

SHB6293

INFO LOG-00 EAP-00 EUR-00 INRE-00 NEA-00 /008W
-----1876DF 151114Z /38

R 151110Z NOV 90

FM (b)(3):10 USC 424

TO DIA WASHDC

INFO RUHQHQA/USCINCPAC HONOLULU HI/ (b)(3):50

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

C: A WASHDC/ (b)(3):50

D: RNSA FT GEORGE G MEADE MD/ (b)(3):50

(b)(3):10 USC 424

SECDEF WASHDC/

SECSTATE WASHDC/

NSC WASHDC

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

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

HOUSAF WASHDC/ (b)(3):5

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

~~CONFIDENTIAL~~ SECTION B2 OF B3 (b)(3):10 USC 424

~~CONFIDENTIAL~~ NOFORN

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); IRAQ (IZ); SOVIET UNION (UR).

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

/

3. ~~AS~~ AS THE SUBJECT TURNED TO US-CHINA RELATIONS,
(b)(1),1.4 (c) VIEW THAT

RECENT IMPROVEMENTS IN THE OVERALL US-CHINA RELATIONSHIP
BROUGHT ABOUT BY COOPERATION IN DEALING WITH THE
PERSIAN GULF CRISIS WOULD BE DESTROYED IF CHINA WERE
DISCOVERED SELLING ADDITIONAL ARMS TO IRAQ. XIE DID
NOT RESPOND DIRECTLY TO THIS PROBE. (b)(1),1.4 (c)

THAT DURING THE IRAN-IRAQ CONFLICT, HIS LONG-TIME
ACQUAINTANCE XIE HAD CANDIDLY ADMITTED THAT CHINA --
AND POLY IN PARTICULAR -- WAS SELLING ARMAMENTS TO
BOTH SIDES AND THAT, MOREOVER, CHINA WAS USING THIRD
COUNTRY CUTOOTS TO DEFELECT INTERNATIONAL CRITICISM.
RECENTLY (EXACT TIME UNSPECIFIED) (b)(1),1.4 (c) QUERIED
XIE FOR A SIMILARLY CANDID STATEMENT OF POLY'S CURRENT
ACTIVITIES WITH RESPECT TO IRAQ. (b)(1),1.4 (c)

XIE RESPONDED THAT "THIS TIME, WE CANNOT AFFORD TO
DO IT" (SELL ARMS TO IRAQ, EITHER DIRECTLY OR THROUGH
THIRD COUNTRIES).

/

COMMENTS: 1. ~~CONFIDENTIAL~~ (b)(1), (b)(3):10 USC 424, 1.4 (c)

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

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

INCOMING
TELEGRAM

Department of State

PAGE 01
ACTION INR-05

5HB6294

INFO LOG-00 EAP-00 EUR-00 INRE-00 NEA-00 /008W
-----1876E4 151114Z '38

R 151110Z NOV 90

FM (b)(3):10 USC 424

TO DIA WASHDC

INFO RUHQHQA/USCINCPAC HONOLULU HI (b)(3):50 USC

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

CIA WASHDC (b)(3):50 USC 4

DIRNSA FT GEORGE G MEADE MD (b)(3):50 USC

(b)(3):10 USC 424

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

SECSTATE WASHDC (b)(3):50 USC 403-1

NSC WASHDC

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

HQUSAF WASHDC

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

~~CONFIDENTIAL~~ SECTION 03 OF 03 (b)(3):10 USC 424

~~CONFIDENTIAL~~ NOFORN

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

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

COUNTRY: (U) CHINA (CH); IRAQ (IZ); SOVIET UNION (UR)

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

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

PREP: (U)

ACQ: (U)

DISSEM: (U)

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

- NOT RELEASABLE TO FOREIGN NATIONALS.

DECL: ~~CONFIDENTIAL~~

~~CONFIDENTIAL~~