

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 ~~CONFIDENTIAL~~

R 311133Z JUL 87

FM (b)(3):10 USC 424

TO RUEKJCS/DIA WASHDC

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

RUEGATO/USEUCOM (b)(3):50 VAIHINGEN 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.

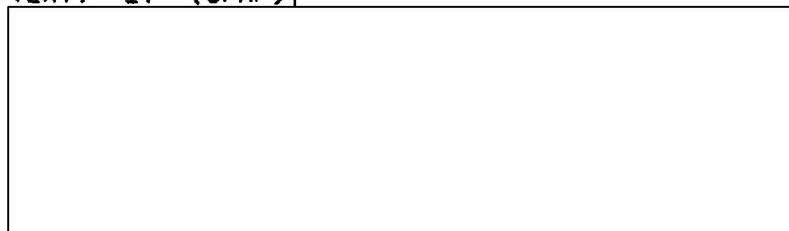
DOI: (U) 870723.

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

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\*\*\*<<<<< 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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