

PREM19

3

CHINA

(Premier Hua
visit to UK)

PREM 19/3



PART 1 ends:-

29.11.79

PART 2 begins:-

19/7/82

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

House of Commons Hansard
Columns 237-238

08 November 1979
Chairman Hua Guofeng

Signed AWayland Date 22 October 2009

PREM Records Team

SIGNING CEREMONY AT NO 10 DOWNING STREET

1710. Party enters White Drawing Room and Secretary of State and Chinese Minister of Foreign Affairs immediately seat themselves at the table with Chinese Minister on Lord Carrington's right.

1712. Cultural Agreement signed, each to append two signatures, one on English language version and one on Chinese version; documents exchanged and process repeated.

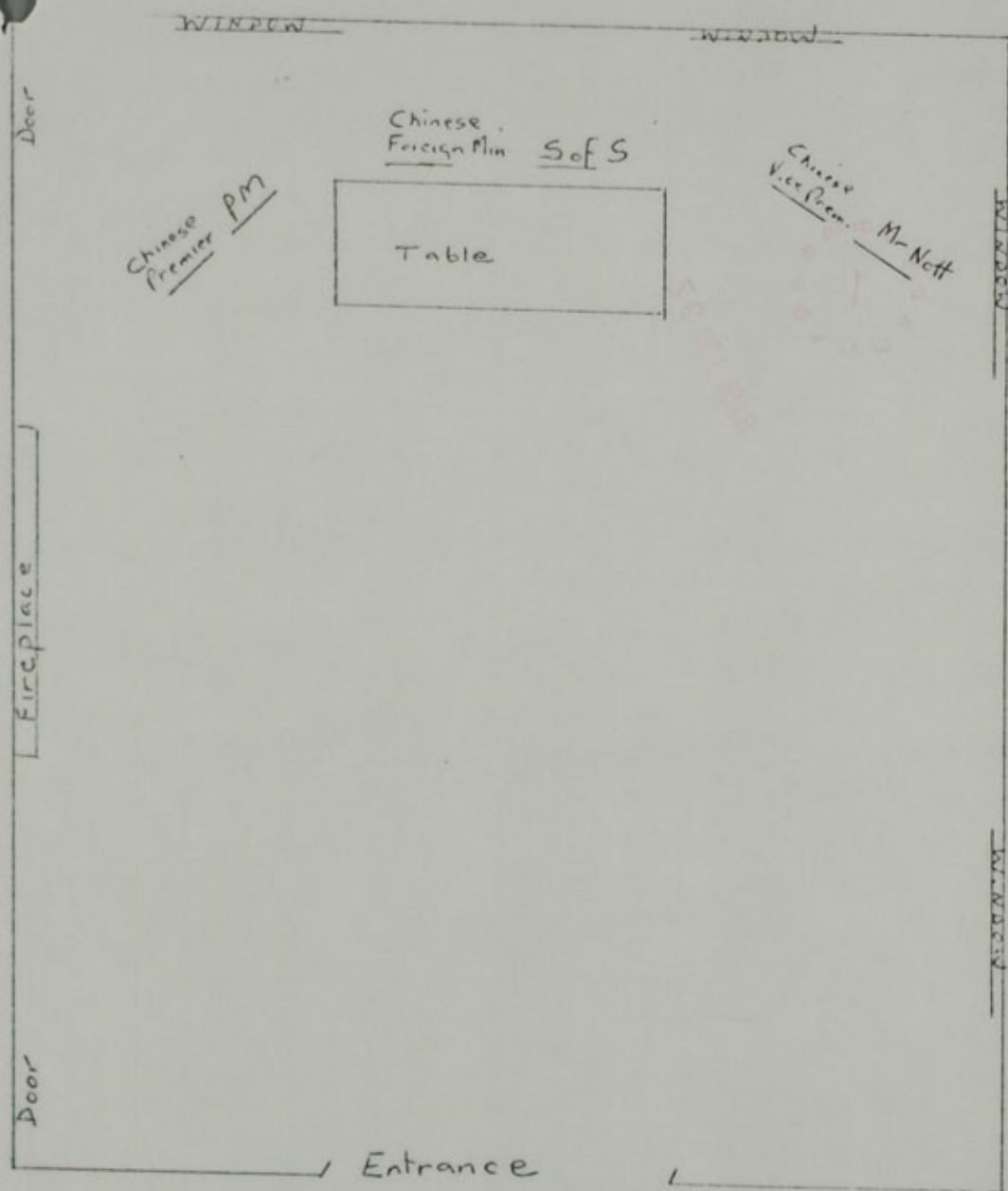
1717. Photographs.

1719. Secretary of State and Chinese Minister leave table and their places taken by Mr Nott and Yu Qiuli. Air Services Agreement signed, following same procedure as above.

1724. Photographs.

Champagne served.

Premier Hua and the Prime Minister will be seated on chairs placed to the right hand side of the table.



Sketch plan of White Drawing Room
10 Downing Street
(Not to Scale)



26 OCT 1979

LIST OF CHINESE OFFICIALS TO ATTEND PRIME MINISTER'S
TALKS WITH PREMIER HUA GUOFENG

Hua Guofeng	Premier of the State Council
Yu Qiuli	Vice-Premier of the State Council
<u>Huang Hua</u>	Minister of Foreign Affairs
Ke Hua	Chinese Ambassador to the UK
Zhang Wenjin	Vice-Minister of Foreign Affairs
Gan Ziyu	Vice-Minister of the State Planning Commission
Cui Qun	Vice-Minister of Foreign Trade
Pu Shouchang	Special Assistant
Wei Yongqing	Director of the Protocol Department, Ministry of Foreign Affairs
Qian Qichen	Director of the Information Department, Ministry of Foreign Affairs
Wang Benzuo	Deputy Director of the West European Department, Ministry of Foreign Affairs

1 or 2 Interpreters

1 or 2 Record-takers

CONFIDENTIAL

GRS 1220

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FM PEKING 070800Z NOV 79

TO PRIORITY FCO

TELEGRAM NUMBER 969 OF 7 NOVEMBER

INFO PRIORITY HONG KONG.

Prime Minister

pm

pm

PREMIER'S HUA'S VISIT.

1. I BELIEVE THE DEPARTMENT WILL BE PREPARING A DESPATCH ON THIS VISIT. IN THE MEANTIME, YOU MAY FIND IT USEFUL TO HAVE SOME QUICK PERSONAL IMPRESSIONS.

2. THE FIRST AND MOST IMPORTANT IS THAT THE VISIT WAS A VERY GREAT SUCCESS. IT DEMONSTRATED BEYOND DOUBT THE IMPORTANCE WE ATTACH TO SINO-BRITISH RELATIONS, TO HUA'S VISIT AS MARKING A NEW HIGH LEVEL IN THOSE RELATIONS AND TO THE VALUE OF A LARGE BRITISH CONTRIBUTION TO CHINESE MODERNISATION OVER A LONG PERIOD OF YEARS. IT SHOWED BRITAIN AS AN ADVANCED, STABLE SOCIETY WITH LONG TRADITIONS BUT ALSO HIGH TECHNOLOGY. FINALLY, IN AN UNOFFICIAL AND UNSCRIPTED WAY, IT EXPRESSED THE WARMTH OF FEELING FOR CHINA AMONG BRITISH PEOPLE GENERALLY. ALL THESE POINTS WERE TAKEN BY THE CHINESE.

3. THE VISIT ACHIEVED THESE OBJECTIVES PARTLY THROUGH CAREFUL PREPARATION AND EFFICIENT ORGANISATION, AND I AM MOST GRATEFUL TO ALL THOSE IN LONDON WHO LABOURED TO ACHIEVE THIS. THE LEVEL OF CEREMONIAL, ONLY JUST SHORT OF A STATE VISIT, CONVEYED THE POLITICAL MESSAGE. HER MAJESTY'S PERSONAL RECEPTION OF HUA AND HIS ENTERTAINMENT BY HRH THE DUKE OF KENT WERE CLEARLY OF MAJOR IMPORTANCE. BUT IN CHINESE EYES THE KEY ELEMENT WAS THE TALKS WITH THE PRIME MINISTER AND THE RELATIONSHIP ESTABLISHED BETWEEN THE TWO GOVERNMENT LEADERS. THERE IS NO DOUBT THAT FROM HER HANDLING OF THIS FLOWED THE SUCCESS OF THE VISIT AND THE SPECIAL WARMTH DESCERNABLE AT THE END OF THE DAY.

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4. THE FIRST SESSION OF TALKS AT NO.10 WAS DIFFUSE AND DISAPPOINTING BY OUR STANDARDS, BUT WAS, I BELIEVE, THE NECESSARY PRICE TO PAY. WE HAD TO LISTEN TO THE CHINESE ON THEIR VIEW OF THE WORLD AND WE WERE JUDGED, AND HIGHLY ASSESSED BY THEM, IN TERMS OF THE FIRMNESS OF OUR RESPONSE ON SOVIET POLICY. IN MANY WAYS THIS WAS THE YARDSTICK. THE CHINESE TOLD ME AFTERWARDS THEY KNEW THEY COULD SPEAK MORE FREELY IN LONDON THAN IN PARIS OR BONN AND THEY WERE DELIGHTED TO BE ABLE TO DO SO.

5. BY THE SECOND ROUND AT NO.10 RESULTS WERE COMING THROUGH. FOR EXAMPLE, THE LAST MINUTE CONCESSION OVER GATWICK, WHICH MADE THE AIR SERVICES AGREEMENT A REAL ONE AND NOT STILLBORN, OWED SOMETHING TO THE VISIT BY THE CAAC REPRESENTATIVE TO THAT AIRPORT, BUT ALSO MUCH TO THE CHINESE JUDGEMENT OF THE POLITICAL SUCCESS OF THE VISIT.

6. ON BILATERAL TRADE ISSUES THE BROAD PATTERN IN THE MINISTERIAL TALKS WITH HUA AND YU WAS THAT WE PUT A SERIES OF SPECIFIC PROPOSALS AND THE CHINESE REPLIED IN GENERALITIES. I AM NOT TOO DISTURBED BY THIS. NEITHER YU NOR A FORTIORI HUA WAS PREPARED ON SUCH AN OCCASION TO ENTER INTO GREAT DETAIL. BUT YU MADE CLEAR TO ME LATER THAT HE HAD NOT FINISHED HIS PRESENTATION AND THAT DETAILED POINTS SHOULD BE PURSUED LATER WITH VICE-MINISTERS. IN THE SECOND ROUND OF PRIME MINISTERIAL TALKS WE WERE ALSO ABLE TO RE-EMPHASISE SOME OF OUR SPECIAL INTERESTS AND TO DRAW ENCOURAGING RESPONSES, EG ON RAILWAYS, EXPLOITATION OF CHINESE MINERALS, COAL, OIL, AEROSPACE AND DEFENCE SALES GENERALLY.

7. ON DEFENCE SALES, NEITHER YU NOR HUA RESPONDED ON HARRIER THOUGH THEY WERE BOTH GIVEN A CUE. BUT HUA WAS CLEAR AND POSITIVE ABOUT MARINE ENGINES AND THEIR INTEREST IN TANK ENGINES. HE SHOWED SPECIAL INTEREST IN THE ROLLS ROYCE PROPOSALS FOR COOPERATION INVOLVING PROVISION OF ENGINES IN CHINESE CIVIL AIRCRAFT. THIS LAST HAS GREAT COMMERCIAL POTENTIAL AND I HOPE WILL BE PURSUED VIGOROUSLY. HE AND HIS DELEGATION WERE SPECIALLY PLEASED BY THE PRIME MINISTER'S GENERAL ASSURANCE THAT SHE HAD ASKED MANY OF HER MINISTERIAL COLLEAGUES TO ATTEND THE SECOND ROUND OF TALKS AND THAT IN WHATEVER FIELD THE CHINESE SOUGHT OUR HELP WE WOULD DO OUR BEST TO PROVIDE IT. THIS WILL MEAN, INTER ALIA, THAT THE CHINESE WILL EXPECT A PARTICULARLY POSITIVE ATTITUDE OVER MANY OF THEIR REQUESTS FOR COOPERATION ON DEFENCE-RELATED MATERIAL.

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8. THE TALKS WITH HUANG HUA PRODUCED NO SURPRISES BUT COVERED A LOT OF USEFUL GROUND. ON HONG KONG, ON WHICH I SHALL BE COMMENTING SEPARATELY, WE WERE ABLE TO REAFFIRM THE COINCIDENCE OF SINO-BRITISH INTERESTS AND OUR WORRIES ABOUT IMMIGRATION. IT REMAINS TO BE SEEN HOW MEANINGFUL THE CHINESE ASSURANCES ARE ON THE LATTER, BUT THEY WERE GIVEN AT THE TOP LEVEL.

9. ON CAMBODIA, THE PRIME MINISTER WAS ABLE TO CONVEY OVER DINNER SOMETHING OF OUR VIEWS ON POL POT. BUT GIVEN THE STRENGTH OF CHINESE FEELING, AS EVINCED IN HUA'S LONG STATEMENT ON THE NEED FOR SUPPORT FOR 'DEMOCRATIC KAMPUCHEA', I HOPE THAT IF WE MUST MOVE TO DERECOGNITION WE SHALL DO SO IN SLOW TIME AFTER CONSULTING ASIAN AND IF AT ALL POSSIBLE IN CONCERT WITH SOME OF OUR EEC COLLEAGUES.

10. THE VISIT GAVE US AN OPPORTUNITY TO STUDY THE CHINESE LEADERS RATHER MORE CLOSELY. I CONFESS HUA REMAINS SOMETHING OF AN ENIGMA. HE PERFORMED IMPRESSIVELY. HE WAS WELL PREPARED (HE REFERRED TO NO BRIEFS), CAREFUL AND WATCHFUL, AND SCARCELY PUT A FOOT WRONG. HE WAS TECHNICALLY INTERESTED AND QUITE WELL INFORMED. HE WAS PRIMARILY CONCERNED WITH POLITICS RATHER THAN CEREMONIAL, AND EVEN IN OXFORD IT WAS THE DISCUSSION WITH MR MACMILLAN AND THE LATTER'S REFERENCE TO THE DANGERS OF APPEASEMENT THAT MATTERED TO HIM. BUT IN VIRTUALLY A WEEK'S VISIT, I SAW NO HUMAN MOMENT WHEN HE REALLY REVEALED HIMSELF, OR, WHAT IS PERHAPS MORE REMARKABLE, NP

REALLY HUMAN EXCHANGE BETWEEN HIM AND ANY OF HIS ENTOURAGE. HE CLEARLY IS AT A CONSIDERABLE DISTANCE FROM THEM. BY CONTRAST, YU QIULI REVEALED HIMSELF READILY AS THE TYPICAL OLD CHINESE SOLDIER, TECHNICALLY QUALIFIED IN CERTAIN FIELDS SUCH AS OIYBN REMARKABLY IGNORANT IN MANY OTHERS, BAFFLED BY MUCH OF THE CEREMONIAL BUT SOMEONE WITH WHOM IT WAS RELATIVELY EASY TO STRIKE UP A REAL RELATIONSHIP.

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/19. FOLLOW-UP

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19 FOLLOW-UP ACTION WILL NOW BE IMPORTANT, WE HAVE THE RIGHT ATMOSPHERE BUT SHALL NEED TO MOVE TO SPECIFICS AND AS ALWAYS A GREAT DEAL WILL DEPEND HERE ON THE PERSISTENCE OF OUR FIRMS AND THE QUALITY AND PRICE OF THEIR PRODUCTS WE LOOK FORWARD

TO RECEIVING THE PROMISED LETTER FROM DOT AND DOI SETTING OUT FOR YU QIULI THE DETAILED PROPOSALS FOR BILATERAL COOPERATION. WE SHALL THEN TAKE UP THE VARIOUS SUBJECTS WITH THE VICE-MINISTERS WHO ACCOMPANIED HUA AND WITH SPECIALIST CHINESE MINISTERS. ON THE AIR SERVICES AGREEMENT, IT WILL BE IMPORTANT TO KEEP THE CHINESE TO OUR DEADLINE OF APRIL NEXT YEAR, AND WE SHOULD PERHAPS BEGIN TO THINK IN TERMS OF AN INAUGURAL FLIGHT AT A SUITABLE POINT IN THE SPRING.

CRADOCK

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China

10 DOWNING STREET

THE PRIME MINISTER

6 November 1979

pps in G.R.

My dear Ambassador,

This is to thank you most sincerely for a very enjoyable evening on Friday. Denis and I were pleased to be able to join you on what was for all of us a most historic occasion.

You entertained us superbly well and please accept our grateful thanks.

We were all thrilled with Premier Hua's visit. It was an enormous success.

Yours sincerely

His Excellency Mr. Ke Hua

Raymond Stiller

— 28

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10 DOWNING STREET

From the Private Secretary

5 November 1979

Premier Hua's Visit

I enclose the record of the second plenary discussion between the Prime Minister and Premier Hua which took place here on the afternoon of Thursday 1 November.

I am sending copies of this letter and enclosure to Ian Ellison (Department of Industry), Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), Tony Battishill (HM Treasury) and Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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10 DOWNING STREET

From the Private Secretary

5 November 1979

Message from Premier Hua

I enclose a copy of the text of a message sent to the Prime Minister by Premier Hua as he left Heathrow on Saturday. No further action would seem to be required.

M. O'D. B. ALEXANDER

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.

KRB

Subject

Prime Minister,
Delivered from
Heathrow this morning.
(Translation)
City Clerk.

3/11

T133/79T
Rt. Hon. Margaret Thatcher,
Prime Minister,
10, Downing Street,
London

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T133/79T.

Prime Minister,

While I am leaving your country at the successful conclusion of my visit here, I wish to express my heartfelt thanks to you and the British Government and people for the warm welcome and generous hospitality accorded us.

During the visit, I had friendly, sincere and fruitful talks with you, met with personalities of various circles of Britain and made visits and tours, which have left unforgettable and deep impressions on me. I am confident that with the joint efforts of both sides, the friendly relations and cooperation between China and Britain will further develop. This is not only in the interest of our two peoples but will also be conducive to preserving world peace and stability.

Finally, I wish to extend once again, in my own name and on behalf of the Chinese Government and people, our cordial and friendly greetings to you, Prime Minister and, through you, to the British people.

Hua Guofeng

Premier of the State Council
of the People's Republic of
China

3rd November, 1979

伦敦

唐宁街十号

玛格丽特·撒切尔首相：

在我圆满结束对贵国的访问，即将离开贵国领土之际，我对首相、贵国政府和英国人民给予我们的热忱欢迎和盛情款待表示衷心感谢。

访问期间，我同首相进行了友好、真诚、富有成果的会谈，会晤了英国各界人士，进行了参观访问，给我留下了难以忘怀的深刻印象。我相信在双方的共同努力下，中英两国之间的友好合作关系必将进一步发展，这不仅符合我们两国人民的利益，而且有助于维护世界的和平和稳定。

最后，我愿以个人的名义，并代表中国政府和中国人民向您首相，并通过您再次向英国人民致以亲切友好的问候。

中华人民共和国国务院总理 华国锋

一九七九年十一月三日

C.F.

Where is the
English language list?

Am

NO. D262/79

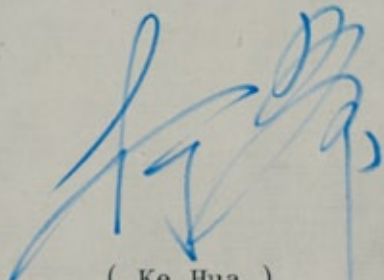
3rd November 1979

Your Excellency,

T 133/79 T

I have the honour to forward herewith a
telegram of thanks to Your Excellency from Premier
Hua Guofeng on his leaving the United Kingdom.

I avail myself of this opportunity to renew
to Your Excellency the assurance of my highest con-
sideration.



(Ke Hua)

Chinese Ambassador

The Rt. Hon. Margaret Thatcher,
The Prime Minister,
10, Downing Street,
London

China

Saturday 3 November

DEPARTURE FROM KENSINGTON PALACE

- 0835 hrs The Prime Minister, The Rt Hon Margaret Thatcher MP will arrive
- 0840 hrs The Lord Trefgarne, Lord-in-Waiting to The Queen, will arrive
- 0851 hrs Premier Hua will arrive, accompanied by those members of his entourage who will travel to London Airport by helicopter. (Remainder of entourage will go direct to Heathrow by car.)
- After Lord Trefgarne and the Prime Minister have bid him farewell, Premier Hua will board a helicopter of The Queen's Flight.
- 0858 hrs Premier Hua's helicopter will take off for London Airport, South Side
- 0859 hrs Remainder of party follow in a British Airways helicopter
- 0914 hrs British Airways helicopter lands at London Airport, South Side. Passengers will commence to board the special plane.
- 0915 hrs Premier Hua's helicopter arrives
- 0920 hrs Premier Hua will board his aircraft
- 0930 hrs Premier Hua's special aircraft will take off for Rome

SATURDAY 3 NOVEMBER

DEPARTURE FROM KENSINGTON PALACE BY
HELICOPTERS FOR LONDON AIRPORT

Queen's Flight Helicopter

Premier Hua	Mr du Boulay
Mr Wei Yougging	Mr Coppel
Mr Chen Hui	Supt Moffat
Mr Ye Guixin	

British Airways Helicopter

Vice Premier Yu	Supt Cooksley
Mr Huang Hua	Insp Black
Mr Ke Hua	Gp/Cpt O'Neil
Mr Zhang Wenjin	
Mr Gan Ziyu	Miss Metcalfe
Mr Ling Yun	Mr Cradock
Mr Cui Qun	Mr Richards
Mr Yang Dezhong	
Mr Dong Fang	
Mr Tang Longbin	
Mr Hu Chuanzhong	
Mr Pang Ting Jin	
Mr Hu Weiqin	
Mrs Zhao Shijing	
Mr Zou Benyou	
Mr Yang Jiechi	

Going direct to LAP by car, Mr Cortazzi and Mr Barclay. They
will make ^{their} own arrangements.

Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES.

Reference: CC (79) 19th Conclusions, Minute 3
(Extract)

Date: 1 November 1979

Signed C. Wayland Date 22 October 2009

PREM Records Team

Subject.

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Copies to Master Ser.

China: Defence Sales etc to China.

Hong Kong: Future of HK
June 1979

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND
PREMIER HUA GUOFENG AT 10 DOWNING STREET ON 1 NOVEMBER 1979
AT 1600 HOURS

Present:

The Prime Minister
The Foreign and Commonwealth
Secretary
The Secretary of State for
Industry
The Secretary of State for Defence
The Secretary of State for Trade
Mr. Peter Blaker, MP
Sir Robert Armstrong
Sir Michael Palliser
Mr. Percy Cradock
Mr. Hugh Cortazzi
Mr. Michael Alexander
Mr. Christopher Roberts
Mr. Richard Samuel
Mr. Richard Fursland
Mr. James Richards

Premier Hua Guofeng
Vice-Premier Yu Qiuli
Foreign Minister Huang Hua
Ambassador Ke Hua
Vice-Minister Zhang Wenjin
Vice-Minister Gan Ziyu
Vice-Minister Cui Qun
Mr. Pu Shouchang
Mr. Wei Yongqing
Mr. Qian Qichen
Mr. Wang Benzuo
Interpreter
Notetaker

* * * * *

The Prime Minister welcomed Premier Hua to their second session of talks, and expressed the hope that he had enjoyed his programme the previous day in Derby. Their present session of talks would cover bilateral issues. The Prime Minister was keen to do everything possible to ensure that Premier Hua should get everything he could out of his visit to Britain.

Hong Kong

On Hong Kong, the British Government wished to work as closely as possible with the Chinese Government. She was pleased our relations over Hong Kong were now so good. There were two particular points she wanted to raise.

The first, which was of immediate concern, was the very high rate of immigration across the border. About 250,000 immigrants from China had entered Hong Kong in the past 18 months and the

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/ rate had at

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rate had at one point reached 1,000 a day. The British Government had increased the Hong Kong garrison to deal with the situation. She would also be grateful for maximum cooperation on the Chinese side of the border. There had been some improvement in the situation earlier in the year, following reinforcement of the forces on the Chinese side. But the British Government were not sure if this had been maintained. The situation had suddenly got worse. The British Government did not understand the reasons for this.

Premier Hua first expressed his thanks for the excellent arrangements made by the Prime Minister for his visit to Derby. He had spent a very pleasant time there. Vice-Premier Yu had visited Manchester. In both places, the Chinese delegation had had very good talks on ways of expanding Sino-British economic cooperation. The Chinese Government were very pleased with the development of their bilateral relations with Britain and attached great importance to their further improvement.

The Prime Minister had raised some particular questions with regard to Hong Kong. Premier Hua had just received news from Peking about the increased rate of immigration over the past few days. There had been some speculation that he might sign some agreement on the subject during his visit to Britain. Perhaps some people had been afraid that it might not be possible thereafter to leave China for Hong Kong.

The problem of immigration had come up when the Governor of Hong Kong visited Peking earlier in the year. In the first half of the year the rate had risen. The State Council had then ordered the Guangdong Authorities to take effective measures against this, and the rate had dropped. But it had risen again in the last few days. Premier Hua wished to assure the Prime Minister that the Chinese Government had taken note of this, and would take measures to deal with it.

The Prime Minister thanked Premier Hua for this assurance. Too much movement across the border would cause difficulties for both sides. The British Government would do what they could, and knew that the Chinese would do the same.

CONFIDENTIAL / Premier Hua said

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Premier Hua said that he wished the Prime Minister to know that the Chinese Government had decided to treat Guangdong Province in a special way, to allow its economy to develop quicker. Several counties bordering on Hong Kong had been designated special areas, in the hope that this would cause production and incomes to increase and the differentials with Hong Kong to narrow. Two counties, Baoan and Zhuhai, had already been designated, and Chaozhou would follow. These counties would have powers to develop their own foreign trade.

The Secretary of State for Foreign and Commonwealth Affairs said that when he had seen the Governor of Hong Kong in London, and in Hong Kong, the Governor had been full of gratitude for the reception he had received on his visit to China, and the extent of Chinese economic collaboration with Hong Kong. Lord Carrington had seen for himself some of the problems caused by the illegal immigrants in Hong Kong. The numbers were very large by Hong Kong standards, if not by the standards of China, especially when added to the nearly 70,000 boat people in Hong Kong. Only the Chinese in Hong Kong could have coped as well as they had.

Sino-British Trade

The Prime Minister asked what assistance the British Government could give the Chinese Government in the commercial field. The British Government were ready to supply China with a wide range of defence equipment, including Harrier. At Prime Minister's Questions in the House of Commons, she had just been accused of causing trouble between China and the Soviet Union. When she had responded by affirming her readiness to supply Harriers to China, to further the expansion of Sino-British commercial relations, great cheers had gone up. Pravda had apparently yesterday warned her against this. She understood that a Chinese delegation would shortly be visiting Britain. In this field the Chinese Government would be given every facility and help possible. She wished Premier Hua to know that this policy came from the top.

/ Premier Hua

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Premier Hua said that he wished to thank the British Government, and the Prime Minister. He thought that the Prime Minister was taking a far sighted political view of the problem. If the Chinese Government achieved modernisation of their national defence, they would be in a better position to serve as a restraint on the Soviet Union. They were ready to take on this burden.

Premier Hua wished to inform the Prime Minister of two points which he had made to the French and German Governments. Firstly, he had said that a friend had told him that Mr. Brezhnev had threatened to exert pressure to stop the supply of arms to China. But the country which sold the most weapons internationally was of course the Soviet Union. His second point had been about the distinction between offensive and defensive weapons. As he had told President Giscard, long range missiles must be considered offensive; but French missiles had to be considered defensive, because it was inconceivable that France would use them to attack anyone. Rifles, as short range weapons, must be considered defensive; but it was rifles that the Vietnamese were using. Premier Hua had told President Giscard that the range of a weapon should not be the sole criterion of whether it was offensive or defensive. ^{The only criterion was the country which possessed them.} No-one believed that Britain had nuclear weapons in order to mount an attack on the Soviet Union. The Prime Minister commented that British missiles were for a second strike, as a deterrent. Premier Hua observed that they were for defence against blackmail. The Chinese Government were in favour of the Japanese having the means to defend themselves.

The Secretary of State for Defence expressed pleasure that the first two contracts for British defence sales to China had just been signed. The British defence industry was ready to discuss other sales, and some negotiations were already in hand. Premier Hua noted that a British friend had told him that Britain had advanced technology in this field, and that its munitions industry could produce more advanced equipment than Britain needed. Britain could go into joint production with China, whose needs were greater. The Chinese Government took a positive attitude towards production of weapons with Britain.

CONFIDENTIAL / There were no

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There were no inhibitions on China's part about importing advanced weapons. They were not afraid of Soviet comment. But they had of course to take into account the position of certain countries. One way out would be to have cooperation in civil industries, which would serve as a cover for cooperation in the military field.

Premier Hua's delegation had had very good discussions with Rolls Royce, after their visit to the Rolls Royce plant on the previous day. Collaboration would not be limited to the Spey engine, but would continue in other fields such as marine turbines. This was why, in his remarks at dinner at Rolls Royce, he had used a metaphor about the progress of Sino-British relations being like a steamship with modern engines. Sir Kenneth Keith had said that Rolls Royce were maintaining contacts with the Third and Sixth Machine Building Ministries. Premier Hua had seen Rolls Royce's tank engine. Rolls Royce were aware of what the Chinese could do in their Xian plant, and Sir Kenneth Keith had suggested that some parts of engines could be manufactured in Xian, and others in Britain. This would help China to pay for her imports. China had purchased 3 Boeing 747s. It was now too late for these to be fitted with Rolls Royce engines, but in her future purchases of wide-bodied planes, China could cooperate with Rolls Royce by using RB 211s partly produced in China.

The Prime Minister said that she was concerned that the Chinese Government should receive all cooperation possible on the development of commercial relations, including those with Rolls Royce, and for example in coal mining, and power generation. She knew that the Chinese Government would want to make their decisions after the delegation got back to Peking. She had therefore arranged to have her Secretaries of State for Defence, Trade and Industry, as well as her Secretary of State for Foreign and Commonwealth Affairs, present at this meeting.

Premier Hua said that he had had commercial discussions with the West Germans and the French, and had told them that China now had total offers of 20 to 30 billion dollars of credit. Some friends of China wanted her to use these funds as quickly as possible, but it was necessary to be prudent, and to consider China's ability to

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/ pay for what

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pay for what she bought, and means of increasing her ability to pay. In some fields this was not a matter for concern. For example, Britain had had great success in opening up the North Sea oil fields and, as he had told the Chancellor of the Exchequer earlier that day, this had helped Britain to save very large sums of money. West Germany and France were not in a comparable position. But he wished to suggest that the British Government should undertake exploitation of their oil reserves in a planned way, to ensure that some reserves remained. Some US oil fields had been plundered, since, after their discovery, a number of companies had rushed in to get rich quick. He was raising this point because he knew from earlier remarks by the Prime Minister that she had noted the Soviet Union's attempts to outflank Western Europe through its soft under-belly. Britain therefore needed to hold on to some oil reserves.

Premier Hua said that he had diverted the conversation to this topic because he wished to express interest in Britain's oil industry. But the principal point he wished to make was about operations in the Yellow Sea by BP. He had seen data about a section some 5,000 meters square, which BP considered promising, although they had not yet undertaken analysis. Of course, they would need luck. (The Prime Minister interjected that skill was needed as well.) Premier Hua thought BP would be lucky. Oil had already been struck in the Bohai Gulf. American companies were very keen to explore some areas, like the mouth of the Pearl River. The Chinese Sea was called 'Pacific' and was not so stormy or deep as the North Sea, and should therefore be easier to exploit. The Chinese Government were optimistic about the potential. They had reached agreement with the French on cooperation on Chinese continental fields. Cooperation with Britain in the future on this was a possibility. There would be no question about China's ability to repay, since the oil produced would simply be divided according to contract. The same went for coal, of which China had abundant reserves. The long term estimate of the coal reserves in Premier Hua's home province of Shani was 500,000 million tonnes. This would allow for 500 million tonnes a year to be mined for a thousand years.

The Prime Minister commented that a lot of machinery would be needed. Premier Hua said that the current problem was lack of

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/ rail transport.

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rail transport. Five railways ran into the province, but this was still not enough to get all the coal out. The Japanese wanted to cooperate on an integrated basis, involving mining, and the development of China's railways and deep sea ports. Deep sea ports were needed to ship coal to Western Europe, in 50,000 tonne, or even better 100,000 tonne vessels. The French had said they would also cooperate in selling Chinese coal elsewhere. There were also abundant coal reserves in Shandong province.

Air Services Agreement

The Prime Minister intervened to suggest that, before continuing on this subject, she wished to invite her Secretary of State for Trade to speak about the Air Services Agreement. Mr. Nott said that he understood that the Chinese Government might be prepared to sign this Agreement. He wished first to give them two firm assurances:- firstly, that Gatwick, now London's most modern airport, would continue to be developed as such, and to grow; and secondly, that if Heathrow were opened up to new airlines, the British Government would do their best to get CAAC in. However, Gatwick was the better airport, and most people preferred to use it. If the Agreement was signed, the British Government hoped that services would be able to start not later than April 1980.

Vice-Minister of Foreign Affairs Zhang Wenjin said that CAAC hoped that, if Heathrow was opened to new airlines, CAAC would be the first on the list. The Secretary of State for Trade replied that the British Government would look at this as favourably as possible. Premier Hua noted that the Agreement had already been initialled, and his Vice-Minister of Foreign Affairs had been in contact with the British Ambassador. The Prime Minister said that the Agreement would be signed at the end of the meeting. (In informal conversation after the meeting, and before signature, the Secretary of State for Trade and Vice-Minister of Foreign Affairs agreed that the Agreement would be signed on the understanding that, if Heathrow was opened to new airlines, CAAC would be given priority; but that this would not be a formal condition of signature, and that the British Government could not commit themselves to putting China top of the list.)

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/Sino-British Trade (continued)

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Sino-British Trade (continued)

At the Prime Minister's invitation, the Secretary of State for Industry resumed the discussion of industrial cooperation. On the previous day, Premier Hua had seen the British Rail Centre, and the Chinese Minister of Railways would be visiting Britain soon. The British Government hoped to cooperate with the Chinese in this field. Premier Hua said that, as he had made clear when he had been shown an advanced passenger train in Derby, China's principal transport requirement was for freight, particularly coal, which comprised a third of the freight carried. The Chinese Minister of Railways would be able to have detailed discussions during his visit. The Secretary of State for Industry observed that British Rail's technology enabled the best possible use to be made of already existing track, and therefore could speed up transport on China's present railway system.

Sir Keith Joseph went on to note that China had huge mineral wealth, eg in tin, lead, tungsten and cobalt. Proposals had been made by a number of British companies, particularly John Brown Constructors, which were so arranged that the Chinese would have to pay out nothing, as the interest would be deferred. The Secretary of State for Trade commented that the Chairman of John Brown Constructors had been one of the businessmen who had accompanied him on his call on Premier Hua on Tuesday. The Secretary of State for Industry noted that there was a lot of tin in Yunnan, lead and zinc in Qinghai and Gansu, tungsten in Hunan, cobalt in Hainan Island and copper in Jiangxi. Premier Hua said that the Chinese Government would look at these proposals. A joint venture with the British at Yangzhou in Shandong, were work by the Chinese side was already half-way to completion, could be considered.

Hong Kong

The Prime Minister then invited the Secretary of State for Foreign and Commonwealth Affairs to make a further point about Hong Kong. Lord Carrington said that Premier Hua would remember, or (if he did not), Minister of Foreign Affairs Huang Hua would remember, that when the Governor of Hong Kong had visited China, he had raised the question of the New Territories leases. The

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/ problem was that,

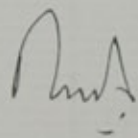
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problem was that, as 1997 approached, uncertainty about new leases grew. The Governor had later made some proposals which the Chinese Government had found unacceptable. The British Government would not pursue these, since any proposals had to be acceptable to both sides. But he would be grateful if Premier Hua could give thought, or cause thought to be given, to the problem of maintaining confidence in Hong Kong's future. It was not in the interests of China, or of Hong Kong, that uncertainties about this should put the future of Hong Kong into jeopardy, and affect investment confidence there. The Prime Minister said that the British Government did not expect an answer on the spot, but were asking the Chinese Government to give thought to the question.

Premier Hua replied that the Chinese Government had given serious thought to this question, and had given their reply to the British Government. They had to be very careful about what was said about Chinese territory. On the other hand, the Chinese Government had very good relations with the British Government, and with the British authorities in Hong Kong. At his press conference before his departure from China for Western Europe, he had answered questions on Hong Kong, and, so far as he was aware, the reaction had been favourable. It had been noted that the Chinese Government would keep in touch with the British Government and would take account of the anxieties of investors even after the problem had been resolved.

The talks concluded at 1710. In the presence of the Prime Minister and Premier Hua, the Cultural Agreement was then signed by the Secretary of State for Foreign and Commonwealth Affairs and the Chinese Minister of Foreign Affairs; and the Air Services Agreement by the Secretary of State for Trade and Vice-Premier Yu Qiuli.



5 November 1979

CONFIDENTIAL



PS/Secretary of State for Industry

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

1 November 1979

Michael Alexander Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW 1

For Mr. [Signature]

Dear Michael,

VISIT OF PREMIER HUA

... To help focus discussion at this afternoon's meeting with Premier Hua, we thought it would be useful to list the main points in the industrial areas on which we should like to have some acknowledgement from the Premier that they are areas which the Chinese view as particularly suitable for our industry. In view of the defence and other implications of further sales of the Rolls Royce Spey engine we are also enclosing a further background note. The attached notes therefore summarise the main topics, and have been agreed with the Department of Trade but we are leaving the Secretary of State for Defence to suggest priority topics in his area.

I am copying this letter to the Private Secretaries to the Secretaries of State for Foreign & Commonwealth Affairs, Defence and Trade.

*Yours sincerely,
Pete*

PETER STREDDER
Private Secretary

*From the Secretary of State**f.a. Rms*

M O'B Alexander Esq
Private Secretary
10 Downing Street
London SW1

31 October 1979

Dear Michael

VISIT OF PREMIER HUA: TRADE TALKS, TUESDAY 30 OCTOBER

The Prime Minister may like to see a short report on two meetings dealing with UK/China trade with Premier Hua and his colleagues.

The first meeting was between Premier Hua and a group of 10 senior British businessmen led by Mr Nott. The time was short and the businessmen had been strictly enjoined not to exceed their allotment of time. Unfortunately the timing was upset by Premier Hua arriving late, then making a statement himself and questioning some of the businessmen on their presentations. Nevertheless all the businessmen were able to make their main points.

Premier Hua showed himself alert, interested and quick to follow up particular points. His own statement was couched in fairly general terms and, while encouraging about the possibilities of expanding Sino-British trade, emphasised the need for the Chinese to be certain that they could pay for the technology they bought from abroad. He emphasised the importance of co-operation in developing economic relations, by which he meant such devices as joint production and compensation trade.

The second meeting was between Sir Keith Joseph (who had to leave early for a meeting of E Committee), Mr Nott and Yu Qiuli, Vice Premier of the State Council and head of the State Planning Commission. At this meeting Sir Keith and Mr Nott raised a considerable number of specific trade and industrial issues; in particular they asked when commercial negotiations were likely to be resumed or when further discussions in certain fields would take place. Yu Qiuli declined to reply to each point as it was made and at the conclusion of the presentation by Ministers contented himself with a very general statement. He outlined the economic priorities of the present government, and the emphasis on agriculture; the Chinese needed



From the Secretary of State

to modernise industry while continuing production rather than starting again, and in this process the Vice Premier felt that British companies had a good deal of experience to offer. He accepted that China would need to buy know-how but said that they could not afford to pay large fees. This appeared to be a reference both to the contribution which British consultants could make, on which both Ministers had commented, and to the costs of sending Chinese students to the UK. His message seemed to be that, in order to create goodwill, we should be prepared to provide these services free. He referred to China's natural resources in the minerals and metals field and said that there could be joint ventures in their extraction. The specific points raised by the two Ministers could, he said, be discussed further with the Vice Ministers of the State Planning Commission and Foreign Trade, who were present at the meeting, and we are following this suggestion up.

Mr Nott did not consider that this meeting had been very fruitful, but we hope to learn more from discussions with the Vice Ministers.

I am writing separately about the discussions on the Air Services Agreement, and the use by the Chinese airline of Gatwick.

I am sending copies of this letter to Paul Lever (FCO), Ian Ellison (Industry), Bill Burroughs (Energy) and Martin Vile (Cabinet Office).

Yours sincerely.

Stuart Hampson

S HAMPSON
Private Secretary

CONFIDENTIAL

China
Original filed on
Germany June 79
in's meetings with Chancellor
Schmidt in Germany.

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE
FEDERAL CHANCELLOR IN THE FEDERAL CHANCELLERY, BONN, AT
1115 ON WEDNESDAY 31 OCTOBER 1979

Present:

Prime Minister
Mr. C. A. Whitmore

Chancellor Schmidt
Dr. Jurgen Ruhfus

* * * * *

Premier Hua's Visit to Western Europe

The Prime Minister said that Premier Hua, who was now in the middle of his visit to the United Kingdom, had told her how pleased he had been with his talks with the Chancellor in Bonn. She had herself discussed the international scene with him on Monday and Tuesday and was due to discuss bilateral issues with him the following day. She had first met Premier Hua in Peking three years ago and had been struck then by how very much he was in command. His present visit had served to confirm that impression. Until his present visit to Western Europe he had not previously been to a Western country. Yet he was handling the visit with remarkable self-confidence and ease of manner. He had given her a detailed account of his view of the position in a very wide range of countries: he seemed to have considerable knowledge of what was happening even in relatively obscure states. In talking about the inevitability of war with the Soviet Union, he had tempered slightly the view which he had taken three years earlier when he had told the Prime Minister that he thought that she was too soft on this. But the weakness of his present argument was his assumption that if the Soviet Union attacked China, NATO would attack the Soviet Union.

/ It was not clear

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It was not clear why he made this assumption since it was clear that China would not automatically come to the help of the West if the Soviet Union attacked us. She had told him that, in her view, the Soviet Union, faced with NATO firm in the West and with China in the East, were probing the soft underbelly which ran through Afghanistan, Iran and other Middle Eastern countries into the African continent.

Chancellor Schmidt said that he agreed with the Prime Minister's assessment of Premier Hua's qualities. He had found him clever and wise, with the outlook of a much bigger man than he had expected. He had been deeply impressed by Premier Hua. China had come a very long way since the death of Mao. It had been noticeable that Premier Hua had not mentioned Mao's name once in his speeches in the Federal Republic. He had given his German hosts an assured and detailed assessment of Sino/Soviet relations, which he had said was not his personal analysis alone, but the joint appreciation of the Chinese leadership as a whole. It was the Chinese view that there would not be a war with the Soviet Union in the 1980s. They were confident in their judgement that the Soviet Union would never dare to initiate a war on two fronts. Premier Hua had said that China could separate Eastern Siberia from the rest of Russia by cutting their railways. The Soviet Union knew that they could not destroy all of China's missile forces and so the prospect of a retaliatory strike against Soviet cities deterred them from attacking China. In making this fresh appraisal of the strategic relationship between China and the Soviet Union the Chinese were in effect abandoning their own propaganda. Premier Hua had also told him that the Chinese had thoroughly analysed the Soviet strategic position before they undertook what they had termed the self-defence operation in Vietnam. They had been confident that the Soviet Union would not intervene in response to China's involvement, and their assessment had been proved right in the event.

*Sino Soviet
Relations*

CONFIDENTIAL / THE Prime Minister

CONFIDENTIAL

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The Prime Minister said that she had found Premier Hua rather uncertain about the present situation in South East Asia. She had told him that the United Kingdom regarded Pol Pot as a cruel and barbarous dictator. She had not, however, mentioned to Premier Hua that the United Kingdom would have to reconsider before very long whether we should continue to recognise Pol Pot. His regime was no longer in control of the whole of Kampuchea, and there might be a case for recognising neither him nor the regime of Heng Samrin for the time being. Chancellor Schmidt added that in deciding what to do about recognition, it would be important to take account of the views of the ASEAN countries.

Kampuchea

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10 DOWNING STREET

From the Private Secretary

31 October 1979

I enclose a copy of the record of the plenary meeting with Premier Hua's delegation which took place here on 29 October.

I am sending copies of this letter with enclosure to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), Ian Ellison (Department of Industry) and Martin Vile (Cabinet Office).

M. A. PATTISON

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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RESTRICTED

SECRETARY OF STATE FOR TRADE OFFICE MINUTE NO: 1714/77

NOTE OF A MEETING WITH THE VICE PREMIER OF THE PEOPLE'S REPUBLIC OF CHINA AT CLARIDGE'S ON TUESDAY 30 OCTOBER 1979

Present: Secretary of State for Industry
Secretary of State for Trade
and officials listed at Annex A

Vice Premier Yu Qiuli
and delegation listed at Annex B

Sir Keith Joseph began by expressing his regret that a meeting with the Prime Minister, to which he was committed, would allow him only 15 minutes at the meeting. He hoped that the Vice Premier would not consider his early departure rude and the meeting would be continued by the Secretary of State for Trade. He went on to say that he welcomed the progress in trade between the UK and China and the move of such a great country towards modernisation. The Economic Co-operation Agreement which had been signed last year defined the scale of trade towards which we were aiming. He entirely understood the timescale which the Chinese were setting and the nature of their modernisation programme, but he would be pleased to hear when decisions would be taken. Companies engaged in trade with China were having to pay large staffs and would like to know how long it would be before negotiations would resume. The Vice Premier said that he would rather comment on all the points raised later in the meeting.

2. Sir Keith Joseph then went on to make the following detailed points:

- i) he noted the mission which was in China to discuss the development of coal mines in the Datong area and he hoped that agreement would be reached on a UK group developing the mines. The UK had great experience in coal mining, and our equipment was already being widely used in Chinese mines. The UK was willing to undertake the development of coal mines with a full transfer of technology and perhaps under joint ventures;
- ii) GEC and NEI had put in bids for two coal fired power stations. It was proving expensive for them to continue technical discussions, and it would be helpful to know when negotiations were to begin;
- iii) he was aware of talks with the Guangdong provincial authorities about the purchase of a nuclear power station, and he was anxious to discover whether Guangdong had the authority to negotiate on this point. The UK was very proud of its nuclear energy technology. Its safety record was second to none, and he had hoped that Premier Hua would be able to visit a UK power station. He understood that the cost of the power station might be helped by offsetting electricity sales to Hong Kong;
- iv) UK companies had made proposals for mineral developments and he wondered whether it was likely that decisions on these proposals would be made soon;

- v) we were looking forward to the visit by the Minister for Railways in November. This was an area in which he felt the UK could be of great assistance to China;
- vi) he recognised that steel was no longer the sector to which very high priority was being attached since the Chinese Government's re-appraisal. BSC were, however, hoping to be involved with modernisation work, and he hoped the Vice Premier might be able to give an indication of the timing of further negotiations;
- vii) he welcomed the BP involvement in exploratory oil work in the Southern Yellow Sea and he hoped that they might be given production rights. He asked whether China had plans for off-shore oil developments;
- viii) he was particularly keen that China should be aware of British skills in the field of telecommunications. System X might be particularly appropriate for China and the companies concerned would welcome an opportunity to make a presentation.

The Secretary of State for Industry had to leave at this point.

3. The Secretary of State for Trade said that he did not wish to duplicate the meeting which had taken place earlier in the day with Premier Hua, but there were a number of particular points, some of which had been mentioned by the businessmen, to which he would like to draw the Vice Premier's attention:

- 1) the UK was a major maritime nation and we were proud of our shipping industry which was still the largest and most successful in the world. He himself had seen the port facilities at Shanghai and he felt that the two countries had a considerable amount to offer each other. He hoped that they would be able to come closer through the conclusion of a maritime agreement. He went on to say that in August British ship-owners had proposed to send a mission to China to discuss the development of commercial contacts, and we would welcome a positive response to the proposal for talks;
- 2) in the meeting earlier in the day, the Chinese had heard of the experience of British consultants. The UK had unrivalled operating and manufacturing experience in aviation and airport equipment, and he wondered whether we could be particularly helpful in this field. Apart from the private companies, public sector bodies such as the BAA and CAA could give advice in this field;
- 3) in the area of port development, British consultants could again be of assistance, and he suggested that a delegation from the National Ports Council might go to China to discuss co-operation;
- 4) he endorsed Sir Keith Joseph's remarks on the possibility of assistance in the telecommunications industry;

- 5) in the area of other exports, he wished to emphasise the opportunities in relation to agriculture - in which he was particularly interested as a keen farmer. Although the UK was an urban society, we were considered to have the most efficient agriculture in Europe. The British Agricultural Export Council had sent two teams to China in September and he hoped that this would lead to further co-operation;
 - 6) on defence sales, he confirmed that Great Britain was ready to supply certain types of defence equipment as part of a wider trading relationship. He welcomed the wide-ranging discussions which had taken place between British industry and China, but there had so far been very few concrete results. He was looking forward to orders for the Harrier and other items soon. Terms and price for each item were a matter for negotiation with the companies, but if the Government could do anything to help, he would be pleased to be kept informed;
 - 7) on important areas such as oil exploration, he noted that the Vice Premier would be making a visit to BP;
 - 8) he recognised that trade was a two-way process and compensation trade and counter trade were accepted as necessary in the circumstances of Chinese development. The importance of London as the leading centre for commodity trade in the western world should enable the sale of Chinese products to be pursued.
4. Mr Nott then raised two matters relating to civil aviation which were of importance to the UK. Firstly, he regretted the closing of the Amber One air route which was the principle air route between Hong Kong and Bangkok. He noted that there had been no response to the representations from the ICAO President. He hoped that the danger zone would be modified as soon as possible so that this route could be re-opened. The second point concerned the Air Services Agreement which he was delighted to know had been concluded as a result of several years of hard work on both sides. He would like to see the Agreement implemented and hoped that signature could take place following the second plenary session between the Prime Minister and Premier Hua on Thursday.
5. Vice Premier Yu noted that this was the first time that he had met both Sir Keith Joseph and Mr Nott, and he had been interested in the presentations they had made on co-operation in the economic and trade field. China was satisfied with the proposals for further co-operation. Many questions had been raised by the two Ministers, however, which were not of a general nature and would have to await later answers.
6. Vice Premier Yu then went on to describe the priorities of the present Chinese Government. It had been decided that the focus of future work should be the creation of economic wealth. All energy and efforts would be concentrated on a modernisation programme which would be aimed at achieving objectives by the end of the century. He

accepted that by then some Chinese industries would be the front-runners in the world, while others would be close to advanced levels. Generally speaking the UK already had many advanced industries and China was anxious to compare notes. He had noted the concern expressed by Sir Keith Joseph about when negotiations on a number of issues would be resumed. The re-adjustment of the national economy would have to be carried out in a steady way, and he drew attention to four particular factors which had to be taken into consideration:

- i) China had a population of 900 million people;
- ii) there were 350,000 industries of varying sizes (not including transport, commerce, communications, design and research);
- iii) over the last two decades tens of millions of people had been trained in science and technology;
- iv) China was very rich in natural resources.

The Government would formulate its policies in the light of these considerations.

7. Vice Premier Yu then drew some conclusions from his remarks. Firstly, it was impossible to do away with large numbers of existing enterprises and start anew. China had learnt some hard lessons in the past and could not afford to make similar mistakes in the future. He noted that British companies had largely managed to modernise themselves whilst continuing production, and he thought that this provided a basis for shared experience and co-operation. Secondly, it was fundamental that China had to be able to feed its people. In the last few years they had enjoyed bumper harvests but unless resources were devoted to agriculture, the country would be beaten by its own population. The UK needed to import 40% of its agricultural produce, but China could not even contemplate importing 10% of its needs. No market in the world was as large, and no foreign country could supply it from long distances. Without a firm foundation of agriculture, it would be difficult to build a sound industrial economy. The speed of industrial development would therefore depend on the amount of food which could be provided; if economic re-adjustment was not linked with agricultural development China would be in a state of constant uneasiness. Vice Premier Yu said that he could not hope to achieve the British level of diet, and indeed the Chinese people ate more rice and vegetables, and their stomachs were not adjusted to other food; at one time a great deal of pork was eaten in China but now it was not popular. The investment in agriculture would involve mechanisation. It would also need experience in water control (both irrigation and drainage). There was scope for co-operation in relation to farming equipment, insecticides, weed control, animal husbandry and poultry. In order to assist the development of agriculture, the Government had raised the purchasing price of farm products and had also reduced the price of products which were directly serving agriculture.

8. Vice Premier Yu said that China still had a gap in its textile industry and they were hoping to import some of the technology to develop this kind of light industry. There would also be room for imports in food-stuff manufacture. They would want to buy single equipment, which might not be a large amount for a company but which would add up to a considerable amount over a period.

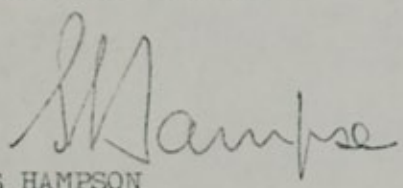
9. The other essential for economic development was power. There was a world-wide fuel problem and China would learn from the experience of others, but electricity was needed to run industries. The problems of coal extraction would have to be solved but China would also look to hydro-electric power.

10. Vice Premier Yu said that China would need to buy know-how in order to renovate its industry. They needed to send people to the UK to gain experience but, speaking frankly, they could not afford to pay large fees. He accepted, however, that the skills which would be learnt would save foreign currency in the long term. The Vice Premier also stressed the importance of joint ventures. The natural resources of copper, aluminium, lead, tin, tungsten, titanium, molybdenum and nickel could be extracted through joint ventures and there was scope even for co-operation in existing enterprises. China had workshops, electricity, manpower and transport; all that was needed was up-to-date equipment.

11. Mr Nott said that he had been most interested to hear the survey of China's economic development given by the Vice Premier. Sir Keith Joseph and he would convey the detailed points which had been raised in writing to him. He wished, however, to raise one final point which he felt it important that the Vice Premier should hear from himself. As he had already remarked, he hoped that air services between China and the UK could begin immediately, but he was unable to change all the Government's stated policies about airports; it was the Government's firm rule that no new services were allowed to use Heathrow, and he regretted that this must apply to China as well as to every other country in the world. He was pleased to hear that one of the Chinese delegation (Mr Zhang) had visited Gatwick the previous day, and he would like Mr Roberts to have further discussions with him. The Vice Premier said that the ASA had been initialled, and he hoped that the UK could consider opening the use of Heathrow. He added in conclusion that he would welcome a delegation of ship-owners to Peking, and he would consider the point the Secretary of State for Trade had raised on aviation route Amber One.

12. Mr Nott handed to Vice Premier Yu an aide memoire on shipping relations.

13. Finally, the Vice Premier said that he would welcome a visit to China by the Secretary of State for Industry or the Secretary of State for Trade.


S HAMPSON
PS/SOS/TRADE
Rm 805 V/S
30 October 1979

cc Mr Alexander No 10 ✓
PS/Secretary of State/FCO
PS/Secretary of State/Industry
PS/Secretary of State/Energy
PS/All Ministers (DoT)
PS/Secretary
Mr Knighton
Mr Gray
Mr Steele
Mr Roberts
Mr Browning
Mr Allen
Mr Garrod
Mr Wilks
Mr Royce



ANNEX A

OFFICIALS ATTENDING THE MEETING BETWEEN THE SECRETARIES
OF STATE FOR INDUSTRY AND TRADE AND VICE PREMIER YU QIULI

HE Mr Cradock

HM Ambassador, Peking

Mr Dearing }
Mr Loughhead }

Department of Industry

Mr Browning }
Mr Roberts }
Mr Allen }
Mr Royce }

Department of Trade



ANNEX B

MR J NOTT AND SIR KEITH JOSEPH'S MEETING WITH
VICE-PREMIER YU QIULI AT 1030 ON TUESDAY 30 OCTOBER

His Excellency Mr Yu Qiuli
Vice-Premier of the State Council

Mr Gan Ziyu
Vice-Minister of the State Planning Commission

Mr Cui Qun
Vice-Minister of Foreign Trade

Mr Wang Benzuo
Deputy Director of the West European Department,
Ministry of Foreign Affairs

Mr Liu Jinsheng
Commercial Counsellor and interpreter

Mr Hu Chuanzhong
Interpreter, Deputy Division Chief, West European
Department, Ministry of Foreign Affairs

Mr Sun Zhenyu
Interpreter

13 OCT 1978

NOTE OF THE SECRETARY OF STATE FOR TRADE'S CALL ON PREMIER HUA AT CLARIDGE'S TUESDAY 30 OCTOBER 1979

The meeting was organised to allow a team of 10 British businessmen to make presentations to the Chinese Premier on the intentions and capabilities of their industries. Lists of the British participants accompanying the Secretary of State and of the Chinese delegation are at Annexes A and B respectively.

2. The Secretary of State began by saying it was a great honour and privilege to receive the visit of Premier Hua. The programme would allow him to see something of British industry, commerce and agriculture, but he hoped it would be helpful for 10 businessmen to describe to him their interest in China.

3. Premier Hua said that he was very satisfied with Sino-British relations in the political, cultural and economic fields. He was visiting Britain for the first time, as part of a Western European tour. China had consistently attached importance to developing relations with Western European countries. He wished to see a prosperous and strong Britain and a united and strong Europe. He understood it was also the wish of his British friends to see a prosperous and strong China. Both countries desired a peaceful international environment. He knew that the development of relations with China was not only in the interests of the British and Chinese people, but was also conducive to world peace. He very much appreciated the farsightedness of the British Government and in particular of the Prime Minister, and their approach to see things in a true light. China was not only looking to the 1980's and 1990's but also into the 21st Century. At the same time China was adjusting its economy. It was still poor and still a developing country. It provided a vast market with its population of 900 million. It was China's wish to buy as much advanced technology from British firms as early as possible. The Chinese meant what they said. If they undertook a debt they paid it. Therefore, although they wanted everything done quickly, they also had to take into account their ability to pay. Relations would develop in this down to earth way. There was wide scope for the expansion of Sino-British trade and he had no doubt that our market share would increase. He hoped that we could make joint efforts, finding various ways of developing economic relations and co-operation - joint production, compensation trade, processing the raw materials of other countries. When the Gang of Four had been in power they had shut the doors of China to other countries. After the smashing of their control, China adhered to freedom and self-reliance but they wished to learn from the experience and advanced technology of other countries.

4. Premier Hua referred to the recent laws on joint investment: further laws and regulations would have to be made to perfect what had now been laid down. But this did not prevent co-operation agreements in the meantime. Once contracts had been entered into they were deemed to be legal, and experience gained from contracts would influence the amendments to the laws.

5. Premier Hua said it gave him great pleasure to meet British businessmen, some of whom had been to China already; he understood one of the delegation had been nine times and another had visited China as early as 1953. His fellow Ministers were also looking forward to hearing the presentations of the industrialists.

6. The 10 businessmen then spoke in turn according to the notes which had been prepared and circulated in advance. The notes below record additional points which were made.

7. Lord Nelson handed over a memorandum on behalf of the Sino-British Trade Council, and Premier Hua said that he would read it when it was translated into Chinese. In reply to a question from Premier Hua, Lord Nelson said that the main power source in the United Kingdom was coal but there was also a considerable use of nuclear energy. The industry had experience of hydro-electric power but principally in other countries. His company also had experience of transmission of power over long distances and, in response to a further question from the Premier, he said that the maximum voltage was 750 Kv-but only 400 Kv in the UK.

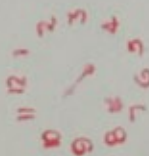
8. In opening his remarks, Mr Buckman said that, since he had first gone to China in 1953, he had learnt to approach matters with a view to mutual benefit and he had discussed the points which the Premier had raised, such as compensation trade and buy-back. Premier Hua asked whether his company was interested in rare earths, and Mr Buckman confirmed that there was already work taking place in this field.

9. In response to Mr Dell's presentation, Premier Hua recognised his experience of Chinese trade. The re-adjustment of the Chinese economy involved a slowing down of some industries such as iron and steel and speeding up agriculture, light industry, fuel and the car industry. On compensation trade China was not afraid that it would not be able to make repayments since the joint ventures on oil, coal and rare earth would produce sufficient exports to enable China to pay her way.

10. Mr Greenwood was able to begin his remarks by thanking the Premier for all the kindness which had been shown to him on his visits to China, and Premier Hua acknowledged that Britain was in the lead in the list of countries with whom China co-operated in the field of civil aviation. In relation to the anti-tank missile, Mr Greenwood responded to a question by Premier Hua by giving its range as two miles.

11. In introducing Mr Johnstone, the Secretary of State for Trade said that when he had visited China he had been extremely impressed by a visit to a Chinese communal farm near Canton. Mr Johnstone was able to pick up the Premier's remark about the new priority being given to agriculture.

31 OCT 1979



12. After Mr Mayhew-Sanders' presentation, Premier Hua asked for the capacity of the polyethylene plant which had been supplied. Mr Mayhew-Sanders said he believed it to be 20,000 tons but he would obtain further information. Premier Hua said that he understood the capacity was 200,000 tons.

13. Following Mr Ropner's presentation, the Premier asked whether British industry had the necessary equipment for off-shore oil exploration and Mr Ropner was able to confirm that this was available.

14. Following Mr Sloane's presentation, Premier Hua said that he recognised that in the main China's management experience was inadequate and it was necessary to learn from other countries. He hoped that there would be teams sent to China and particularly to the special Commission which was responsible for organising joint ventures. He commented that Japan was also sending teams to assist. He also remarked that China never forgot old friends and responded warmly to Mr Sloane's reference to the leap in the dark made in 1953. He felt that the concrete suggestions made by Mr Sloane were very welcome.

S. Hampson

S HAMPSON
PS/SOS/TRADE
Rm 805 V/S
30 October 1979

cc

Mr Alexander No 10
PS/Secretary of State/FCO
PS/Secretary of State/Industry

PS/All Ministers (DoT)
PS/Secretary
Mr Knighton
Mr Gray
Mr Steele

Mr Browning
Mr Allen
Mr Garrod



VISIT OF PREMIER HUA GUOFENG, PEOPLE'S REPUBLIC OF CHINA, TO GREAT BRITAIN:
MEETING WITH RT HON JOHN NOTT, SECRETARY OF STATE FOR TRADE AND BUSINESS
REPRESENTATIVES AT CLARIDGE'S, 30 OCTOBER 1979

Summary of presentations by business representatives:

- 1 Lord Nelson of Stafford : Chairman, GEC Ltd
President, Sino-British Trade Council
 - (a) The role of the Sino-British Trade Council in developing trade between Britain and the People's Republic of China.
 - (b) The British Electrical Industry:-
 - (i) Electric Power Equipment
 - (ii) Coal-fired Thermal Power Stations
 - (iii) Electronic Equipment
- 2 Mr B Buckman : Chairman, Wogen Buckton Group
Vice-President, Sino-British Trade Council.
Compensation Trade
- 3 Sir Alan Dalton : Deputy Chairman, English China Clays Ltd
Clay Mining and Refining Techniques
- 4 The Rt Hon Edmund Dell : Chairman, Guinness Peat Group
Compensation Trade
- 5 Mr A Greenwood : Deputy Chairman, British Aerospace
Aerospace
- 6 Mr W Johnstone : Chairman, British Agricultural
Export Council
 - (a) British Agriculture and Supplying Industries
 - (b) Sino-British Co-operation in Agriculture
 - (c) Future Co-operation in the Agricultural Field
- 7 Mr J R Mayhew-Sanders : Chairman, John Brown and Company Ltd
 - (a) Hydro-electric Power Generation
 - (b) Development of Non-Ferrous Metals.
- 8 Mr A C Paterson : Chairman, British Consultants Bureau
Consultancy



9 Mr W G D Ropner : President, General Council of
British Shipping.

The Role of British Shipping

10 Mr G Sloan : Chairman, 48 Group of Companies
Joint Ventures



ANNEX B

SECRETARY OF STATE'S CALL ON PREMIER HUA WITH BUSINESSMEN

AT 0900 HOURS, TUESDAY 30 OCTOBER

His Excellency, Mr Hua Guofeng, Premier of the State Council
of the People's Republic of China

His Excellency Mr Yu Qiuli,
Vice-Premier of the State Council

His Excellency Mr Ke Hua #
Chinese Ambassador to the United Kingdom

Mr Zhang Wenjin
Vice-Minister of Foreign Affairs

Mr Gan Ziyu
Vice-Minister of the State Planning Commission

Mr Cui Qun
Vice-Minister of Foreign Trade

Mr Liu Jinsheng
Commercial Counsellor and interpreter

Mr Hu Chuanzhong
Interpreter, Deputy Division Chief, West European
Department, Ministry of Foreign Affairs

Mr Sun Zhenyu
Interpreter

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LPO



10 DOWNING STREET

From the Private Secretary

30 October 1979

Dear George,

PREMIER HUA'S VISIT

As you know, the Prime Minister had a tête-a-tête discussion with Premier Hua here yesterday afternoon. I enclose a copy - 29/10/79 of the record. Although the discussion was of a relatively routine nature, I should be grateful if the record could be given a rather limited distribution.

Yours ever

Richard Alexander

G. G. H. Walden, Esq.,
Foreign and Commonwealth Office.

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Mr. Alexander

Hand

The following interpreters will be arriving
at 7.45 p.m. this evening

Mr. Chen Hui	(Premier Hua)
Mr. Hu Chuangzhong	(Mr. Yu Qiuli)
Miss Tsao	(Madame Chang Ming)
Mr. Yang Jiechi	(Mr. Yang Dezhong)
Mr. Richard Fursland	(Mr. Wang Shikun)
Mr. Anthony Cowan	(Mr. Ling Yun)
Mr. Richard Richards	(Prime Minister)
Mr. George Wong	(Mr. Gan Ziyu)

The following will be accompanying the party and will
probably wish to stay in the building:

Mr. Dong Fang	Division Chief of Security
Mr. Ye	Bodyguard
Mr. Tang Langbin	Division Chief of Protocol Department
Dr. Hu	Doctor
Mme Zhao Shijing	Nurse
Mr. Zou Benyou	Security
Private Secretary to	Premier Hua

REVISED

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY MR. HUA GUOFENG, PREMIER OF THE STATE COUNCIL OF THE PEOPLE'S REPUBLIC OF CHINA ON TUESDAY, 30 OCTOBER 1979 ON TUESDAY, 30 OCTOBER 1979 AT 8.00 PM FOR 8.15 PM BLACK TIE OR NATIONAL DRESS

The Prime Minister
and Mr. Denis Thatcher

His Excellency Hua Guofeng

His Excellency Mr. Yu Qiuli Vice Premier of the State Council

His Excellency Mr. Huang Hua Minister of Foreign Affairs

His Excellency the Chinese Ambassador
and Madame Chang Ming

Mr. Zhang Wenjin Vice Minister of Foreign Affairs

Mr. Gan Ziyu Vice Minister of the State Planning Commission

Mr. Ling Yun Vice Minister of Public Security

Mr. Cui Qun Vice Minister of Foreign Trade

Mr. Pu Shouchang Special Assistant

Mr. Wei Yongqing Director of the Protocol Department, MFA

Mr. Qian Qichen Director of the Information Department, MFA

Mr. Yang Dezhong Director of the Security Bureau, Ministry of Public Security

Mr. Wang Benzuo Deputy Director of West European Department, Ministry of Foreign Affairs

Mr. Tan Wenrui Adviser

Mr. Wang Shikun Adviser

Mr. Qian Jiadong Adviser

The Rt. Hon. Lord Home of the Hirsel
and The Lady Home of the Hirsel

Ministers

The Rt. Hon. William Whitelaw, MP
and Mrs. Whitelaw

The Rt. Hon. Lord Hailsham of St. Marylebone

The Rt. Hon. Lord Carrington
and Lady Carrington

The Rt. Hon. Sir Keith Joseph, MP

The Rt. Hon. Lord Soames

The Rt. Hon. John Nott, MP
and Mrs. Nott

Members of Parliament

The Rt. Hon. The Speaker

The Rt. Hon. James Callaghan, MP
and Mrs. Callaghan

The Rt. Hon. David Steel, MP

Sir Anthony Royle, MP

Mr. Robert Adley, MP

Business

The Rt. Hon. Gordon Richardson

Sir David Steel

Sir John Buckley

The Rt. Hon. Lord Barber

Sir Kenneth Keith

Sir Peter Matthews

Sir Arnold Weinstock

Mr. A.P. Bamford

Mr. Henry Keswick

Mr. George Hughes

Mr. Ambrose Congreve

Governor of the Bank of England

Chairman, British Petroleum

Chairman, Davy International Ltd.

Chairman, Standard Chartered Bank

Chairman, Rolls Royce

Managing Director, Vickers Ltd.

Chairman, GEC

Chairman and Managing Director,
J.C. Bamford Excavators Ltd.

Chairman, Matheson & Co. Ltd.

Hughes International

Humphreys & Glasgow Ltd.

Trades Unions

The Rt. Hon. Len Murray

Mr. Joseph Gormley

The Hon. R.C. Butler

Media

Mr. William Rees-Mogg

The Rt. Hon. William Deedes

Hong Kong

Sir Lawrence Kadoorie

Sir Yuet-Keung Kan

Sir Yue-Kong Pao

Academics

Professor C. Howe

Officials

Sir Michael Palliser

Sir Edward Youde

Mr. Percy Cradock

Mr. H.A.H. Cortazzi

10 Downing Street

Mr. Ian Gow, MP

Mr. Clive Whitmore

Mr. David Wolfson

Mr. Henry James

Mr. Michael Alexander

TUC

President, National Union of
Mineworkers

President, National Farmers' Union

Editor, The Times

Editor, Daily Telegraph

Oriental Society, University of London

Department of Economics and Politics,
School of Oriental and African Studies

former Ambassador, Peking

H.M. Ambassador, Peking

Deputy Under Secretary, FCO

* I
THE PRIME MINISTER

HE MR. HUA GUOFENG

HE Mr. Yu Qiuli * I

MR. DENIS THATCHER

Rt. Hon. William Whitelaw

HE MR. HUANG HUA

HE The Chinese Ambassador

Rt. Hon. Lord Carrington

Rt. Hon. Lord Hailsham of St. Marylebone

Mrs. Whitelaw

Rt. Hon. Lord Soames

Rt. Hon. Sir Keith Joseph

The Lady Carrington

Rt. Hon. The Speaker

Madame Chang Ming * I

I * Mr. Gan Ziyu

Mr. Zang Wenjin

The Lady Home

Rt. Hon. David Steel

Rt. Hon. John Nott

Rt. Hon. Lord Home

Mr. Ling Yun

Mrs. Nott

Mr. Cui Qun

Mrs. Callaghan

Rt. Hon. James Callaghan Mr. Wei Yongqing

Sir Lawrence Kadoorie

Mr. Pu Shouchang

Rt. Hon. Gordon
Richardson

Rt. Hon. Lord Barber

Sir Arnold Weinstock

Rt. Hon. Len Murray

Mr. Percy Cradock

Mr. Yang Dezhong * I

Mr. Joseph Gormley

Mr. Wang Benguo

Mr. Qian Qichen

Rt. Hon. William Deedes

Sir Yuet-Keung Kan

Sir Edward Youde

Sir David Steel

Sir Kenneth Keith

Mr. Tan Wenrui

Sir Peter Matthews

Sir Michael Palliser

Sir Yue-King Pao

Sir Anthony Royle

Mr. A.P. Bamford

Sir John Buckley

Mr. Wang Shikun * I

Professor C. Howe

Mr. Robert Adley

Mr. William Rees-Mogg

Mr. Qian Jiadong

Mr. H.A.H. Cortazzi

Mr. Ian Gow

Mr. Henry Keswick

Mr. Ambrose Congreve

Mr. David Wolfson

Mr. Henry James

Mr. Clive Whitmore

Mr. George Hughes

Mr. Michael Alexander



DINNER

In honour of
His Excellency Mr. Hua Guofeng,
Premier of the State Council of the
People's Republic of China

10 Downing Street
30th October, 1979

Hochheimer Königin Victoria Berg, 1975

Corton Bressandes, 1966

Louis Roederer, 1966

Taylor, 1966

Fine Cognac

Melon

Poached Salmon
Hollandaise Sauce

Roast Duckling
Mange-Tout
Buttered Carrots
Croquette Potatoes

Pineapple in Kirsch

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Foreign and Commonwealth Office

London SW1A 2AH

29 October 1979

Dear Michael,

Premier Hua's Visit: Additional Briefing

/ In advance of the Prime Minister's talks with Premier Hua this afternoon, I enclose short briefs on (a) the situation on South Korea following the assassination of President Park on Friday, 26 October; (b) the reports from Peking over the weekend about allegations that the Chief Reuter's Correspondent in Peking offered money to Chinese dissident Wei Jingsheng in exchange for military information; and (c) Hong Kong (in case this comes up tete a tete; Hong Kong is not to be discussed in plenary until the second round of talks on Thursday).

I am copying this letter to Martin Vile (Cabinet Office).

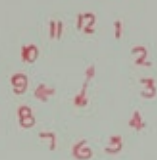
Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

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29 OCT 1979



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cf: Maiter
: KAMPUCHEA, Oct 79, situ
: VIETNAM, P. 3, Refugees.

RECORD OF DISCUSSION BETWEEN THE PRIME MINISTER AND
PREMIER HUA GUOFENG AT No. 10 DOWNING STREET ON 29 OCTOBER 1979
AT 1530 HOURS

Present:

The Prime Minister	Premier Hua Guofeng
The Foreign and Commonwealth Secretary	Vice Premier Yu Qiuli
Mr. Peter Blaker M.P.	Foreign Minister Huang Hua
Sir Robert Armstrong	H.E. Mr. Ke Hua
Sir Michael Palliser	Vice Minister Zhang Wenjin
Mr. Percy Cradock	Vice Minister Gan Ziyu
Mr. Hugh Cortazzi	Vice Minister Cui Qun
Mr. Michael Alexander	Mr. Pu Shouchang
Mr. Richard Samuel	Mr. Wei Yongqing
Mr. Hugh Davies	Mr. Wang Benzuo
Mr. James Richards	Interpreter

* * * * *

Following a tete-a-tete conversation between the Prime Minister and Premier Hua lasting 30 minutes, the Prime Minister opened the plenary session by formally welcoming Premier Hua. She much looked forward to their talks. They had agreed that international issues would be discussed during this first session and bilateral matters during the second session. Under international issues, the Prime Minister proposed that they should discuss East/West relations, problems relating to the Soviet Union, developments in Europe, the problem of oil shortages and the related Middle East issue, and particularly the problems in South East Asia which were causing great concern.

Premier Hua thanked the Prime Minister for her invitation to him to visit Britain. He was grateful to the British Government and Mrs. Thatcher for the ceremonial welcome that he had received. The arrangements made were all most satisfactory. He had told Mrs. Thatcher that a major purpose of his visit was to have serious discussions with the British leadership.

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/His meeting

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His meetings with President Giscard and Chancellor Schmidt and his forthcoming meeting with the Italian Prime Minister were all for the first time; but in Mrs. Thatcher's case he had already met her in Peking. In China she was very much respected as a leader, for her insight into the international situation. He would like now to exchange views with her and hear her views not only on the current international situation but also on how this might develop in the long run. In France he had had good talks with President Giscard and both sides had been pleased with the results; in Germany he had long discussions with Chancellor Schmidt and at the end both sides considered that a wide measure of agreement had been reached. The British papers had published what Chancellor Schmidt had said about Premier Hua on his departure; he had appraised the visit very highly. Premier Hua had formed a good personal relationship with both these leaders. Since Mrs. Thatcher was a good friend of both President Giscard and Chancellor Schmidt and would meet them from time to time in the future she would undoubtedly learn about what had passed in Premier Hua's discussions with them. When he had offered to brief Chancellor Schmidt about his talks in Paris, the latter had said that President Giscard had already told him of them on the telephone.

The Prime Minister said that French and German views of Europe and of the North Atlantic Alliance were virtually identical with British views. There was perhaps no need to go over this ground. The British Government was concerned that while the world had remained free of world wars for thirty years there were now many limited areas of tension, for instance South East Asia, Iran, the Horn of Africa, and Southern Africa particularly Rhodesia. It was difficult to know whether all these formed part of a grand design or whether they represented opportunism by the Soviet Union making trouble where it could.

/SOUTH EAST ASIA

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SOUTH EAST ASIA

The Prime Minister suggested that they take South East Asia to start the discussions. This was both because of the tragedy taking place there and because she had raised the subject with Premier Kosygin on her way to the Tokyo Summit. She had told him of how concerned we were about events in Vietnam. She had called on him to use his influence with the Vietnamese authorities to dissuade them from turning so many people out. Regrettably his reply had hardly been worth the time it took to deliver. He had claimed that all those leaving were drug addicts, criminals or spies. The Prime Minister had told him that this was impossible since over half a million refugees had left. Premier Hua said that those arriving in China alone numbered 260,000. The Prime Minister said that she had told Kosygin that those arriving in Hong Kong and in the UK were hard-working individuals. Their expulsion was deliberately designed to hurt the refugees themselves, to hurt those countries which received them and to cause instability in South East Asia. Premier Hua commented that quite apart from the huge numbers of refugees recorded there were innumerable who had been lost at sea. The Prime Minister said that she had got nowhere with Mr. Kosygin. Finally she had told him that Vietnamese policy was not a good advertisement for the Russian brand of Communism. She asked Premier Hua whether he agreed that Vietnamese policy was an attempt to destabilize the whole of South East Asia.

Premier Hua said that he agreed and thought highly of Mrs. Thatcher's analysis. He wished to say a few words, starting with South East Asia. Following the war Vietnam had needed a period of peace to heal its wounds. Had they set on that course they would have received widespread support from the whole world. Chinese aid to Vietnam would have been no problem and many other countries would have willingly helped Vietnam to recover from the wounds of war. But Le Duan and other Vietnamese leaders were determined to take the other course - building an Indochina Federation. So instead of reducing their army after the war, they expanded it. They now had an

/army of

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army of one million, which was disproportionate to the size of the country. But the Vietnamese had the backing of the Soviet Union in pursuing their aim of regional hegemony. It was part of what Mrs. Thatcher had rightly described as the grand design of the Soviet Union. It served Soviet purposes to help Vietnam with their expansionism. The Soviets would gain the use of Cam Ranh bay. This would push them forward from their Vladivostock base by 4,500 kms. From Indochina the Soviets could further threaten and endanger Thailand and Malaysia and win control of the Malacca Straits. Control of the Malacca Straits meant control of the sea lanes between the Pacific and Indian Ocean.

Premier Hua said that without Soviet backing the Vietnamese would not have dared to do what they had. They had signed a so-called Treaty of Peace and Friendship; in fact Article 6 made it a military pact. The Vietnamese had launched their invasion of Cambodia at the end of December 1978 and then they had whipped up a massive anti-China campaign. They had decided to drive out all ethnic Chinese and even some national minorities from Vietnam. They had carried on armed provocation to an increasing degree along the Sino-Vietnamese border. In the past this border had not been defended on the Chinese side. But the repeated Vietnamese incursions made it impossible for Chinese inhabitants to carry on their peaceful activities. Before the Chinese had undertaken their "counter-attack in self defence" they had suffered about 400 casualties.

SOVIET GLOBAL STRATEGY

Premier Hua said that in the West there was Cuba and in the East there was Vietnam. Both acted on behalf of the Soviet Union. In Afghanistan Mrs. Thatcher would be aware that the former President Daoud had been a good friend of the Soviet Union. All he had wanted was a little more independence and freedom to develop relationships with a wider selection of countries. But the Soviet Union had engineered a coup against him and thus got rid of him. This had increased the danger to Pakistan. In Iran opposition to the Pahlavi dynasty had begun as a religious movement. But the Russians had also taken

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a hand and had tried to influence events. In 1978 on his way back from Romania and Yugoslavia Premier Hua had been asked by the Shah to visit Iran because of Soviet meddling. He and the Shah had had tete-a-tete talks. The Shah had displayed considerable lack of confidence. He had been dissatisfied with the US. He was then already in a difficult situation yet the Americans had pressured him to carry out democratic reforms and had not allowed the Iranian army to reimpose order. The Americans had then asked him to leave the country and replace his Government by a civilian Government. Once the Shah had left, the army had lost its rallying point and events had got out of control. The Shah had told Premier Hua both about Soviet meddling and about US policies. It was the combination of these two that had caused the Shah to lose confidence. Present indications from Iran were that chaos would continue for some time.

Premier Hua said that in 1978 the Soviet Union and Cuba had caused a coup d'etat in South Yemen. The former South Yemeni President had also been on good terms with the Soviet Union. But he too had wanted a more omni-directional foreign policy in order to safeguard the sovereignty and territorial integrity of South Yemen. There were Cuban and Soviet troops based in South Yemen. Chinese information was that the Cuban troops had taken part in the attack on the Presidential Palace. Furthermore, within 24 hours the Soviets had got rid of the President in North Yemen too.

In Ethiopia the army was in fact controlled by Cubans and Russians. President Mengistu was not having an easy time with them, even though he abused the Chinese. A political opponent of Mengistu had been introduced into the Cuban Embassy from abroad although he had been subsequently removed. From South Yemen and Ethiopia the Russians could control the Red Sea and the traffic lanes in the Gulf area. Even Saudi Arabia which had always been on good terms with the West was now tending to waver vis-a-vis the United States. Because of events

/in Iran the

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in Iran the Saudis now doubted the US commitment.

Premier Hua said that while the Soviet Union was increasing its military pressure on Western Europe both by deploying SS20s and by increasing political pressure, its strategic design seemed to be to encircle Europe from its periphery. The Soviets were showing particular interest in the oil-producing countries in the Middle East. As to prospects for the 1980s, some British and Japanese analysts saw a danger of world war breaking out in the mid-80s. The Chinese considered that there were grounds for agreeing with this conclusion. But taking an overall view they considered that there had been gains as well as losses in recent years. The Soviets were unhappy about some developments. These included China's good relations with Japan; the normalisation of China/US relations; the steady development of relations between Western Europe and China; and the fact that more and more people in West Europe now saw the necessity of standing together and strengthening their defences. The Soviet Union was feeling restrained on both flanks, in Europe and in the Far East. Both Western Europe and China had good relations with the United States. Some people considered there were five forces in the world: the Soviet Union, Western Europe, the USA, China and Japan. Among these only the Soviet Union was isolated. If the Soviets wished to launch a world war they would have to face war on two fronts. History showed that no-one had succeeded in winning a war on two fronts. China's development of good relations with Europe and the US was therefore a cause for concern in the Soviet Union. So long as this situation prevailed the Soviets would be hesitant to provoke a war.

The Prime Minister agreed with Premier Hua's analysis. She was confident that both the US and Western Europe would hold fast in the West, and looked to China and Japan to do so in the East. The Soviets were now attacking the soft underbelly to cut away our friends - in South East Asia, Africa and the Middle East. She would like to discuss what could be done to counteract this in South East Asia, and to explain what Britain intended to do in Rhodesia. It was vital to stop the Soviets' outflanking movement, or they might achieve their aims without a shot being fired.

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/Premier Hua

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Premier Hua agreed with the Prime Minister. This explained why when the Soviets had acted in collusion with the Vietnamese the Chinese had been faced with the choice of either doing nothing or of combating Soviet intentions. They had concluded that they must do something. The Chinese "counterattack in self-defence" was undertaken because of provocation along the border. But it was also undertaken because of the strategic need to counter hegemony. China had just established relations with the US, and Vice Premier Deng Xiaoping had informed President Carter of Chinese intentions. President Carter had not agreed and had set out his objections in writing to the Chinese. When Vice Premier Deng had passed through Japan he had also informed the Japanese Prime Minister Ohira. Vice Premier Deng had told President Carter that despite his objections the Chinese were prepared to take on all risks themselves. He had made a three-part statement:

- i. first the Chinese always meant what they said: they had always opposed hegemony, and now that hegemony was on their doorstep they must take action;
- ii. when they did take action it was always after careful consideration;
- iii. the Chinese did not act rashly.

/Premier Hua

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Premier Hua said that because of the Soviet/Vietnamese Treaty the Chinese had calculated that the Soviets would react when China struck back. But they had considered a large scale war unlikely. There were only about 1 million troops along the Sino-Soviet border. If what friends told the Chinese was true, Soviet divisions along the border were of three types, consisting of respectively 8,000, 7,000 and 4,000 men per division. If the Russians really wished to fight a war with China they would need 5-6 million men. At present they only had 4 million under arms so they would need to carry out an emergency mobilisation and, more important, to transfer men from the West to the Eastern front. The Chinese analysis was that in that case they would be worried not only about what the West Europeans would do but also about developments in their own backyard in Eastern Europe. Of course Chinese weaponry was poor but the Soviets knew that if China were attacked the Chinese would be determined to fight to the end.

The Prime Minister asked what effect there would be on Chinese policy if the Vietnamese really won control of the whole Indochina peninsula, including possibly Thailand. Premier Hua asked to be allowed to continue his analysis. As he had said, the Chinese had concluded that a large scale war was unlikely but the possibility of a medium scale war, with the Soviet Union seizing installations in North China, had to be guarded against. The Chinese had therefore made preparations, although they thought that the eventuality unlikely given Soviet fears of the risk of wider hostilities developing. The most likely scenario in their view had been some small-scale joint Soviet/Vietnamese operations along the Sino-Vietnamese border. But in the end, the Russians did nothing except to issue a statement saying that it was not too late for China to withdraw. The Chinese ignored this. The Russians also carried out military manoeuvres on the Sino-Soviet border and despatched a number of warships to the vicinity of the Vietnamese coast.

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/Premier Hua

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Premier Hua said that the Chinese counter-attack had deflated Vietnamese ambitions. But of greater importance it had also bolstered the ASEAN countries. Mrs Thatcher would have noted the firm stand taken by General Kriangsak. ASEAN countries had acted together and had taken a good position in the UN. The Americans had also indicated that they would support Thailand. The result was that all had acted in co-ordination against Vietnam.

KAMPUCHEA

Premier Hua said that Chinese information from Thailand and from their own sources was that the remnants of the forces of Democratic Kampuchea numbered some 30,000. There had been some recent regrouping. The Democratic Kampuchean Government was in regular telegraphic contact with various regional areas. Resistance continued in the South, the South West, the North, North West, North East, and central parts of the country. For the dry season offensive the Vietnamese had mobilised some 200,000 men. It was of course possible that the Kampuchean resistance would suffer losses in the coming campaign. But there was one favourable factor, namely the proximity of the Thai border. When under pressure the resistance fighters could cross into Thailand and return to Kampuchea by another route.

Premier Hua said that the Pol Pot Government had made some errors in their policies. The Chinese had criticised them. Subsequently they had paid attention to overcoming their mistakes and to bringing together all patriotic forces. Naturally, the Vietnamese had exaggerated their cruelties. But the Chinese considered that it was this force which could stick it out in the resistance. It was important to continue to support all forces of resistance. Son Sann, a former Prime Minister under Sihanouk was also organising a force of about 3,000 which still remained outside Kampuchea. The war in

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/Kampuchea,

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Kampuchea, being a national war, was such that if some forces failed others would rise up in resistance. There was a traditional hostility between Khmers and Vietnamese. Premier Hua had asked President Giscard about conditions in Laos because the French had an Embassy in Laos until it was recently expelled. President Giscard had said that resistance to the Vietnamese in Laos was fairly substantial. Premier Hua said the worst possibility was that the Khmers would be driven out of Kampuchea like the Palestinians out of Israel. But the Palestinians had not given up their struggle and the majority of the people of the world supported them.

Premier Hua said that the Vietnamese faced very serious difficulties at home. The escape of 1 million people had brought this home to world opinion. Ho Chi Minh's comrade in arms, the ex-politburo member Hoang Van Hong who had defected from Vietnam, had told the Chinese that the situation in the South was even worse than was generally known. Those sent to the New Economic Zones suffered a cruel fate and were effectively sent there to die. Cadres at all levels, even at the top, were dissatisfied with the policies of the leadership. The question was, how long could Vietnam's present policy continue? Prince Sihanouk was a friend of the Chinese. He was about to visit France. As friends the Chinese could only make suggestions to him and could not influence him. Prince Sihanouk was trying to work for a political settlement. The Chinese thought that such a settlement depended on two premises: (i) complete withdrawal of Vietnamese forces from Kampuchea, (ii) after the Kampucheans had driven out the Vietnamese aggressors it would be up to the Kampuchean people to decide what government and system they required. But if the Vietnamese agreed to a political settlement without withdrawing their troops, Sihanouk would be under their sway if he returned because Kampuchea would still be under military occupation. The Chinese therefore maintained that a political solution was only possible if there were both international pressure on the Vietnamese and internal resistance, and if the Vietnamese were forced to face up to the realisation that if they could not swallow Kampuchea they must regurgitate it.

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/Premier Hua

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Premier Hua conceded that the Kampuchean people were in very difficult straits. Both President Giscard and President Carstens had mentioned the need for emergency relief. Premier Hua had said he was in favour. The Chinese were ready to do their bit. They had already taken in many refugees. Premier Hua had however suggested that any relief sent in must not go through the Vietnamese. The Vietnamese economy was in such bad shape that they themselves would take what supplies were available. It was much better to send relief supplies across the Thai border because many refugees were in the vicinity of the border. The International Red Cross had tried to send relief supplies by air to Phnom Penh but the Vietnamese and the Heng Samrin regime had called this interference in their internal affairs. In the Chinese view, relief must be sent in such a way that it really reached the Kampuchean people and was not diverted to help the Vietnamese army. It was known that the Vietnamese army was in considerable trouble. Vietnamese troops on the Thai border were crossing over for food and cigarettes.

Premier Hua said in conclusion that he must re-emphasise the continued need to support the Kampuchean people and not to let the Vietnamese have everything their own way. Mrs Thatcher had spoken of Soviet attempts to outflank the West. Premier Hua agreed that this was well worth discussing if there were time later. As for the Middle East, the United States had little influence there because they tended to favour the Israelis. But the UK, France and Germany were on good terms with the Arab countries. China was also on good terms and could do something to influence them. In his conversations with President Giscard and Chancellor Schmidt Premier Hua had said that, during the 80s, the areas of tension would be South East Asia, the Middle East, Africa and the Caribbean. The first two areas would be the most serious.

The Prime Minister thanked Premier Hua for his analysis and agreed that these subjects were worth discussing if there were time at the second session. She emphasised the great

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/concern

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concern felt in this country about the Kampuchean situation. The British Government would take to heart the warning that Premier Hua had given about ensuring that relief supplies went to the right people.

The talks concluded at 1700 hours.

30 October 1979

CONFIDENTIAL



2 PPs
Foreign and Commonwealth Office

London S.W.1

29 October 1979

Dear Michael,

Toast at the Prime Minister's Dinner for
Premier Hua: 30 October

We have discussed with Chinese officials the form of toasts which would be appropriate for Premier Hua. In strict protocol terms, there should be two toasts on each occasion, because Premier Hua, although ranking No 1 in China, is not in fact Head of State. The first toast would be to the Chinese Head of State, and the second to Premier Hua. However, presumably to emphasise Hua's status, the Chinese have made clear that they prefer to have only one toast, to him.

The following procedure has therefore been agreed for the dinner at the Guildhall (and the Prime Minister may wish to follow this at her dinner on Tuesday).

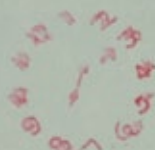
At the end of the dinner, but before coffee, the Lord Mayor will propose the toast: "The Queen". Coffee and liqueurs are then served (and smoking is permitted). The Lord Mayor then makes his speech, at the end of which the concluding toast is "Premier of the State Council of the People's Republic of China". The Premier replies and concludes with the appropriate toast.

Yours ever
Roderic Lyne

R M J Lyne

M O'D B Alexander Esq
10 Downing Street

30 OCT 1979





Foreign and Commonwealth Office

London SW1A 2AH

29 October 1979

Dear Michael,

Premier Hua's Visit

At the briefing session in No 10 on Friday, 26 October, before Premier Hua's visit, the Prime Minister asked about the Chinese ability to pay for the goods they order from Britain.

The Chinese have a good record for paying on time for goods they import from other countries. They have taken particular care not to get over-stretched. It is significant that when they came this year to review their modernisation programme, they realised that their import plans exceeded their ability to pay, and revised them downwards and have since been particularly cautious in placing new orders. They have also been making special efforts to expand their exports.

British and other Western and Japanese banks have been keen to make credit available to the Chinese. To the best of our knowledge, the Chinese have never fallen down on any of their obligations. In fact relatively little of the credit currently on offer has so far been taken up.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Trade, and Industry, and to Martin Vile (Cabinet Office).

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O' D B Alexander Esq
10 Downing Street
LONDON

30 OCT 1979



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Foreign and Commonwealth Office

London SW1A 2AH

29 October 1979

Michael Alexander Esq
10 Downing Street
London SW1

Dear Michael,

For the record I think I ought to let you know why Lord Mowbray appeared to be unbriefed at the reception for Chairman Hua at London Airport on 28 October. The normal form is that the Lord Chamberlain's office give the Lord-in-Waiting his instructions in outline and these are filled in as necessary by a member of Protocol Department at the airport, in the interval between the arrival of the Lord-in-Waiting and the arrival of the visitor. If there is a detailed brief, as there was for Chairman Hua, that will be sent over to the Lord Chamberlain's office if time permits. But we rely on oral briefing.

On Sunday both Peggy Metcalfe and I were stuck in separate traffic jams in Hyde Park and thus arrived just after the Prime Minister and too late to brief Lord Mowbray. I am tightening up the arrangements for the future to ensure that we do not have to rely entirely on the oral briefing at London Airport another time.

*Yours ever
Roger*

R W H du Boulay

cc PS/Mr Blaker
Sir Eric Penn

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GOVERNMENT HOSPITALITY FUND

Telephone No.
01-214



2 Carlton Gardens,
London, SW1Y 5AA

18.0/29

With the Compliments of
the Secretary,
Government Hospitality Fund

(Reception for
President Hua)

Noted
by es.
20/10

M. Alexander, Esq.
10, Downing St.

ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE STUDIES

WHITEHALL, SW1A 2ET

Telegraphic Address: "RUSSATUS, PARL, LONDON."
Telephone Number: 01-930 5854

BGRT/JAS

16th October 1979

Reception: 29 October

Mr. W.N. Hutton,
Government Hospitality,
2 Carlton Gardens,
London,
SW1Y 5AA.

Dear Mr Hutton,

Further to your letters of 11th October and our telephone conversation on the 12th, I am pleased to confirm that it will be quite in order for you to have the use of the Institute's entrance hall, staircase and landing on the 29th of October from 5.45 p.m. to 7.15 p.m. I have asked our hall porter if he would be willing to stay on to maintain security of the building and he has agreed. On the assumption that he will be required to stay for an additional two hours i.e. 5.30 to 7.30 there will be a charge of £8 for his service. He will of course be responsible for locking up and will readily assist in identifying persons entering the building.

Yours sincerely,

B.G.R. Thompson

B.G.R. Thompson,
Secretary.

cc. Miss Metcalfe, FCO

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McMaster
Foo (M. Waller)

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND PREMIER
HUA GUOFENG AT 10 DOWNING STREET ON 29 OCTOBER AT 1500 HOURS

Present

The Prime Minister
Mr. M. O'D. B. Alexander

Premier Hua Guofeng
Mr. Chen Hui (Interpreter)

* * * * *

The Prime Minister welcomed Premier Hua to London.
Premier Hua said that he was delighted to have the opportunity of talking to the Prime Minister. In three of the four countries included in his European tour he would be meeting the leaders for the first time. But he had, of course, met the Prime Minister before in Peking. He was very pleased that she had been elected.

Premier Hua said that his talks with President Giscard had gone extremely well. Before he had arrived in the Federal Republic, he had expected that his talks there might be less easy because the Federal Republic was in the front line in Europe. However, the talks there had also gone extremely well. Chancellor Schmidt had said that "a wide measure of agreement" had been achieved. As a result, TASS had already begun to criticise the outcome of the meeting.

The Prime Minister should be aware of how highly she was respected in China. This attitude pre-dated the election. There was no question of flattery. The Chinese Government had long since come to the conclusion that she had grasped the essence of the international situation. This was not an easy task. Premier Hua recalled that at lunch with the Foreign and Commonwealth Secretary he had talked about Mr. Churchill. Although he had been called a "madman" for exposing the dangers of war, ^{Mr. Churchill} in fact had both a penetrating appreciation of the situation and the courage to speak out. Later events

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/had proved

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- 2 -

had proved him right and he had therefore been supported by the British people and well-respected internationally. The Chinese Government had a similar viewpoint to that of Mrs. Thatcher, more so than with the leaders of the other countries being visited by the Premier. He looked forward to hearing the Prime Minister's views on developments in the 1980s.

Premier Hua described relations between Great Britain and China as very good and friendly. This was because there was a fundamental coincidence of interest. China hoped that Britain and Western Europe would unite and become strong. He knew that China's friends in Britain wanted China to be strong. Friendship between the two countries would not only benefit them both but would also result in a favourable environment for future developments and the maintenance of world peace.

The Prime Minister said that there was a tendency in the West to think that because we believed in peace and the need for it, others shared that view. But there was a danger that Western governments would fail to appreciate the nature of the threat to them. Premier Hua agreed. The Prime Minister said that the Soviet Government did not publish their intentions. We could only judge therefore by what they did. They spent more on arms than could be justified by the requirements of defence. Her message was that the West could only defend itself by having a capability sufficient to deter and by standing together with like-minded countries.

The Prime Minister said that we faced a dangerous decade. Although there was a broad military balance at the intercontinental level between the Soviet Union and the United States, at the Theatre level, following the deployment of SS-20 and the Backfire Bomber, and at the conventional level the Soviet Union was stronger. The Prime Minister had said in her

/speech in

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- 3 -

speech in Luxembourg that NATO must therefore modernise its Theatre Nuclear weapons. This had given rise to a strong reaction in the Soviet Union.

The Prime Minister said that she had taken the view that Western governments must deploy enough force to deter the other side. However, the prospect of having to spend ever more on defence was not attractive. Was there any possibility of convincing the Soviet Union that they should spend less on defence, and eliminate sources of tension such as the territorial claims existing between the Soviet Union and China? She knew that talks were going on between the Soviet Union and China on this. Could Premier Hua say anything about the prospects for those talks? Premier Hua said that he would give his estimate of Soviet foreign policy and of future prospects in the plenary session.

The Prime Minister said that the leaders of the Western European states met frequently and got along well together. Their objective was the same: to defend their way of life. She made the most forthright speeches for two reasons:

(a) Because the position of the other leading countries was more difficult. Germany was divided, and the Federal Republic was therefore not at liberty to speak so openly. France was not fully integrated in NATO and Italy had the problem of Soviet influence in the large Communist Party there.

(b) Because the new British Government had only recently been elected. The Prime Minister added that she thought her frankness had helped in winning the election.

/The Prime Minister

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- 4 -

The Prime Minister concluded by saying that she felt strongly that it was necessary for someone to sound a warning note so that action could be taken in time. Among the British people there was a greater understanding that what happened on the other side of the world affected them. It was essential for the countries of the world to work together to a far greater extent than ever before. Premier Hua indicated his assent.

The discussion ended at 1530 hours.

Rund

30 October 1979

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cf Kampuchea: Oct 79 Situation
(2)



Foreign and Commonwealth Office

London SW1A 2AH

26 October 1979

Prime Minister
The line the FCO suggest you
take is signed on page 2.

Dear Michael,

Phu

mt

Cambodia: Withdrawal of Recognition from Pol Pot Regime

In the course of the Prime Minister's briefing meeting this morning before Premier Hua's visit, Mr Blaker explained that Lord Carrington believed it was no longer politically defensible for the Government to recognise Pol Pot's regime in Cambodia. Quite apart from the situation in Cambodia itself, we were facing mounting criticism for continuing to do so despite the regime's appalling human rights record. There would be no question of transferring recognition to the Heng Samrin regime installed by the Vietnamese, but an early change of policy would raise the question of what should be said to the Chinese on the subject during Hua's visit.

The Prime Minister commented that she would not wish to tell Premier Hua of such a change in policy while he was in London. He would be bound to interpret it as a slap in the face and the impact on the atmosphere of the visit would be bad. Mrs Thatcher thought we should put off saying anything until some weeks after Hua had left. She could side-step the issue herself if it is raised in the House of Commons before an announcement is made.

In the absence of Lord Carrington, Mr Blaker agrees that there are important factors which we need to consider carefully before making any public announcement. He is arranging for the Nine, the ASEAN countries, the old Commonwealth, and the Americans and Japanese to be informed that we are considering an early announcement that we no longer recognise the Pol Pot regime. While making it clear we would be willing to take account of their views, there would be no question of our implying that an announcement could be delayed much longer.

The most immediate problem is how to deal with the Chinese aspect of the problem. The Chinese have been Pol Pot's main supporters and their attack on Vietnam earlier this year was at least partly a reply to Vietnam's invasion and occupation of Cambodia. Our decision to withdraw recognition from Pol Pot

/will be

M O'D B Alexander Esq
10 Downing Street

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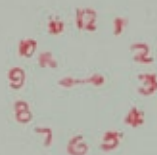
will be unwelcome to them and it would be doubly so if it coincided with the visit to this country of President Hua Guofeng. The Chinese see their support for Pol Pot in terms of their dispute with the Russians, and anything we might do which could be interpreted as giving any encouragement to Hanoi, and therefore to the Russians, would be damaging to our relations. Mr Blaker thinks that at this stage it would be sufficient if the Prime Minister were to indicate at the first session of talks on 29 October our distaste for Pol Pot and his regime, and our doubts about the extent to which he controls any part of Cambodian territory or commands the obedience of its people. It would also be useful if she could point out that it is becoming increasingly difficult for us to justify recognising a regime in such circumstances. At the same time it would be helpful if the Prime Minister could stress that we fully share China's concern about Vietnamese activities in Indochina and Vietnamese ambition to exercise hegemony throughout Indochina. We believe that the Vietnamese must get out of Cambodia and that, as is set out in the brief, the only hope for a peaceful solution lies in the establishment of a truly neutral regime in that country. It would also be useful to make it clear that we regard the Heng Samrin regime as a Vietnamese puppet and that we have no intention of recognising the regime put in by Vietnamese aggression.

(G G H Walden)

M O'D B Alexander Esq
10 Downing Street

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26 OCT 1979





Foreign and Commonwealth Office

London SW1A 2AH

26 October 1979

Michael Alexander Esq
10 Downing Street
London SW1

L.A. Pmts 29/X

Dear Mr Alexander

VISIT OF PREMIER HUA

- / I enclose some information about the Banqueting House which you asked for, for the Prime Minister.

There is one further point that you will need to know about the arrival arrangements on Sunday and that is that as you pass the party representing the Chinese Community, who will be watching the event, a Chinese child will present Premier Hua and the Prime Minister with a bouquet.

P. T. Metcalfe

PP.
P T Metcalfe (Miss)
Protocol and Conference
Department

Mr. Alexander

Visit of Premier Hua

Reception at Banqueting House on Monday 29 October from 5.45pm to 7.15pm

Host: The Prime Minister

DRAFT PROGRAMME

1. Guests arriving before 5.45pm will be asked to wait in the cloakroom (crypt)..
2. The Prime Minister will arrive, via the RUSI entrance in Whitehall, shortly before 5.45pm..

3. Timings

- | | | |
|--------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.00pm | -- | Police will search with dogs at B.Hse. and RUSI. |
| 5.45pm | -- | Guests will be received by the Prime Minister. |
| 5.55pm | -- | Guests arriving at the main entrance will be diverted to the RUSI entrance in Whitehall. Coats will be left in the main B.Hse cloakroom but guests will be directed up the RUSI staircase to enter the reception hall through the South door.
An additional reception point will be established at this end from 5.55 - 6.05pm. |
| 6.00pm | -- | Main staircase cleared of guests |
| 6.01pm | -- | The Prime Minister will descend stairs to await arrival of Premier Hua at the <u>main entrance in Whitehall.</u> |
| 6.05pm | -- | Premier Hua, accompanied by his entourage and escorts, will arrive at the Whitehall entrance to the B.Hse. and will be escorted by the Prime Minister up to the Banqueting Hall. |
| 6.07pm | -- | When the official party has entered the Hall, the diversion of arriving guests to the RUSI entrance will cease and they will be admitted in the normal way. The Prime Minister will not return to the receiving line after the arrival of Premier Hua. Reception of guests will be taken over by Mr. R. W. H. du Boulay. |

Departure for the Royal Opera House

6.50-7.00pm

The main Chinese entourage will leave via the RUSI entrance and take their places in the motorcade to await departure.

7.05pm

Premier Hua, accompanied by his immediate Suite. will leave by the RUSI entrance and join the motorcade which will then leave under Police escort for the Opera House.
(It is important that these timings are strictly adhered to).

During the Reception, Escorting Officers, with the assistance of Embassy staff, will identify themselves with the groups of Chinese visitors whom they will be responsible for seating at the Opera House, and ensure that they are marshalled en bloc for departure at 6.50pm. Escort Officers will issue tickets for the Ballet to the Chinese at a convenient time; either just before departure or en route to the Opera House.

W N Hutton
GHF
26.10.79

DRAFT

VISIT OF PREMIER HUA

Reception: Banqueting House, 29 October 1979

Deployment of Staff

1. 5.40 (approx) - The Prime Minister will be met at the RUSI entrance by (Mr Barclay)
2. Commissionaires - 4 at Horse Guards Avenue entrance
2 at RUSI entrance
3. 5.30pm - Mr Walters and Mrs Abraham to be in entrance hall to direct early guests to cloakroom and hold them there until given signal at 5.45pm.
4. 5.45pm - Mr Walters and Mrs Abraham to promote movement of guests upstairs. Two Commissionaires will be posted at the foot of the stairs to regulate the flow of guests, who should go up two by two.
5. 5.55pm - (a) Outer doors closed. Two Commissionaires outside to divert arriving guests to the RUSI entrance.
Mr Hutton and Mr Snell to supervise.
Only those guests actually on the stairs may continue up to the Reception. Any guests remaining in the cloakroom area to be directed via the RUSI stairs.
- 5.55pm - (b) Mrs Watson and Mr Collins to be at RUSI entrance to meet and direct diverted guests to cloakroom and thence upstairs.
- 5.55pm - (c) Mr Snell, Mr Walters and Mrs Abraham to seal off normal exit from cloakroom. Mr Taylor and Mr Doodes to be in the crypt to direct guests via RUSI building.

- 5.55pm - (d) An additional Receiving point will be established at South end of Hall.
- 6.01pm - The Prime Minister will be conducted downstairs by Mr Barclay to await arrival of the Premier at 6.05pm.
- 6.07pm - Diversion of guests ceases. Doors re-open at normal entrance.
Mr Walters and Mrs Abraham resume directing duties in entrance hall.
Mrs Watson and Messrs Taylor, Snell, Doodes and Collins return to reception.
- 6.20pm - Mr Barclay, Mrs Watson and Mr Doodes and Mr Walters leave for Opera House.
- 6.50pm - Escort Officers, plus Mr Taylor and Mr Snell, organise movement of main body of entourage to cars.
To be seated by 7.00pm
- 6.55pm - Mr Taylor and Mr Snell depart for Opera House.
- 7.00pm - Mr Coppel starts movement of Premier Hua party for departure at 7.05pm
- 7.05pm - Entire Chinese party move off with Police Escort
- 7.10pm - Arrive at Opera House (main entrance)

Mr Hutton will remain at the Banqueting House until the Prime Minister departs.

Miss Porter

26 October 1979

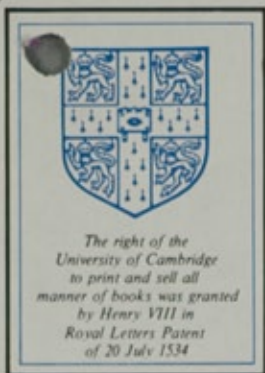
Michael Alexander felt that the present for Premier Hua should be wrapped professionally before it was given to him on Thursday 1 November. This was done today and I should be grateful if you could arrange for Joan Porter here at No. 10 to receive £5.60 to cover this expense.

CAROLINE STEPHENS

Miss P.T. Metcalfe, OBE,
Foreign and Commonwealth Office.

CB

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26 October 1979

Mr M.J. Sanders
Prime Minister's Office
10 Downing Street
London SW1

Dear Mr Sanders,

Science and Civilisation in China

Many thanks for your note of 22 October. I entirely understand the point about Chairman Hua not reading English. Perhaps there will be another occasion when a similar presentation will be more appropriate.

Yours sincerely,

Peter Buxton

Books being delivered on Thursday.

El.
- 30/10.

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10 DOWNING STREET

From the Private Secretary

25 October 1979

MT.

Dear George,

PREMIER HUA'S VISIT

Dr. Ruhfus rang me yesterday from the German Chancellery to brief me on the discussions between Chancellor Schmidt and Premier Hua. You may care to have an account of what he said.

According to Dr. Ruhfus, the talks had gone very well. Premier Hua had adopted a markedly more moderate tone than in Paris. He stressed the strong interest of the Chinese Government in peace and did not lay any emphasis on the inevitability of war. Chancellor Schmidt gave Premier Hua a lengthy exposition of German views on detente and East-West relations in general. His main theme had been on the need for the West to maintain its strength while developing cooperation with Soviet bloc countries. Premier Hua had said that the Chinese Government did not expect much in the way of results from the Soviet/Chinese talks in Moscow.

Premier Hua and the Chancellor had agreed that the two major crisis areas during the next decade would be the Middle East and South East Asia. Of the two, the Middle East was probably the more critical because of the oil question. On Africa, Chancellor Schmidt had explained to Premier Hua what Britain was trying to achieve in the Rhodesia talks. He told Premier Hua that the Prime Minister's policy was brave and realistic and required support. Premier Hua seemed to have taken the point. According to Dr. Ruhfus, Chancellor Schmidt had also spoken warmly of the Prime Minister's efforts to revive the British economy.

Premier Hua had stressed the importance he attached to the further development of European unity. Just as Chancellor Schmidt wanted a strong China so Premier Hua wanted a strong Europe.

Three bilateral agreements had been signed during the visit. These covered economic and cultural matters and the opening of

/consulates

consulates in Hamburg and Shanghai. The Federal Government had offered the Chinese no State or Government credits. Any commercial agreements entered into by German companies were to be financed by private capital. The Government's role would be limited to the offer of export guarantees. There had been no discussion of arms sales. Premier Hua had invited Chancellor Schmidt to visit China. Chancellor Schmidt had accepted in principle but made it clear that he could not go until after next year's elections.

Dr. Ruhfus's general impression was that Premier Hua was an impressive performer. Given his limited international experience, his views were remarkably solid, well-established and well expressed. He had handled the press extremely well.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), Ian Ellison (Department of Industry) and Martin Vile (Cabinet Office).

W. G. H. WALDEN

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

GB



Foreign and Commonwealth Office

London SW1A 2AH

25 October 1979

Michael Alexander
10 Downing Street
London SW1

*History of the Banqueting
House*

Dear Michael

VISIT OF PREMIER HUA

- / I attach details of the occasions on which the Prime Minister will be involved with the visit of Premier Hua.

Please let me know if you have any comments on the proposed arrangements.

Yours ever
P T Metcalfe

P T Metcalfe (Miss)
Protocol and Conference
Department



DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

PS/ Secretary of State for Industry

25 October 1979

Tim Lankester Esq
Private Secretary to the
Prime Minister
10 Downing Street

Dear Tim,

VISIT OF PREMIER HUA: POSSIBLE CONSTRUCTION OF A NUCLEAR
POWER STATION IN GUANGDONG PROVINCE ALSO SUPPLYING ELECTRICITY
TO HONG KONG

Since the main briefing for Premier Hua's visit was decided,
the Prime Minister should be aware of recent developments on
this project. There is no need for the Prime Minister to
raise the issue, since my Secretary of State will cover it when
he and the Secretary of State for Trade call on Yu Qiuli -
the Chinese Vice Premier - on 30 October.

... The attached brief has been prepared with the agreement of
other interested Departments. My Secretary of State thought
that the Prime Minister should be particularly aware of the
possible venture since it may also be raised at the dinner at
No 10 on Tuesday 30 October, at which Sir Lawrence Kadoorie,
the Chairman of China Light and Power - who has had informal
contacts with the Chinese - will be present.

Copies go to the Private Secretaries to the Foreign Secretary,
the Secretaries of State for Trade and Energy, and to Sir John
Hunt.

*Yours sincerely,
Pete*

PETER STREDDER
Private Secretary



CONFIDENTIAL

POSSIBLE NUCLEAR POWER STATION IN GUANGDONG PROVINCE
ALSO SUPPLYING ELECTRICITY TO HONG KONG

POINTS TO MAKE

1. i) Aware of talks between Guangdong Provincial Authorities, and UK nuclear and power plant industries. Can you confirm Guangdong has authority to purchase a nuclear power station if price offset by electricity sales to Hong Kong?

ii) Formal Government approval impossible until specific contract proposed, but we are ready to give every encouragement to the envisaged sale. Hong Kong Government not opposed in principle, provided certain conditions are met.

iii) Arrangements for the supply of electricity to Hong Kong should be worked out primarily with China Light and Power in whose chairman - Sir Lawrence Kadoorie - all parties have confidence. The firm have been accustomed to use British equipment and expertise and naturally we hope this will again prove the most beneficial arrangement in the proposed station.

iv) Britain proud of our nuclear energy technology. Safety record of UK nuclear industry second to none. Government shortly to announce policy of support for nuclear power which will strengthen the industry. Strong export record of UK power generation industry.

v) Negotiations for the supply of the power station should be with the supplier companies in whom we also have confidence. But at some stage talks would be needed between Governments.

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BACKGROUND

2. Representatives of the UK nuclear industry have been exploring for some months with the Guangdong Provincial Authorities the possible construction of a nuclear power station in China. Although Chinese plans for the introduction of nuclear power have in general been deferred, the principal British firms involved (Nuclear Power Company and GEC) believe that the Guangdong Authorities now possess written authority from the Central Government in Peking to negotiate the purchase of a nuclear power plant in the 600 - 1300 MW range, provided that the necessary foreign exchange can be acquired from the sale of 50% of the generated electricity to Hong Kong. The Chinese have also had some initial discussions with Sir Lawrence Kadoorie of China Light and Power on this aspect of the project.

3. The Chinese have made no firm decision on the type of reactor they wish to buy. Some officials are interested in the Magnox reactor. These reactors were chosen for the UK's first nuclear programme and continue to make a valuable contribution to our electricity supplies. It has the advantages of being relatively easy to construct and maintain, would have a high local content, and an excellent availability and safety record. Other Chinese officials favour the Pressurised Water Reactor (PWR). US commercial interests are actively promoting this option in Guangdong.

HONG KONG

4. The Hong Kong Government are not opposed in principle to the Chinese proposal, provided certain conditions are met regarding the siting of the station, the price the Hong Kong consumer would have to pay for the electricity, and security of supply. The nuclear station, if it is built, would probably

/ mean that



mean that the projected Castle Peak B thermal power station would not need to be as large as originally contemplated, but the time scale of ^{the} two projects is such that at least the first two 660 MW units of Castle Peak B are likely to be needed. We would hope to gain a negotiated contract for this station.

BRITISH COMMERCIAL INTEREST

5. Given that the contracts for Castle Peak A power station went to British industry, we must be considered to be in a reasonably strong position to win the contracts for Castle Peak B. However, circumstances have changed: a 60% share in the joint owning company concerned is held by Exxon and it is by no means a foregone conclusion that we would get the B contract. This being so, we need not allow the fact that the Chinese nuclear project could lead to a smaller Castle Peak B station to deter us from cooperating in the Chinese project, provided we are confident of substantial British participation in the latter.

6. The dependence of the Chinese project on the sale of electricity to Hong Kong gives us a valuable bargaining counter in gaining for British industry a significant share of the contracts to build the Chinese plant. We shall however need to consider carefully the most effective way of using this advantage. We are not in a position to oblige the Hong Kong authorities to make it a formal condition for agreeing to the purchase of Chinese electricity that British equipment should be ordered, and indeed it would probably not be in Hong Kong's broader interest for us to try to do so. Early action is needed to counter active American competition. Guangdong officials favourable to Britain have made representations to the Nuclear Power Company, urging that this should begin during

/ the



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the Hua visit. We should therefore bring home to the Chinese the quality of both our nuclear and power plant industries. We should also emphasise the confidence Sir Lawrence Kadoorie has in British equipment since the Chinese will be negotiating with CLP for the supply of electricity to Hong Kong.

7. Substantial British involvement is not necessarily dependent on the purchase of a Magnox reactor. If the Chinese opt for a PWR the timescale may be too short for British industry to produce one. British industry could still however supply a substantial part of the nuclear island as well as the turbine generator and ancillaries.

FOREIGN POLICY CONSIDERATIONS

8. China is already a nuclear weapon state. Non-proliferation considerations do not therefore apply. We would however need to seek assurances that equipment or material from the project would not be transferred to her weapons programme. Some such assurances would be important, particularly vis a vis the Russians but also with our COCOM partners. In addition, in the context of our non-proliferation efforts in the Sub-Continent, sales to China, without safeguards inspection, would make it still more difficult to get India (and Pakistan) to accept inspection of all their civil nuclear facilities.

9. However, in practice we must accept that we are unlikely to obtain Chinese agreement to safeguards and that the deal will only go ahead if we are prepared to do so without them. We shall be seeking during Premier Hua's visit to persuade China to play a more active role in non-proliferation matters. But China is unlikely to accept inspection of her own civil facilities whilst

/the Russians

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the Russians do not, even though the three Western nuclear weapon states do. Talks will have to be held in due course on a governmental basis to see what the Chinese will accept: Ministers will then have to decide what our minimum conditions should be, taking into account the likely positions of our competitors. On major defence negotiations we have told the Chinese that the commercial interests concerned are negotiating with the full knowledge of the Government, but that final Government approval can only be given when the exact nature of the deal is known. The line to take builds on this precedent.

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MOD
D/T
D/W
CO

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10 DOWNING STREET

From the Private Secretary

25 October 1979

Dear George,

PREMIER HUA'S VISIT

Dr. Ruhfus rang me yesterday from the German Chancellery to brief me on the discussions between Chancellor Schmidt and Premier Hua. You may care to have an account of what he said.

According to Dr. Ruhfus, the talks had gone very well. Premier Hua had adopted a markedly more moderate tone than in Paris. He stressed the strong interest of the Chinese Government in peace and did not lay any emphasis on the inevitability of war. Chancellor Schmidt gave Premier Hua a lengthy exposition of German views on detente and East-West relations in general. His main theme had been on the need for the West to maintain its strength while developing cooperation with Soviet bloc countries. Premier Hua had said that the Chinese Government did not expect much in the way of results from the Soviet/Chinese talks in Moscow.

Premier Hua and the Chancellor had agreed that the two major crisis areas during the next decade would be the Middle East and South East Asia. Of the two, the Middle East was probably the more critical because of the oil question. On Africa, Chancellor Schmidt had explained to Premier Hua what Britain was trying to achieve in the Rhodesia talks. He told Premier Hua that the Prime Minister's policy was brave and realistic and required support. Premier Hua seemed to have taken the point. According to Dr. Ruhfus, Chancellor Schmidt had also spoken warmly of the Prime Minister's efforts to revive the British economy.

Premier Hua had stressed the importance he attached to the further development of European unity. Just as Chancellor Schmidt wanted a strong China so Premier Hua wanted a strong Europe.

Three bilateral agreements had been signed during the visit. These covered economic and cultural matters and the opening of

/consulates

CONFIDENTIAL

- 2 -

consulates in Hamburg and Shanghai. The Federal Government had offered the Chinese no State or Government credits. Any commercial agreements entered into by German companies were to be financed by private capital. The Government's role would be limited to the offer of export guarantees. There had been no discussion of arms sales. Premier Hua had invited Chancellor Schmidt to visit China. Chancellor Schmidt had accepted in principle but made it clear that he could not go until after next year's elections.

Dr. Ruhfus's general impression was that Premier Hua was an impressive performer. Given his limited international experience, his views were remarkably solid, well-established and well expressed. He had handled the press extremely well.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade), Ian Ellison (Department of Industry) and Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

IMMEDIATE

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+16

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TO IMMEDIATE FCO

TELEGRAM NO 630 OF 25 OCTOBER

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HUA GUOFENG'S VISIT TO THE FRG

PS

PS LPS

PS/ML Blaker

PS/PNS

ML Cortazzi

ML Gullard

ML Ferguson

ML Murray

Hob Fed

WED

EECD

PMSD

News

RC.

PS No 10 d.s.

DIO Cab Office

FCO/Whi

HUA GUOFENG'S VISIT TO THE FRG

1. HUA LEFT BONN YESTERDAY FOR VISITS TO HAMBURG, BADEN-WUERTTEMBERG AND BAVARIA BEFORE LEAVING THE FEDERAL REPUBLIC. THE DUST HAS NOT YET FULLY SETTLED AFTER HIS TALKS IN BONN BUT THE FOLLOWING ARE THE MAIN POINTS WE HAVE BEEN ABLE TO ELICIT FROM SENIOR OFFICIALS IN THE FEDERAL CHANCELLOR'S OFFICE. WE UNDERSTAND THAT RUHFUS HAS ALREADY BEEN IN TOUCH WITH NO 10 DIRECT ABOUT THE VISIT.

GENERAL

2. SCHMIDT HAD NOT EXPECTED VERY MUCH FROM THE VISIT AND WAS PLEASANTLY SURPRISED BY THE OUTCOME. HIS TALKS WITH HUA (WHICH HAD PRODUCED A SURPRISINGLY WIDE MEASURE OF AGREEMENT) WERE INTENSIVE AND COVERED THE WHOLE WORLD. THE CHANCELLOR WAS GREATLY IMPRESSED BY HUA. FOR A MAN WHO KNEW LITTLE OF THE OUTSIDE WORLD FROM PERSONAL EXPERIENCE HIS GRASP OF INTERNATIONAL AFFAIRS HAD BEEN QUITE EXTRAORDINARY.

3. SCHMIDT ACCEPTED AN INVITATION TO VISIT CHINA. THIS IS NOT LIKELY TO TAKE PLACE BEFORE 1981.

EAST-WEST RELATIONS

4. THE CHINESE SHOWED THEMSELVES SURPRISINGLY WELL-INFORMED ON FRG POLICIES AND SENSITIVITIES. THE GERMANS SURMISE THAT IT WAS PERHAPS BECAUSE OF THIS THAT HUA DID NOT TRY, EITHER DURING THE TALKS OR IN PUBLIC, TO USE THE VISIT AS A SOUNDING BOARD FOR ATTACKS AGAINST THE SOVIET UNION. HE TOOK A GENERALLY SOFTER LINE ON THE SOVIET UNION THAN HE HAD DONE IN PARIS, ALTHOUGH HE WAS PESSIMISTIC ABOUT THE SINO/SOVIET TALKS. HE DID NOT ATTACK THE SOVIET UNION BY NAME IN PUBLIC.

5. HUA HAD NATURALLY SPOKEN STRONGLY IN FAVOUR OF A POWERFUL AND UNITED EUROPE. ON DETENTE, HE HAD SHOWN GREAT UNDERSTANDING FOR SCHMIDT'S POINT OF VIEW. IN DISCUSSION WITH THE CHANCELLOR HE VERY MUCH PLAYED DOWN THE INEVITABILITY OF WAR, WHICH COULD BE POSTPONED FOR A VERY LONG TIME IF EUROPE REMAINED STRONG ENOUGH TO STAND UP TO THE SOVIET UNION: THE RUSSIANS COULD NOT SURVIVE A WAR ON TWO FRONTS. THE GERMANS WERE NOT SURE WHETHER THIS REPRESENTED A REAL SHIFT IN THE CHINESE POSITION OR WHETHER HUA HAD CHOSEN TO PLAY DOWN THE THREAT OF WAR FOR TACTICAL REASONS.

6. THE POSSIBILITY OF FRG ARMS SUPPLIES TO CHINA WAS NOT MENTIONED BY EITHER SIDE.

INDO-CHINA

7. HUA HAD BEEN INSISTENT THAT THE CHINESE INCURSION INTO VIETNAM HAD NOT BEEN UNDERTAKEN WITHOUT CAREFUL REFLECTION BEFOREHAND. IT HAD BEEN NECESSARY BOTH AS A LESSON TO THE SOVIET

BEFOREHAND. IT HAD BEEN NECESSARY BOTH AS A LESSON TO THE SOVIET UNION AND AS A FORM OF SUPPORT TO ASEAN. HUA RAISED NO DIFFICULTIES ABOUT HUMANITARIAN AID TO CAMBODIA, BUT EXPRESSED THE HOPE THAT IT WOULD BE SENT BY WAY OF THAILAND TO AVOID ITS FALLING INTO THE HANDS OF HENG SAMRIN'S FORCES.

MIDDLE-EAST

8. SCHMIDT SAID THAT THE MIDDLE EAST CONFLICT REPRESENTED A GREATER THREAT TO WORLD PEACE THAN THE TROUBLES IN INDO-CHINA BECAUSE OF THE POSSIBLE CONSEQUENCES FOR WESTERN ENERGY SUPPLIES. HUA AGREED.

RHODESIA

9. SCHMIDT SPOKE STRONGLY IN SUPPORT OF BRITISH EFFORTS TO ACHIEVE A SETTLEMENT.

NON-ALIGNED MOVEMENT

10. SCHMIDT EXPRESSED HIS CONCERN AT THE WAY IN WHICH THE NAM, WAS MOVING UNDER CUBAN PRESIDENCY. HUA SAID THAT HE TOO WAS SCEPTICAL ABOUT THE MOVEMENTS PROSPECTS.

CHINA AS A DEVELOPING COUNTRY

11. IN HIS TALKS WITH THE GERMANS YU QIULI LEFT THE GERMANS IN NO DOUBT THAT CHINA WISHED TO BE TREATED AS A DEVELOPING COUNTRY. THE GERMANS SAID THAT THE FRG WOULD NOT OPPOSE ANY MOVE FORMALLY TO DESIGNATE CHINA AS A DEVELOPING COUNTRY IF THIS WERE ACCEPTABLE TO THEIR WESTERN PARTNERS.

BILATERAL

12. ECONOMIC COOPERATION, CULTURAL AND CONSULAR AGREEMENTS WERE SIGNED DURING THE VISIT. DETAILS WILL FOLLOW BY BAG.

13. ON THE ECONOMIC SIDE THE CHINESE TOLD THE GERMANS IN THE NICEST POSSIBLE WAY ABOUT THE ADVANTAGEOUS CREDIT TERMS THEY WERE RECEIVING FROM JAPAN. THE GERMANS MAINTAINED THEIR PREVIOUS POSITION THAT CREDIT SHOULD BE ARRANGED THROUGH THE PRIVATE SECTOR. BUT EXPORT CREDIT GUARANTEES WOULD CONTINUE TO BE AVAILABLE TO GERMAN FIRMS TRADING WITH CHINA.

14. THE CHINESE ASKED FOR INCREASED COOPERATION IN THE MINING AND PROCESSING OF RARE EARTH METALS AND EXPRESSED AN INTEREST IN INCREASED COMPENSATION TRADING. THE GERMANS REACTED CAUTIOUSLY ON THE LATTER POINT. DETAILS OF INDIVIDUAL CONTRACTS WERE NOT DISCUSSED.

15. FCO PLEASE PASS ADVANCE COPY TO NO. 10 DOWNING STREET.

WRIGHT

NNNN

SENT AT 25/1620Z LB

CONFIDENTIAL



Foreign and Commonwealth Office

London S.W.1

24 October 1979

Dear Michael,

PREMIER HUA'S VISIT: POSSIBLE INVITATION TO THE PRIME MINISTER

During his forthcoming visit to this country, Premier Hua will probably extend an invitation to the Prime Minister to pay an official visit to China.

The Chinese will undoubtedly hope that the Prime Minister will be able to take up such an invitation in the reasonably near future, in exchange for Premier Hua's own visit to Britain. No British Prime Minister in office has ever visited China, although the Heads of Government of most of our principal Western European partners (including France and West Germany) have done so.

Lord Carrington considers that a visit by the Prime Minister to China would be of significant value, in reassuring the Chinese of our commitment to the further development of our bilateral relationship, and promoting our political and commercial interests in China. However, he considers that the timing of such a visit will need careful consideration, in the context of the Prime Minister's other commitments; the possibility of further visits to China by members of the Royal Family; and the question of establishing the right balance between exchanges with China and exchanges with the Warsaw Pact countries. Officials are currently preparing a paper to consider these issues.

Lord Carrington recommends that at this stage the Prime Minister should do no more than accept in principle any invitation from Premier Hua, and express the hope that she will be able to take it up in the not too distant future. Lord Carrington proposes to respond similarly to any invitation he may receive from Chinese Foreign Minister Huang Hua (who also visited Britain last October).

I should be grateful to know the Prime Minister's views.

*1) need to - I must go.
But not before Easter.*

ms

yours ever

Roderic Lyne

(R M J Lyne)

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL

24 OCT 1979
6 7 8
5 4 3
2 1

Top copy & acts as
PM's speech Hua folder (1)



Prime Minister
These speeches are essentially
formalities. After texts?
Yes nothing
Dear Michael,

Foreign and Commonwealth Office

London S.W.1

24 October 1979

PREMIER HUA'S VISIT: SPEECHES

In accordance with our normal practice, there will be no formal speeches during Premier Hua's forthcoming visit, apart from those delivered by the Lord Mayor and Premier Hua at the Guildhall dinner on 1 November. However, I understand that the Prime Minister has agreed to make brief remarks on three occasions during the visit: a short speech of welcome in front of the press on Premier Hua's arrival at Heathrow, a toast at her welcoming dinner on 30 October, and a reply to Premier Hua's toast at the return dinner on 2 November.

The Chinese go in for formal speech-making rather more than we do. For example, dinners to welcome visiting Heads of Government in Peking are normally occasions for speeches which set out in some detail each Government's attitudes towards the international scene and bilateral relations and are widely reported in the Chinese media. The Chinese have readily agreed to fall in with our more informal practice, in this as in other respects. However, our Ambassador in Peking has advised that the impact of the visit in China itself will be greater if we can include a little more political content than usual in informal speeches and toasts delivered during the visit. The Foreign and Commonwealth Secretary hopes that this will be acceptable to the Prime Minister.

--- I accordingly enclose draft notes on which the Prime Minister could draw on these three occasions. In view of the difficulties of interpretation into Chinese, it would be helpful for the Foreign and Commonwealth Office official who will be interpreting for the Prime Minister if we could let him have her speaking notes in advance.

Yours ever
Rodney Lyne

(R M J Lyne)

M O'D B Alexander Esq
10 Downing Street



10 DOWNING STREET

From the Private Secretary

23 October 1979

Premier Hua Guofeng's visit: Attendance at Official Talks

The Prime Minister has seen your letter to me of 19 October on this subject.

The Prime Minister agrees that:-

- (a) the agendas for the talks should be as proposed by the Foreign and Commonwealth Secretary;
- (b) the UK participation in the talks should be as listed in the first two enclosures to your letter;
- (c) the Department should provide a record taker for each plenary session;
- (d) the Chinese party for the plenary sessions should be limited to a total of 14;
- (e) the Agreements referred to in your letter should be signed at the end of the second session; and
- (f) the Agreements should be signed by the Foreign and Commonwealth Secretary and by the Secretary of State for Trade.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Ian Ellison (Department of Industry), Stuart Hampson (Department of Trade) and Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.



10 DOWNING STREET

From the Private Secretary

23 October 1979

Visit of Premier Hua - Arrival Arrangements

W You asked me in your letter of 17 October whether the Prime Minister would be prepared to say a few words of welcome on the arrival of Premier Hua. The Prime Minister has agreed to do this. I would be grateful to receive a form of words by close of play on Thursday 25 October.

We have discussed and agreed on the telephone the detail of the Prime Minister's participation in the arrival ceremony. I should be grateful to receive a short letter setting out exactly what you expect will happen.

M. O'D. B. ALEXANDER

Miss P.T. Metcalfe, OBE,
Foreign and Commonwealth Office.

DBO

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister
Apex ABCD
+ 2 lists of UK participants
attached?

19 October 1979

19.10

Dear Michael, O.R.

M.S.

Premier Hua Guofeng's visit: Attendance at Official Talks

The Prime Minister has agreed to hold two sessions of talks with Chinese Premier Hua Guofeng - from 3-4.55pm on Monday 29 October and from 4-5.10pm on Thursday 1 November. If the Prime Minister agrees, a Cultural Agreement with China and possibly an Air Services Agreement will be signed at the end of the second session (an outline programme is attached for ease of reference).

A The Foreign and Commonwealth Secretary recommends that the first session of talks should cover international issues, leaving bilateral issues (such as trade, including defence sales, and Hong Kong) to be covered in the second, shorter session. If the Prime Minister is content with this, there will be no need for departments other than the Foreign and Commonwealth Office to be represented at the first session. But the Secretaries of State for Trade, Industry and Defence have all indicated that they would welcome the opportunity to attend the second session, when subjects of direct interest to their Departments are likely to be discussed.

I attach draft lists for attendance by the British side at both sessions which the Foreign and Commonwealth Secretary has seen and approved, together with a list supplied by the Chinese of the Ministers and other officials whom they would wish to attend.

On the British side Lord Carrington thinks that in addition to the British Ambassador to China, it would be useful to have at both sessions two officials directly concerned with Chinese affairs in the FCO (Mr Cortazzi, the Deputy Under-Secretary, and the Head of the Far Eastern Department). In addition the Prime Minister would, he thinks, find it helpful to have Mr Richards from the Embassy in Peking to monitor interpretation both at her tete-a-tete and at the two main sessions. (Mr Richards will also be available throughout the visit to interpret speeches, toasts and social conversation for the Prime Minister and others). We could also provide record-takers from the Department if you wished. ✓ *Yes. They will have 2 record-takers.*

The list of Chinese may be longer than the Prime Minister would wish. The Chinese will hope all those on the list can be included, but would probably be ready to reduce the list by one or two if necessary. I should be grateful to know the Prime Minister's views.

Chinese should limit their party

/I should

B. *6/14: is one side of the*
Cabinet table + 2 sitting
behind.

RESTRICTED



RESTRICTED

-2-

us C.
D.
I should also be grateful to know whether the Prime Minister is content that the Cultural Agreement with China (recently negotiated in Peking), and possibly the Air Services Agreement should be signed at the end of the second session. The Cultural Agreement sets out the parameters for future exchanges with China, and will facilitate their implementation. The Air Services Agreement, which was initialled in Peking in July, provides for the commencement of trunk route services between the UK and China, and the extension of regional services between Hong Kong and points in China. However, it is not yet clear whether negotiations will have made enough progress to make signature of the Air Services Agreement during Hua's visit appropriate. Unless the Prime Minister herself wishes to sign either of these agreements, the Cultural Agreement could most appropriately be signed by Lord Carrington and Chinese Foreign Minister Huang Hua, and the Air Services Agreement by Mr Nott and Vice Premier Yu Qiuli, in the presence of the Prime Minister and Premier Hua, and the senior officials who have been directly involved in the negotiations.

I am copying this letter to the Private Secretaries to the Secretaries of State for Trade, Industry and Defence, and to Martin Vile (Cabinet Office).

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

DRAFT LIST OF MINISTERS AND OFFICIALS TO ATTEND FIRST
SESSION OF PRIME MINISTER'S TALKS WITH PREMIER HUA GUOFENG

~ Lord Carrington

Mr P Blaker

~ Sir Michael Palliser

Mr P Cradock

British Ambassador to Peking

~ Mr H A H Cortazzi

Deputy Under-Secretary, FCO

Mr R C Samuel

Head of Far Eastern Dept, FCO

Mr J W B Richards

British Embassy, Peking
(to monitor interpretation)



2 CARLTON GARDENS LONDON SW1Y 5AA

TELEPHONE: 01-214 8732

SWITCHBOARD: 01-214 6000

GHF A4601/04

19 October 1979

Miss P T Metcalfe OBE
Protocol and Conference Department
Foreign and Commonwealth Office
LONDON SW1A 2AH

cc -

✓ Mr H Alexander
10 Downing Street
Mr I Saunders
PSA

Thank you for your letter of 15 October about the Reception at the Banqueting House for Premier Hua.

We note that it is now the intention that the guests diverted at 5.55 p.m. to the RUSI entrance should proceed up the RUSI staircase into the Hall and not be held in the Crypt cloakroom area. There should be no problem about this but it would of course mean that these guests will not be formally received unless it is intended to provide a second "greeter" at the "Throne" end of the hall for the period 5.55 - 6.05 p.m. We would be glad to know if this is so.

I would think five minutes just about enough time to clear the stairway as long as guests pass the receiving point without delay. If acceptable it would certainly expedite matters if there could be two receiving points at the main entrance to the hall until 6.00 p.m. This should ensure that the staircase is clear for the Prime Minister to go down at 6.01 p.m. to await Premier Hua's arrival at 6.05 p.m.

We note that the Prime Minister will not return to the receiving line once the Premier has arrived. Could you please let us know who will take over?

I have spoken to Ivor Saunders in PSA about a tapestry for the staircase wall. He confirmed, I am afraid, that apart from being out of character with the building, they are unable to provide a suitable tapestry and in any case the wall would have to be defaced in order to hang it. For the same reasons they are unable to drape the wall opposite the Horse Guards Avenue entrance. Mr. Saunders will also be writing to you to explain their problems.

On a different aspect, we have been approached by a Mrs Lewthwaite, whose husband, Brigadier R Lewthwaite, is apparently a member of FCO Protocol Department. She is a water-colour artist who received special permission from Mr Chou en Lai to paint scenes in Peking. She has about 50 of these water-colours (unframed; size 9" x 8") and thought it might be a compliment to Premier Hua if some of them could be "pinned-up on the walls of the Banqueting House" during the reception. They are unsigned and she would not wish anyone to know who painted them, neither does she want to sell them.

I said I would pass her suggestion on for your consideration with No. 10. The paintings could not of course be pinned on to the brick walls; the only possibility would seem to be a free-standing board if PSA could provide one. Mrs Lewthwaite's telephone number is 602 6323 and she is usually in the mornings around 10 a.m.

I am copying this letter to Michael Alexander at No. 10 and Ivor Saunders in PSA.

W N Hutton



22 OCT 1978

B. R.

VS

PRIME MINISTER

Present for Premier Hua

I do not know whether Michael Alexander had the opportunity of talking to you on the plane about Premier Hua's present, but the original thought of a Sinclair miniaturised television is not going to work. The following alternatives have been suggested:

- (i) A framed picture of either the Tower of London or Merton College, both of which you will be visiting.
 - (ii) Short-wave radio.
 - (iii) A selection of Crown Derby
 - (iv) A suggestion which comes from Nick which is to present a set of Joseph Needham's enormous, unfinished and very scholarly history of Chinese science and technology. The argument for doing this is that it is without much doubt the most important piece of British scholarship on China this century, and that Needham has met Chairman Hua. The arguments against are that the Chinese already have copies of the published volumes and that Needham himself is one of the leading British sympathisers with the Chinese Government. The Cambridge University Press will send us a specimen volume for you to look at.
- CS

19 October 1979



Foreign and Commonwealth Office

London SW1A 2AH

17 October 1979

Michael Alexander Esq
10 Downing Street
London SW1

Dear Sir,

VISIT OF PREMIER HUA - ARRIVAL ARRANGEMENTS

The arrival arrangements we propose for Premier Hua on Sunday 28 October are as set out in the attached paper. You will note (paragraph 5) that after the inspection of the Guard of Honour, it is proposed that the Prime Minister should say a few words of welcome and that Premier Hua would reply. If this is acceptable to the Prime Minister, the Department will, of course, provide a form of words.

Yours ever

P T Metcalfe

P T Metcalfe (Miss)
Protocol and Conference
Department

1979 OCT 9



VISIT OF PREMIER HUA

ANNEX A

28 OCTOBER - 3 NOVEMBER, 1979

ARRIVAL ARRANGEMENTS

Sunday 28 October

1530	Arrival of coach parties and junior Embassy staff Arrival of Colour Party from 2nd Battalion Coldstream Guards
1600 hours approx	Major General Langley, General Officer Commanding, London District; Mr Cradock, HM Ambassador to China; /Mr Samuel, Head of Far Eastern Department and Mr G H F Barclay, CMG, Secretary of Government Hospitality Fund, will arrive at the Special Waiting Room at Heathrow Airport Southside.
/ Mr Cortazzi, Mr du Boulay,	
1610	The Chinese Ambassador, will arrive and will be greeted by Mr Barclay, Mr Cradock, Mr Cortazzi, Mr du Boulay, Mr Samuel and Mr Maine of British Airports Authority.
1615	The Prime Minister The Rt Hon Margaret Thatcher MP will arrive.
1620	The Lord Mowbray and Stourton, Lord-in-Waiting to Her Majesty The Queen, will arrive.
1630 (Doors open time)	The President's special aircraft is expected to arrive from Germany

As soon as the aircraft doors open, the representative of British Airways Authority will escort the greeting party from the VIP Lounge to the aircraft. Senior Embassy official and their wives will watch the proceedings from outside the VIP Lounge. Those going to the aircraft will be:-

/The Lord Mowbray and
Stourton

The Lord Mowbray and Stourton
The Prime Minister
Major General Langley
Mr Cradock, HM Ambassador, Peking
Mr Cortazzi/Mr du Boulay
Mr Barclay/GHF
Mr Maine, Director London Airport
A Guard of Honour from the 2nd Bn Coldstream
Guards under the command of Major R T Heywood,
will be formed upon the apron.

The Chinese Ambassador boards the aircraft
and escorts Premier Hua down the steps.

The Lord Mowbray and Stourton will greet the
Premier on behalf of The Queen and will take
him down the receiving line. Other members
of the official suite will then disembark and
be introduced to the greeting party by the
Chinese Ambassador.

Lord Mowbray and Stourton will accompany the
Premier to the front of the Guard of Honour
and the Chinese National Anthem will be played.
The Guard Commander will invite the Premier to
inspect the Guard of Honour.

During the inspection of the Guard of Honour
the Prime Minister will walk with the Vice
Premier and the other members of the official
party to the speaking base.

On conclusion of the inspection the Lord
Mowbray and Stourton will escort the Premier
to the speaking base to join the Prime Minister,
who will say a few words of welcome to which
the Premier will reply.

The party will then walk to the VIP Lounge.
The Premier will be accompanied by Lord Mowbray
and Stourton, the Prime Minister, other members
of the greeting party. On the way the Premier
will be presented with a bunch of flowers by a
member of the Chinese Embassy. GHF and FCO
Officers will escort other members of the official
suite.

In the VIP Lounge the Chinese Ambassador will
present members of his staff and their wives.
Refreshments will be available. Mr Barclay
will present the Escort Officers. Mr du Boulay
will present FCO Officials.

/When

When the Premier and his party are ready to leave they will travel by car to Claridges. For seating arrangements see Appendix.

Unofficial members of the party, including any members travelling on board, will disembark by the rear door of the aircraft under the guidance of officials of the Chinese Embassy and will be directed to their cars without going through the VIP Lounge.

TRANSPORT ARRANGEMENTS FROM HEATHROW AIRPORT SOUTHSIDE TO CLARIDGES

SUNDAY 28 OCTOBER 1979

Premiers Car

Premier Hua
Mr Chen Hui
Mr Coppel
Mr Moffat
Mr Blaker

Car No 1

Vice Premier Yu
Chinese Ambassador
Mr Gan Ziyu
HM Ambassador to China
Mr Black

Car No 2

~~HE. Mr Huang Hua.~~ Mr Wei Yongqing.
~~HE Mr Zhang Wenjin~~
Mr O'Neill
Mr Cooksley
Mr Cortazzi

← Ambassador's Car. Dr Nurse.

Car No 3

Mr Ling Yun
Mr Coi Qun
Mr Pu Shouchang
~~Mr Wei Yong Qing~~ Mr Zhang Wenjin.
Mr du Boulay

Car No 4

Mr Qian Qichen
Mr Yang Dezhong
Mr Wang Benzuo
Mr Tan Wenrui
Mr Barclay

Car No 5

Mr Wang Shikun
Mr Qian Jiadong
Mr Tao Shouqi
Mr Cao Wangui
Chinese Embassy

/Car No 6

Car No 6

Mr Dong Fang
Mr Tang Longbin
Mr Lei Li
Mr Tan Jialun
Mr Richards

Car No 7

Mr Wang Changyi
Mr Hu Chuan Zhong
Mr Pang Tingjin
Mr Zou Zhiyuan
Miss Metcalfe
~~Member of the FCO~~

Car No 8

Mr Jiang Enzhu
Mr Liang Zhiwei
~~Mr Hu Weiqin~~ FED.
MS Zhao Shijing
Mr Chen Dazhen
Mr Sun Zhenyu

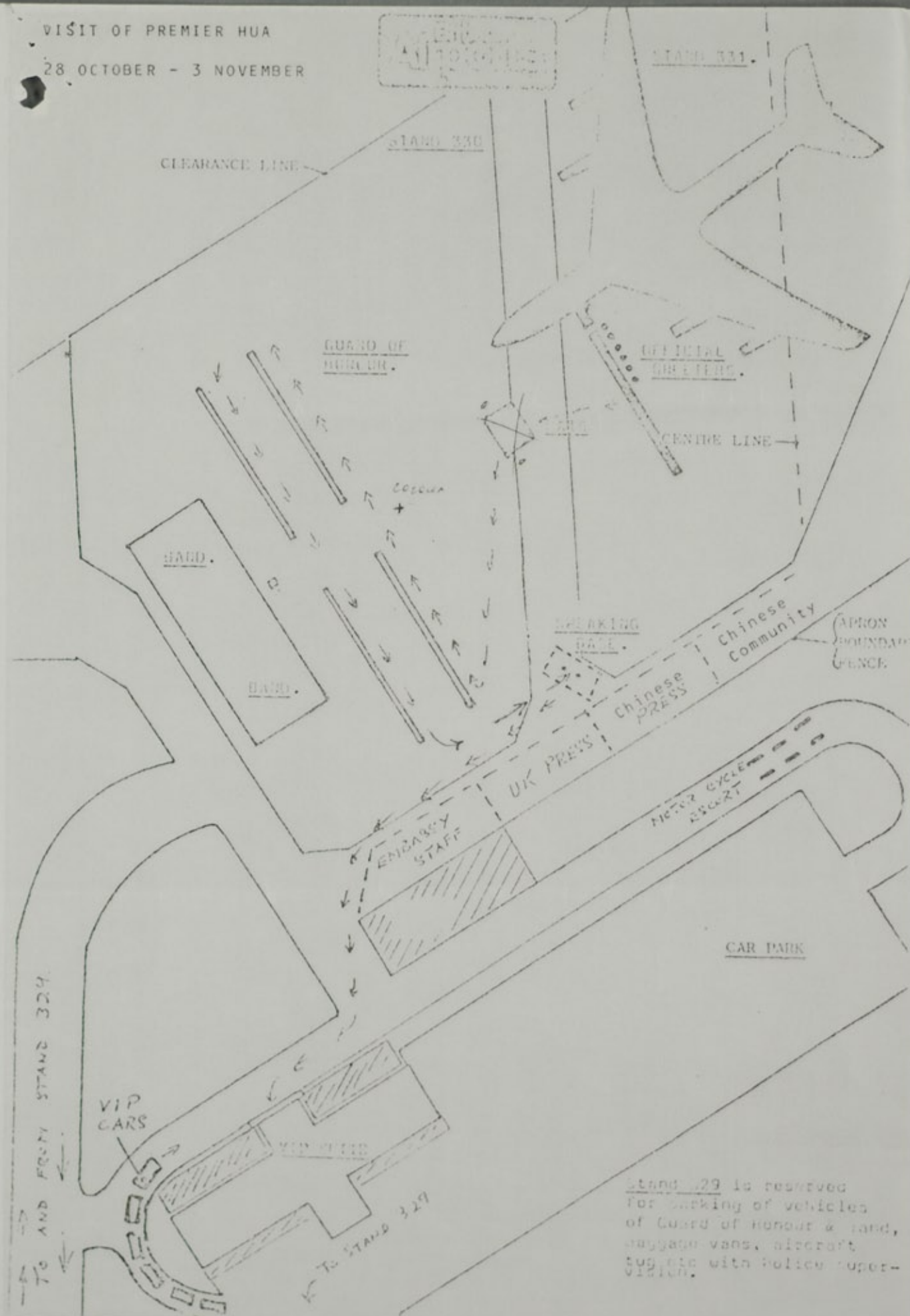
Car No 9

Mr Yang Jiechi
Mr Ji Shaoxiang
Mr Zheng Quinglin
Mr Gao Fengli
Mr Li Hua
Mr Sian Sijie

All others attending the arrival ceremony are responsible for making their own car arrangements.

VISIT OF PREMIER HUA

28 OCTOBER - 3 NOVEMBER



FILE

VLB

Chenier

12 October 1979

Visit of Premier Hua - Banqueting House Reception

Thank you for your letter of 12 October on this subject.

The arrangement you suggest for diverting guests seems admirable. I have no doubt that the Prime Minister will wish to go downstairs to greet Premier Hua and that she will wish to be downstairs not much later than 5.55. You may think therefore that it would be a good idea to begin diverting the guests at, say, 5.57.

Further to our exchange of letters about the improvements to the entrance of the Banqueting House, I had a look at the situation on the ground yesterday. This confirmed me in my feeling that for the most part the arrangements proposed in your letter of 8 October will do well. But is there no possibility of embellishing the large area of wall on one's right as one goes up to the first landing? It seems a pity that tapestries are impracticable as they would obviously be the ideal solution. Please feel free to answer this query on the telephone.

As regards the situation after Premier Hua's arrival, I think the Prime Minister will wish to spend several minutes with the Premier pointing out the main features of the Banqueting House. It would be a little difficult for her to return to a receiving line thereafter.

M. O'D. B. ALEXANDER

Miss P. T. Metcalfe,
Protocol and Conference Department,
Foreign and Commonwealth Office.

9B



Foreign and Commonwealth Office

London SW1A 2AH

12 October 1979

Michael Alexander Esq
10 Downing Street
London SW1

Dear Mr Alexander

VISIT OF PREMIER HUA - BANQUETING HOUSE RECEPTION

Thank you for your letter. I will keep you in touch with the progress on improvements for the entrance to the Banqueting House.

I have discussed the arrival arrangements for Premier Hua with Government Hospitality and we have agreed that the guests arriving at the normal entrance to the Banqueting House will, from 5.55 pm, be diverted to the RUSI entrance. This gives access to the ground floor cloak room of the Banqueting House, which is a large area, where guests arriving at this time can easily be held until after Premier Hua has arrived at 6.00 pm and gone upstairs. The intervening five minutes will give time for the guests already on the staircase to clear.

Unless the Prime Minister particularly wishes to come down stairs for Premier Hua's arrival at 6.00 pm, it would be quite appropriate for him to be met at the front door by Mr du Boulay and be seen off when he leaves the Banqueting House by the RUSI exit.

You may also wish to consider whether after Premier Hua's arrival the Prime Minister will wish to continue receiving guests or whether at this point she would circulate among her guests. We shall be arranging for certain people among the guests to be introduced to the Premier.

Yours sincerely

P. T. Metcalfe

(Signed in her absence)

P T Metcalfe (Miss)
Protocol and Conference
Department

CRS 375
UNCLASSIFIED

FM PEKING 090802Z OCT 79

TO ROUTINE FCO

TELEGRAM NUMBER 878 OF 9 OCTOBER 79

INFO PARIS, BONN, ROME, MOSCOW, WASHINGTON, HONG KONG

Prime Minister

Amul

HUA GUOFENG'S PRESS CONFERENCE

1. ON 7 OCTOBER PREMIER HUA GUOFENG GAVE A PRESS CONFERENCE TO JOURNALISTS FROM THE FOUR WEST EUROPEAN COUNTRIES HE IS SHORTLY TO VISIT.

2. IN HIS INTRODUCTORY REMARKS, HUA SPOKE OF HIS WISH TO STRENGTHEN THE GOOD RELATIONS ALREADY EXISTING BETWEEN CHINA AND THE WEST EUROPEAN COUNTRIES. A STRONG AND UNITED EUROPE WAS GOOD FOR WORLD PEACE.

3. IN HIS REPLIES TO JOURNALISTS' QUESTIONS HUA MADE THE FOLLOWING MAIN POINTS:

(A) SINO-SOVIET RELATIONS. THE RESULTS OF THE PRESENT SINO-SOVIET TALKS IN MOSCOW WOULD DEPEND ON THE RUSSIANS.

(B) GERMANY AND DETENTE. CHINA UNDERSTOOD AND SYMPATHISED WITH THE DESIRE OF THE GERMAN PEOPLE TO RE-UNIFY THEIR COUNTRY. THE TIMING OF REUNIFICATION AND ITS RESULTS WERE SOMETHING FOR THE PEOPLE OF BOTH PARTS OF GERMANY TO DECIDE. QUESTIONED ON CHINA'S ATTITUDE TO THE FRG'S POLICY OF DETENTE WITH THE SOVIET UNION, HUA SAID CHINA WAS OPPOSED NOT TO DETENTE BUT TO HEGEMONIST POLICIES OF AGGRESSION AND EXPANSION. LOOKING AT RECENT DEVELOPMENTS IN THE MIDDLE EAST, AFRICA AND SOUTH EAST ASIA, CHINA SAW NO SIGNS OF DETENTE.

(C) SINO-VATICAN RELATIONS. THERE WERE NO PLANS TO SEE THE POPE DURING HIS VISIT TO ITALY. CHINA COULD NOT CONTEMPLATE CONTACTS WITH THE VATICAN WHILE THE VATICAN MAINTAINED DIPLOMATIC RELATIONS WITH TAIWAN.

(D) VIETNAM. CHINA RESERVED THE RIGHT TO RETALIATE AGAINST FURTHER VIETNAMESE PROVOCATION. VIETNAMESE ALLEGATIONS THAT CHINA WAS PREPARING TO LAUNCH A LARGE-SCALE OFFENSIVE WERE INTENDED TO COVER UP VIETNAM'S OWN PREPARATIONS FOR A MAJOR OFFENSIVE IN KAMPUCHEA DURING THE DRY SEASON.

(E) THE GANG OF FOUR. THEY HAD COMMITTED SERIOUS CRIMES AND WOULD BE DEALT WITH IN ACCORDANCE WITH LEGAL PROCEDURES BEFORE TOO LONG. THEY WOULD NOT BE SENTENCED TO DEATH.

/u.

4. HUA DECLINED TO ANSWER QUESTIONS ABOUT RELATIONS WITH THE EUROPEAN COMMUNIST PARTIES AND ABOUT HIS WIFE AND FAMILY.

5. FOR HUA'S COMMENTS ON HONG KONG SEE MY MIFT (NOT TO ALL)

6. HUA HANDLED THE JOURNALISTS' QUESTIONS EASILY. HE SPOKE WITH FLUENCY AND AUTHORITY.

CRADOCK

FLO WHITEHALL DIST:

FED

~~China: May 79~~
~~Sino-British Relations~~
~~in Defence Files~~

~~Michael~~

CLIVE WHITMORE

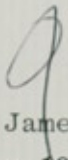
Let's see how
much of this is covered
by the brief which he got
at MOD with no doubt in
preparing for the Home Minister's
use. KHL/18x.

In preparing the brief for the
Prime Minister for the visit of Chairman Hua,
the attached may be useful.

The brief is admirably succinct.

Attached also is a memorandum
which was given to Mr Yang Yong in
July and has recently been updated for
the Lord Privy Seal.

Sir Peter Matthews, the Managing
Director and Chairman-designate of Vickers
Ltd is to be invited to the Hua dinner:
the brief is therefore very relevant.


Henry L James
9 October 1979



Vickers Limited
Vickers House
Millbank Tower
London SW1P 4RA
Telephone: (01) 828 7777

BRIEF REGARDING VICKERS LIMITED'S IMMEDIATE INTERESTS
IN TRADE WITH CHINA.

Vickers Limited have traded with China for a great many years in the fields of both civil and military requirements. At the moment Vickers have a number of modest contracts to the order of £10m. each for provision of special testing facilities for components of aircraft and aircraft engines.

Under negotiation at the present time is a very important project for the provision of research and test facilities for the design and validation of jet engines. The facilities are required to simulate and measure effects of high altitude supersonic conditions, to facilitate design of the engine itself and the mountings and fixings of the engine to the aircraft.

The cost of such a facility is to the order of £100m. We understand that the Chinese wish to place this order with Vickers and that we can expect final negotiations to be opened shortly. These follow many exchanges of technical missions both ways.

HMG's interests, both in regard to the NGTE test facilities and the Ministry of Defence, are supporting the Vickers' proposals. Vickers have been informed that the Chinese authorities intend this to be one of the items which they will include within their presently available financial facilities.

Vickers are very well aware of the slow time-scale of bringing commercial contracts to finalisation in China and they feel that at this stage an expression at a high political level of awareness of and interest in this particular contract, relating as it does to supply of equipment and transfer of high technology, might be opportune and helpful.

Handed to Sir Peter Matthews 20/8

SIR PETER MATTHEWS

VICKERS HOUSE,
MILLBANK TOWER,
MILLBANK,
LONDON, SW1P 4RA.

TELEPHONE: 01-828 7777

30th August 1979.

MEMORANDUM OF VICKERS LIMITED INTERESTS IN DEFENCE AND
RELATED EQUIPMENT FOR THE PEOPLE'S REPUBLIC OF CHINA.

1. Vickers Limited have already concluded contracts for provision of test equipments for the Rolls-Royce Spey engine, which is to be manufactured in China. This includes special equipment for testing tyres and aircraft undercarriage systems. Further similar test equipments have been offered and are under negotiation.

2. Also related to aircraft, Vickers Limited have been in detailed discussion with Chinese Aerospace authorities regarding the supply of test equipment required to support design of new supersonic high altitude aero engines. This is a major project, the total cost of which may amount to between £100m. and £150m. Vickers Limited have submitted an outline proposal with considerable detail. A mission has visited China to discuss this, and we have entertained a number of Chinese missions here. We have now been asked to put in revised prices and are sending a high level team to China in October to try to negotiate a contract.

We now know the Chinese will approve this as one project which will go ahead despite any financial restrictions and they are openly stating that they wish to place the contract with us subject to price. We understand a special branch office of the Third Ministry of Machines is being established under Mr. Liu at the Embassy at Blackheath, very probably largely to progress this order.

There are possible problems, the most complex arising from the fact that although the equipment is wanted to validate their own Spey engine production, they also wish to use it for further research and development. This tends to mean continual advance and change in computer programmes, instrumentation etc., which make the drawing up of a totally agreed specification extremely difficult. Indeed this might take two years work and consequently delay completion. We are urging the Chinese to accept the main machinery specification and principal test procedures and order on that basis, with a view to amending and updating later if need be. We are trying to persuade them that this is what we would do in this country in this situation and that our Government is quite accustomed to drawing up contracts of a development or new nature in this way with companies such as ours, without detailing every point in the first instance.

As regards Cocom, MOD is well aware of the position and we are hoping to process this simply by notification and as an extension of the Spey contract.

/continued.....

3. With regard to tanks, Vickers representatives have seen Pau Tow and Da Tung and have received a delegation led by Mr. Tang of Northern Industries. Vickers Limited have put forward proposals embracing views of main British contractors - Marconi, Rolls-Royce Motors, MEL and others - covering the main points:-

- (a) Improvements to the existing Chinese tank; aiming sights, fire control, engine power, transmission.
- (b) Provision of specialised machine tools and equipment to improve production techniques.
- (c) Provision of a completely equipped research facility for design and development of future tanks.
- (d) Discussions have established that the new Vickers Mark IV tank meets the specification drawn up by the Northern Industrial Corporation for the future Chinese Main Battle Tank. This new vehicle incorporates all recent technological developments relating to armour plate, engine transmission, gun and its control systems. The first vehicle which Mr. Tang saw under construction during his visit has now been completed and has recently completed successful proving trials.
- (e) The underlying objective here, of course, is to equip the Chinese to manufacture this tank for themselves in China. This involves many issues, updating the tank, building the factory, building a new engine, building a new gun, manufacture of ammunition, development of supply of electronics. There is also the question of Chobham armour, and issues will arise in regard to Cocom.

4. Following my visit to China in October 1978 and a series of subsequent meetings, I had a specific meeting with Mr. Callaghan before the visit of Mr. Wang Chen, the Deputy Premier, when we agreed that we should continue to explore this whole possibility under the general heading of "Engineering and General Collaboration", in the hope and belief that specific objections might evaporate as time goes by and the programme develops. In my view this programme may represent the biggest single opportunity for engineering collaboration and supplies to China.

5. The Latest Position:

We had expected to demonstrate the new fire control system on a T59 tank in Peking in June. This was delayed as part of their general review of expenditure. However, it is now agreed that this is to go ahead and take place in October.

PAM/AB.

Handed to Mr. Yang Yang at Dinner 4/7/77
(copy to Mr. Wu)

SIR PETER MATTHEWS

VICKERS HOUSE,
MILLBANK TOWER,
MILLBANK,
LONDON, SW1P 4RA.
TELEPHONE 01-828 7777

MEMORANDUM OF VICKERS LIMITED INTERESTS IN DEFENCE
AND RELATED EQUIPMENT FOR THE PEOPLE'S REPUBLIC OF CHINA.

1. Vickers Limited have already concluded contracts for provision of test equipments for the Rolls-Royce Spey engine, which is to be manufactured in China. This includes special equipment for testing tyres and aircraft undercarriage systems. Further similar test equipments have been offered and are under negotiation.
2. Also related to aircraft, Vickers Limited have been in detailed discussion with Chinese Aerospace authorities regarding the supply of test equipment required to support design of new supersonic high altitude aero engines. This is a major project, the total cost of which may amount to between £100m. and £150m. Vickers Limited have submitted an outline proposal with considerable detail and a mission has visited China to discuss this. It may now be necessary to sub-divide this contract into two parts, the first to cover detailed design, including preparation of special computer programmes etc., the second to provide for supply, erection and commissioning of equipments. The problem is that the detailed design and discussion required to explore this is in itself a very big undertaking, which Vickers Limited cannot do without a contractual agreement.
3. With regard to tanks, Vickers representatives have seen Pau Tow and Da Tung and have received a delegation led by Mr. Tang of Northern Industries. Vickers Limited have put forward proposals embracing views of main British contractors - Marconi, Rolls-Royce Motors, MEL and others - covering the main points:-
 - (a) Improvements to the existing Chinese tank; aiming sights, fire control, engine power, transmission.

continued

- (b) Provision of specialised machine tools and equipment to improve production techniques.
 - (c) Provision of a completely equipped research facility for design and development of future tanks.
 - (d) Discussions have established that the new Vickers Mark IV tank meets the specification drawn up by the Northern Industrial Corporation for the future Chinese Main Battle Tank. This new vehicle incorporates all recent technological developments relating to armour plate, engine transmission, gun and its control systems. The first vehicle which Mr. Tang saw under construction during his visit has now been completed and is undergoing proving trials, which you may wish to see while you are here.
4. All our proposals are currently being considered by the Northern Industrial Corporation. We had expected to be invited to demonstrate new Fire Control System on a T59 tank in Peking in June. Unfortunately this has been postponed, and we should like to be advised of the new date as soon as possible.

PAM/AB
4 July 1979.



10 DOWNING STREET

From the Private Secretary

9 October 1979

Visit of Premier Hua: Banqueting House
Reception

The proposals in your letter to me of 8 October and its enclosure seem admirable. I shall be grateful to know in due course whether all your suggestions are going to be implemented and, if not, what difficulties are being encountered.

One question: how will you be able to ensure that Premier Hua finds the stairway clear on his arrival? Is there not a risk that there will be a queue of guests on the stairs who cannot be moved aside? If you close the entrance at 5.55 are you not going to have a large crowd of somewhat discontented guests on the pavement?

M. O'D. B. ALEXANDER

Miss P.T. Metcalfe, O.B.E.,
Foreign and Commonwealth Office



Foreign and Commonwealth Office

London SW1A 2AH

8 October 1979

Michael Alexander Esq
No 10 Downing Street
London SW1

Dear Michael

VISIT OF PREMIER HUA - BANQUETING HOUSE RECEPTION

You told me on the telephone that the Prime Minister wished to have the entrance to the Banqueting House improved and I have now had a meeting on the site with representatives of Government Hospitality and the Property Service Agency, and I attach details of the improvements which we agreed would be required.

I also asked if a small string orchestra could play, at least for the first part of the Reception, as once the hall is full the music cannot be heard above the background noise of people talking.

It is suggested that the arrival and departure arrangements for Premier Hua and the Prime Minister should be as follows:- The Prime Minister to arrive at the RUSI entrance of the Banqueting House in Whitehall at 5.43 pm. Guests will arrive via the main entrance at 5.45 pm, but Premier Hua would arrive at 6.00 pm by which time the hall should be reasonably full. He would arrive by the main entrance and arrangements would be made to stop the flow of other guests so that he can have an unimpeded passage up the stairs.

Premier Hua and his party would leave at 7.10 pm by the RUSI door. This will enable them to get to Covent Garden by 7.20 pm in time for the performance of Sleeping Beauty. The Prime Minister would also leave by the RUSI door at 7.15 pm. Other guests will use the Horse Guards Avenue entrance for arriving and departing.

Please let me know if you have any comments on these arrangements.

Yours ever

P T Metcalfe

P T Metcalfe (Miss)
Protocol and Conference
Department

Note of Meeting at the Banqueting House, Whitehall on Wednesday 3 October to consider improving the appearance of the entrance hall and staircase for the Prime Minister's Reception in honour of Premier Hua on Monday, 29 October.

The following proposals were made:

1. Arrival awnings to be erected at the entrance in Horse Guards Avenue and at the entrance to the RUSI.
2. Trees in tubs to be placed in the forecourt of the Whitehall entrance.
3. A period table, not too wide, to be placed against the Wall facing the Horse Guards entrance, to take a flower display and if practicable, a curtain to drape the wall behind the flowers.
4. In the inner hall a red carpet through to the Whitehall entrance and up the stairs and along the first floor landing.
5. The publications sales desk to be removed entirely from the inner hallway.
6. On the half-way landing, a bracket or plinth in either corner to take flower decorations (unless the florists can supply something suitable).
7. A suitable picture to be hung on the wall opposite the painting of Charles I.
8. The brown paint, which is characteristic of the period, to be touched up where flaking in the hall and staircase.
9. Hanging tapestries on the walls was thought to be impracticable.

The Department of the Environment agreed to consider how best the above proposals could be implemented.

10. Flower arrangements

GHF would consider with the florists:

- a) Group on table at Horse Guards entrance.
- b) Groups in corners of first landing. To be as large as possible, bearing in mind that the staircase will be crowded with guests in the reception line.
- c) Group in corner of inner entrance hall.

Reference

- d) A large arrangement at the end of the first floor landing.
- e) One, or two, large pedestal groups in the Hall and some arrangements elsewhere, possibly in the window seats.

1-9 OCT 1979





Top
China

10 DOWNING STREET

From the Private Secretary

8 October 1979

VISIT OF PREMIER HUA

I have already given you on the telephone the answers to the questions raised in your letter to me of 2 October, but it may be helpful if I record them in writing.

The Prime Minister would be prepared to go to Heathrow to greet Premier Hua at 1630 on Sunday 28 October. I agree that those attending the first plenary session should arrive at No. 10 at 3.20 pm. The Prime Minister will use the RUSI entrance when arriving at the Banqueting House for the reception. The Prime Minister would like to greet Premier Hua at the Front Door and then move upstairs. He should arrive five minutes before the rest of the Chinese party. The Prime Minister agrees that the second plenary session should end at 5.10 pm and that 20 minutes should be allowed for the signing of the Cultural Agreement.

M. O'D. B. ALEXANDER

Miss P.T. Metcalfe,
Foreign and Commonwealth Office.

TGR

85-02512

10 OCT 1979

RECEIVED

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(256)

Ann Stephens: to
 check against
 diary (points to X)

VISIT OF PREMIER HUA GUOFENG: 28 OCTOBER - 3 NOVEMBER

DRAFT PROGRAMME AS AT 8 OCTOBER

SERIAL	TIME	EVENTS
<u>Sunday 28 October</u>		
1	1630	X Arrival of Premier Hua at London Airport, met by the Prime Minister, Guard of Honour
2	1645	Depart London Airport by road
3	1715	Arrive Claridges
<u>Monday 29 October</u>		
4	0900	Depart Claridges. Accompanied by Mr Blaker?
5	0910	Arrive Westminster Pier Embark on hovercraft
6	0920	Arrive Tower of London
7	0925	Arrive Jewel House. Received by the Governor of the Tower of London, Major General G H Mills, CB, OBE
8	0925 - 1100	Visit of Tower of London
9	1115	Return to Claridges
10	1235	Depart Claridges
11	1240	Arrive Lancaster House
12	1230 for 1245 until approx 1415	Luncheon given by HMG at Lancaster House by The Secretary of State for Foreign and Commonwealth Affairs, The Lord Carrington
13	1415 approx	Leave Lancaster House
14	1425 approx	Arrive Claridges
15	1453	Depart Claridges
16	1500	X Arrive 10 Downing Street
17	1500 - 1655	X Short tete-a-tete talks with Prime Minister, followed by first Plenary session at No 10 (Remainder of party arrive 1520)
18	1700	X Depart Downing Street

<u>SERIAL</u>	<u>TIME</u>	<u>EVENTS</u>
19	1707	Arrive Claridges
20	1753	Depart Claridges
21	1800	Arrive Banqueting House
22	1745 - 1910	X Reception given by the Prime Minister at the Banqueting House
23	1915	Depart Banqueting House
24	1920	Arrive Covent Garden
25	1930	Performance of Sleeping Beauty at Covent Garden, (including Supper) Accompanied by Mr St John Stevas?

Tuesday 30 October

26	0900 - 1015	Call on Premier Hua at Claridges by The Secretary of State for Trade, Mr John Nott, accompanied by 8 business
27	1030 - 1130	Calls by political leaders at Claridges
28	1250	Leave Claridges
29	1255	Arrive Buckingham Palace (Guard of Honour)
30	1300 - 1430	Luncheon given by HM The Queen
31	1430 - 1500	Tour of State Rooms with The Queen
32	1505	Leave Buckingham Palace for Claridges
33	1510	Arrive Claridges
34	1630	Leave hotel for Britannic House
35	1645 - 1800	Visit Exhibition at BP Centre, Britannic House, accompanied by Mr Ho
36	1800	Depart Britannic House
37	1815	Arrive Claridges
38	1935	Depart Claridges
39	1945	X Arrive No 10 Downing Street
40	2000 for 2015	X Dinner given by The Prime Minister (Black tie or National Dress)

<u>SERIAL</u>	<u>TIME</u>	<u>EVENTS</u>
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Wednesday 31 October

41	0900	Leave Claridges
42	0920	Arrive Highgate
43	0925 - 0940	Visit tomb of Karl Marx
44	1025	Arrive at London Airport (Southside)
45	1030	Depart London Airport by British Airways Trident. Accompanied by Sir Keith Joseph and Mr Norman Fowler
46	1115	Arrive East Midlands Airport
47	1120	Depart East Midlands Airport by car
48	1135	Arrive British Rail Technical Centre, Derby Visit and lunch
49	1415	Leave British Rail Technical Centre by car
50	1425	Arrive Rolls Royce Headquarters, Moor
51	1530 - 1645	Visit Rolls Royce Factory
52	1645	Leave Rolls Royce Factory
53	1705	Arrive Rolls Royce Guest House
54	1850	Leave Rolls Royce Guest House
55	1900	Dinner, at Assembly Rooms in Derby given by Chairman of Rolls Royce, Sir Kenneth Keith
		Stay overnight at Rolls Royce Guest House Remainder of party stay at Crest Motel

Thursday 1 November

56	0900	Leave Rolls Royce Guest House
57	0935	Arrive at East Midlands Airport
58	0940	Leave for London Airport (Southside)
59	1025	Arrive at London Airport
60	1100	Arrive Claridges
61	1235	Depart Claridges

ALTERNATIVE PROGRAMME FOR VICE PREMIER YU QIULI, 31 OCTOBER AND 1 NOVEM

Wednesday 31 October

<u>SERIAL</u>	<u>TIME</u>	<u>EVENTS</u>
41	0900	Leave Claridges
42	0920	Arrive Highgate
43	0925 - 0940	Visit tomb of Karl Marx
44	1025	Arrive at London Airport (Southside)
	1035	Depart London Airport by British Airwa: BAC111
	1120	Arrive at Manchester Airport
	1125	Depart Manchester Airport by road
	1200	Arrive, at Pilkington Glass Limited, St Helens
	1315	Lunch at Pilkington's
	1500	Leave Pilkington's
	1515	Arrive at Fiddler's Ferry Power Station St Helens
	1645	Leave Power Station by road
	1730	Arrive Piccadilly Hotel, Manchester
	1900 for 1915	Dinner given by the CBI

Thursday 1 November

0900	Depart Piccadilly Hotel
0945	Arrive Manchester Airport
1035	Arrive London Airport
1100	Arrive Claridges Thereafter as for Premier Hua

<u>SERIAL</u>	<u>TIME</u>		<u>EVENTS</u>
62	1250		Arrive at Bank of England
63	1250 - 1430		Luncheon with Governor of Bank of England, after short presentation
64	1435		Depart Bank of England
65	1450		Arrive Claridges
66	1550		Depart Claridges
67	1600 - 1710	X	Second Plenary Session at No 10 Downing Street
68	1710 - 1730	X	Signing Ceremony at No 10 Downing Stre
69	1733	X	Depart Downing Street
70	1735		Arrive Speaker's House
71	1740 - 1815		Speaker's Reception
72	1815		Depart Speaker's House
73	1825		Arrive Claridges
74	1930		Leave for Guildhall
75	1945		Arrive Guildhall
76	1945 for 2015		Dinner at the Guildhall (White tie or National Dress)

Friday 2 November

77	0900		Leave Claridges by car
78	1030		Arrive Mr Dart's farm, Sherwood House, Brightwell-cum-Sotwell, Wallingford Met by Mr Wiggin
79	1140		Leave farm
80	1210		Arrive Oxford, Randolph Hotel
81	1215 for 1230		Lunch hosted by the Duke of Kent, Vice Chairman of the BOTB, at the Randolph Hotel, Oxford
82	1400		Leave Hotel
83	1400 - 1510		Visit the Bodleian Library and Merton College
84	1510 - 1540		Tea with Mr Macmillan at Merton Colleg

<u>SERIAL</u>	<u>TIME</u>	<u>EVENTS</u>
85	1555	Depart Oxford by special high speed train
86	1640	Arrive Paddington
87	1650	Arrive Claridges
88	1800 - 1830	Press Conference, Europa Hotel
89		Arrive Claridges
90		Depart Claridges
91	2000	Return Dinner at Chinese Embassy

Saturday 3 November

92	Before 1000 0900 0930	X Depart Kensington Palace by Helicopter Take off from Heathrow.
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119 OCT 1979





DEPARTMENT OF TRADE

Permanent Secretary's Office
1 Victoria Street
London SW1H 0ET

Telephone Direct Line 01-215
Switchboard 01-215 7877

*With the Compliments of
Sir Kenneth Lucas*

China
CONFIDENTIAL



From the Permanent Secretary
Sir Kenneth Clucas KCB

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 3785
SWITCHBOARD 01 215 7877

3 October 1979

Sir Michael Palliser GCMG
Foreign & Commonwealth Office

Dear Michael,

VISIT OF PREMIER HUA GUOFENG

Thank you for your letter of 28 September.

I am glad we agree that CAAC cannot use Heathrow, even temporarily, without undermining the basic airports policy. This policy, and our determination to maintain it, has been a major feature of a series of recent air services discussions with a range of different countries, including the United States, Spain, the Philippines and Sri Lanka. The consequence of reversing it at this stage would be chaos at Heathrow and the abandonment of all attempts to switch to Gatwick.

Some weeks ago we discussed with British Airways at Board level whether they could move their Peking services to Gatwick in due course, when they fly directly rather than through Hong Kong. As we expected, they said that the financial cost of splitting their 747 operation between Heathrow and Gatwick would be unacceptable. The detailed reasons are set out in FCO telegram to Peking no.557 of 26 September, of which I enclose a copy. As you may recall, it was as much as anything to avoid splitting their 747 operation through having to transfer Canadian services to Gatwick that BA volunteered a month ago to transfer unilaterally to Gatwick all their services to Spain and Portugal.

We cannot therefore go beyond the position described in FCO telegram 557 to Peking. Paragraph 2 of this telegram indicates, without making any kind of commitment, that we would be prepared to look again at the question of the London airport used by British Airways when British Airways starts flying London-Peking direct. I do not myself despair of persuading the Chinese to operate from Gatwick on this basis: but if they do refuse, neither we nor British Airways would think it worth starting services to Peking at the price, now or in a few years time, of a split 747 operation.

I am sending copies of this letter to John Hunt (Cabinet Office) and Michael Alexander (10 Downing Street).

*Cons. sec.
Ken*

KENNETH CLUCAS

6161 100 3



[Faint, illegible handwritten text]

CONFIDENTIAL

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GRS 575

CONFIDENTIAL

FM FCO 261730Z SEPT 79

TO IMMEDIATE PEKING

TELEGRAM NUMBER 557 OF 26 SEPT

INFO HONG KONG

PEKING TELNO 823: CAAC USE OF HEATHROW/CATWICK

1. PARA 3 OF TUR. WE ACCEPT THAT THE CHINESE HAVE A POINT, WHICH WE CANNOT SIMPLY IGNORE. AT THE SAME TIME, HEATHROW'S FOURTH TERMINAL, EVEN IF OPEN BY 1984, WILL ONLY BE ABLE TO ACCOMMODATE AIRLINES ALREADY THERE: AND BA'S ECONOMIC ARGUMENTS FOR NOT MOVING PART OF THEIR B747 OPERATION TO CATWICK ARE VERY STRONG, EVEN THOUGH THEY WILL NOT CUT MUCH ICE WITH THE CHINESE. BA HAVE ALSO HELD OUT AGAINST A SPLIT OF B747 OPERATIONS THROUGHOUT THE DISCUSSIONS ABOUT THE POSSIBLE MOVE TO CATWICK OF AIR SERVICES TO CANADA. THE ARGUMENTS ARE:

- (A) BA WOULD NEED TO MAKE VERY EXPENSIVE INVESTMENT IN NEW GROUND FACILITIES AT CATWICK FOR HANDLING THE HIGH VOLUME OF PASSENGERS, LUGGAGE AND CARGO ASSOCIATED WITH B747 OPERATIONS. IN ADDITION, A NEW HANGAR WOULD BE REQUIRED SPECIFICALLY TO HANDLE AND MAINTAIN B747 AIRCRAFT. THE COST OF THIS ALONE IS ESTIMATED AT SOME 9 MILLION.
- (B) BA'S 747 OPERATION IS AIMED TOWARDS MAKING THE OPTIMUM USE OF AIRCRAFT OPERATIONAL TIME. THIS MEANS THAT AN INDIVIDUAL B747 IS NOT NECESSARILY USED EXCLUSIVELY ON A SINGLE ROUTE BUT RATHER IS SWITCHED AROUND TO FLY A COMBINATION OF DIFFERENT SECTORS. FOR EXAMPLE, AN AIRCRAFT ARRIVING AT HEATHROW FROM SAY JOHANNESBURG MAY WELL TAKE A NEW FLIGHT NUMBER AND THEN BE OPERATED OVER THE NORTH ATLANTIC. SPLITTING THEIR FLEET WOULD THUS CREATE CONSIDERABLE SCHEDULING DIFFICULTIES FOR BA AND

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7661 - 1

HAVE ADVERSE REPERCUSSIONS ON THEIR AIRCRAFT USAGE. THEIR PROBLEMS WOULD BE FURTHER COMPOUNDED BY THE FACT THAT THEIR FLEET IS A MIX OF THE SHORTER RANGE 136 TYPE AND THE LONGER RANGE 236 TYPE B747. BA HAVE ALSO ESTIMATED THAT IF THEY WERE TO SWITCH TO CATWICK A PART OF THEIR B747 OPERATION ON THE SCALE REQUIRED TO JUSTIFY ITSELF AS A WORKABLE PROPOSITION, THEY WOULD NEED TO PURCHASE AN ADDITIONAL B747 IN ORDER TO MAINTAIN THEIR PRESENT RATE OF AIRCRAFT UTILISATION.

2. WE ARE THEREFORE UNLIKELY TO MEET THE CHINESE ON THE 'EQUAL OPERATING OPPORTUNITY' POINT EVEN AFTER 1983, AND SHOULD NOT LEAD THEM TO BELIEVE WE WILL. HOWEVER, WE AGREE THAT IT WOULD BE UNREASONABLE AND TACTICALLY UNWISE FOR US TO CLOSE THE DOOR AGAINST THE POSSIBILITY OF ANY FUTURE DISCUSSION OF THE QUESTION WHEN BA OMTS HONG KONG FROM THE TRUNK ROUTE (ALTHOUGH THE CHINESE, OF COURSE, ARE NOT AWARE THAT THIS WILL BE AS EARLY AS 1983). YOU MAY THEREFORE SAY IF THE CHINESE RAISE THE QUESTION THAT WE CANNOT MAKE ANY FIRM COMMITMENT TO THEM ABOUT OUR LIKELY ATTITUDES TO THE CATWICK/HEATHROW POINT AT SOME UNSPECIFIED FUTURE DATE. BUT IT WOULD OF COURSE BE OPEN TO THEM TO RAISE THE QUESTION AGAIN, WHEN BA STARTS FLYING LONDON-PKING DIRECT, AND WE SHOULD BE PREPARED TO CONSIDER THE QUESTION THEN IN THE LIGHT OF ALL THE CIRCUMSTANCES AT THE TIME.

3. PARAGRAPH 4 OF TUR, BA ARE CONTINUING TO SERVE COLOMBO FROM HEATHROW. LIKEWISE, THEY WILL SERVE MANILA FROM HEATHROW, IF WE REACH AGREEMENT ON THE INTRODUCTION OF SERVICES. BRITISH CALEDONIAN NOT BA SERVE BOGOTA AND OPERATE FROM CATWICK.

GARRINGTON

[COPIES SENT TO CAD/DOT]

FILES
MAED
FED
HK & GD
LEGAL ADVISERS
MR CORTAZZI
MISS BROWN
MR MURRAY

X

CONFIDENTIAL



1) they want a Guard of Honour at the moment - I will get back to them.

Foreign and Commonwealth Office

London SW1A 2AH

(1)

2 October 1979

Prime Minister

M Alexander Esq
10 Downing Street
London SW1

I find it extraordinary that there is no helicopter landing spot in Central London where one can have a Secret Guard of Honour. But such appears to be the case. Would you prefer the spectacle of a Guard of Honour or of a helicopter arrival? Agree A, B, C + manuscript note at D?

Dear Richard

Prints 3/4

VISIT OF PREMIER HUA - 28 OCTOBER TO 3 NOVEMBER

Items on Programme affecting the Prime Minister

Arrival - Sunday 28 October

The present plans are that Premier Hua will arrive at London Airport South Side by special aircraft at 4.00 pm, transfer immediately into a helicopter, arriving at Kensington Palace at 4.30 pm, where he will be met by the Prime Minister.

This arrangement was based on the assumption that there would be no Guard of Honour and that the provision of helicopters made it easier to fudge the issue. The Ministry of Defence have now said (not yet confirmed in writing) that they wish to provide a Guard of Honour, but that Kensington Palace's grounds are not really suitable, particularly at the end of October, when it is quite likely to be wet and muddy under foot. There is no doubt that a more spectacular ceremony, given a Guard of Honour, could be arranged at London Airport South Side. The layout allows for better press coverage and some "public" who would in fact be members of the Chinese community in the UK. The Chinese Embassy themselves are very keen to allow their citizens to witness the arrival.

A | If the Prime Minister were agreeable the arrival could still take place at 4.30 pm, the Prime Minister arriving at South Side (?by helicopter from Chequers) at 4.25 pm. The Chinese would then be taken to London by car with a motorcycle escort. There would be no need for the Prime Minister to accompany Premier Hua in the car, since this is not our normal practice and this can be explained to the Chinese.

First Session of Talks - Monday 29 October

Premier Hua is due to arrive at No 10 at 3.00 pm for a tête-a-tête talks. Will the Prime Minister wish to greet him outside the door with a photocall? I take it that those not taking part in these talks should arrive at No 10 20 minutes later for the First Plenary Session.

Yes

/Prime Minister's



Prime Minister's Reception - Monday 29 October

B) It has now been found possible to put the Reception back to 5.45 pm which will give a little longer after the talks which finish at 5.00 pm. The Prime Minister might like to use the RUSI entrance when arriving at the Banqueting House, given the very large number of guests who will be arriving at the main entrance.

Prime Minister's Dinner - Tuesday 30 October

b) The dinner is scheduled for 7.45 pm for 8.00 pm. It would be helpful to have details of how the Prime Minister would like to receive the Chinese guests and in particular whether they should all arrive together. *Meet at the Premier at the front door & then move upstairs. He should arrive 5 minutes early. ? Speed out*

2nd Plenary Session - Thursday 1 November (4.00 pm - 5.30 pm)

c) There will be at least one agreement (Cultural Agreement) to be signed at the end of this session. I have tentatively allowed 20 minutes for this which would mean ending the session at 5.10 pm. The party could then move into the White Drawing Room, where the Agreement would be signed by the two Foreign Ministers. Would you confirm if this is agreeable. *Speed.*

Return Dinner by the Chinese - Friday 2 November

We have no details yet about this, but it seems likely that it will take place at the residence of the Chinese Ambassador (NW11).

Yours etc

P T Metcalfe

P T Metcalfe (Miss)
Protocol and Conference
Department

Briefs in series
NMV (79) 1-14
to be released as
TNA in CAB 133/494
This set destroyed.

VISIT OF PREMIER HUA GUOFENG OF CHINA
28 OCTOBER - 3 NOVEMBER, 1979

R. Donnan
1 June 2009

LIST OF BRIEFS

1. STEERING BRIEF
2. EAST/WEST RELATIONS
3. ASIA (PARTICULARLY SOUTH EAST ASIA, AND COVERING ALSO THE INDIAN SUBCONTINENT, AFGHANISTAN AND IRAN) *Supp. Brief Assassination of Mrs. Park*
4. AFRICA (PARTICULARLY SOUTHERN AFRICA)
5. CHINA'S INTERNATIONAL ROLE (INCLUDING NON-PROLIFERATION, DISARMAMENT, INTERNATIONAL ECONOMIC AND UNITED NATIONS ISSUES)
6. THE NON-ALIGNED MOVEMENT
7. ARAB/ISRAEL
8. BILATERAL TRADE AND TECHNOLOGICAL CO-OPERATION
9. EEC/CHINA
10. DEFENCE SALES (INCLUDING IMPLICATIONS FOR COCOM AND EAST/WEST RELATIONS)
11. HONG KONG *(Supp. Brief Illegal Immigration)*
12. OTHER BILATERAL ISSUES (INCLUDING CULTURAL, SCIENTIFIC AND OTHER EXCHANGES; MARITIME AGREEMENT; CLAIMS; TRAVEL RESTRICTIONS IN PEKING AND LONDON; CHINESE TRADE CENTRE IN LONDON; ACCOMMODATION FOR THE BRITISH EMBASSY'S STAFF IN PEKING; TAIWAN)
13. AIR SERVICES AGREEMENT
14. THE INTERNAL POLITICAL AND ECONOMIC SCENE IN CHINA

Supplementary Brief: Wei Jingsheng. Allegations against Reuters' correspondent.

CONFIDENTIAL

China

Lg. Rmt 1/10

Cabinet Office,
Whitehall,
London, SW1

1st October, 1979

PS(79) 31

Dear Private Secretary,

Visit of Premier Hua Guofeng of China
28th October-3rd November 1979

This letter sets out the briefing arrangements for the visit of Premier Hua Guofeng of China.

The objectives for the visit, as approved by the Prime Minister, are at Annex A. The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex B. The instructions on format are at Annexes C and D.

Seventy-five copies of each brief should be sent to the Cabinet Office, 70, Whitehall, to arrive no later than 18.00 hours on Friday, 19th October. They should be addressed to Mrs. Wagner in Committee Section, who should be consulted (tel. no. 233 7628) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Michael Palliser, Sir Douglas Wass, Sir Frank Cooper, Sir Kenneth Clucas, Sir Peter Carey, Sir Jack Rampton, Sir James Hamilton, Sir Peter Baldwin, Mr. Brian Hayes and to Michael Alexander (No. 10).

Yours sincerely,

(Signed) M. J. VILE

CONFIDENTIAL

CONFIDENTIAL

Cabinet Office,
Whitehall,
London, SW1
1st October, 1979

SECRET

Dear Private Secretary,

Visit of Premier Hua Guofeng of China
28th October-3rd November 1979

The Joint sets out the briefing arrangements for the visit of
Premier Hua Guofeng of China.

The objectives for the visit, as approved by the Prime Minister, are
in Annex A. The list of visits to be prepared, with an indication of
Departmental responsibility, is in Annex B. The instructions on formal and
at Annex C and D.

Seventy-five copies of each brief should be sent to the Cabinet Office,
10, Whitehall, to arrive no later than 18.00 hours on Friday, 26th October.
They should be addressed to Mr. Wagner in Communications Section, who should
be contacted (tel. no. 233 7622) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to
Mr. Michael Palliser, Mr. Douglas Wain, Mr. Frank Cooper,
Mr. Kenneth Gibson, Mr. Peter Carey, Mr. Jack Thompson, Mr. James Hamilton,
Mr. Peter Mitchell, Mr. Brian Hayes and Mr. Michael Alexander (20-10).

Yours sincerely,

(Signed) M. J. VILE

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ANNEX A

Premier Hua's Visit to London

United Kingdom Objectives

1. To impress Premier Hua with Britain as a stable and prosperous society; as a reliable and important interlocutor on international issues; and as a major source of advanced technology.
2. Through a frank exchange of views, to establish a working understanding with the Chinese Government at the highest level; in particular:
 - (a) To explain to Premier Hua Her Majesty's Government's world view, especially on the Soviet Union and East/West relations; to probe Chinese intentions concerning Sino-Soviet relations, and Chinese policy in South East Asia.
 - (b) To seek Premier Hua's support, or understanding, for Her Majesty's Government's policies on international issues of particular concern to us, particularly Southern Africa.
 - (c) To encourage the Chinese Government to take an increasingly active part in multilateral discussions.
3. To reaffirm our expectation that the Chinese Government, following the many exchanges of delegations and their economic reassessment, will place substantial orders with British firms in the near future for industrial, agricultural, energy, transport, defence equipment, and technology (including marketing consultancy services).
4. To reaffirm our interest in expanding the scope of our educational, cultural, scientific and technological exchanges with China.
5. To improve further our understanding with the Chinese Government over the future of Hong Kong, and thus to contribute to political and business confidence in Hong Kong's future.

Chinese Objectives

1. To enhance Premier Hua's personal standing, both within China and internationally, and to assert China's role as a world power.

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2. To develop China's relations with the United Kingdom as a major member of the Community and Atlantic Alliance; to seek our understanding and support for China's foreign policies, particularly in relation to the Soviet Union and areas of strategic importance to China such as Indochina.

3. To look for ways of improving commercial and technological co-operation with the United Kingdom which will benefit China's modernisation plans; and to press for further trade concessions, particularly in the EEC context.

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ANNEX B

LIST OF BRIEFS FOR VISIT OF PREMIER HUA GUOFENG OF CHINA
28th OCTOBER-3rd NOVEMBER 1979

<u>NMV(79)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Steering Brief	FCO	as appropriate
2.	The International Political Situation (including East/West relations)	FCO	
3.	Asia (particularly South East Asia, and covering also the Indian subcontinent, Afghanistan and Iran)	FCO	
4.	Africa (particularly Southern Africa)	FCO	
5.	China's International Role (including non-proliferation, disarmament, international economic and United Nations issues)	FCO	Treasury as appropriate
6.	The Non-Aligned Movement	FCO	
7.	Arab/Israel	FCO	
8.	Bilateral Trade and Technological Co-operation	Trade	as appropriate
9.	EEC/China	FCO	
10.	Defence Sales (including implications for COCOM and East/West relations)	MOD	FCO Treasury Trade Industry
11.	Hong Kong	FCO	

ANNEX 2

LIST OF PRIORITIES FOR VISIT OF PEOPLES'S REPUBLIC OF CHINA
SAY OCTOBER 1971

Priority	Subject	Lead Department	In consultation with
1.	Existing Bilateral	FCO	as appropriate
2.	The International Position Situation (including East/West relations)	FCO	
3.	Asia (particularly South East Asia) and covering also the Indian subcontinent, Afghanistan and Iran)	FCO	
4.	Africa (particularly Southern Africa)	FCO	
5.	China's International Role (including non-proliferation, disarmament, international economics and United Nations issues)	FCO	Treasury as appropriate
6.	The Non-Aligned Movement	FCO	
7.	Arab-Israeli	FCO	
8.	Bilateral Trade and Trade Industrial Co-operation	Trade	as appropriate
9.	Indochina	FCO	
10.	Highways, Railways, Shipping Infrastructure in COMECON and East/West relations)	FCO	FCO Treasury Trade Industry
11.	Hong Kong	FCO	

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<u>NMV(79)</u>	<u>Subject</u>	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
12.	Other Bilateral Issues (including cultural, scientific and other exchanges; Air Service and Maritime Agreements; claims; travel restrictions in Peking and London; Chinese Trade Centre in London; accommodation for the British Embassy's staff in Peking; Taiwan)	FCO	as appropriate
13.	The Internal Political and Economic Scene in China	FCO	

12	Other Bilateral Issues (including cultural, scientific and other exchanges; Air Service and Maritime Agreements; Chinese Travel restrictions in Peking and London; Chinese Trade Centre in London; Recommendations for the British Embassy's staff in Peking; Taiwan)	FCO	FCO
13	The Internal Political and Economic Scene in China	FCO	FCO

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex D. Those preparing briefs should note the following:-

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained and with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.
- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) The top page only should bear the symbol and number of the briefs in the top left-hand corner (e.g. NMV(79) 10), with the date of production below; a copy number in the top right-hand corner; and the visit heading, the title of the brief (in capitals) and the name of the Department responsible (as in Annex D).
- (f) Briefs should bear at the foot of the last page, on the left-hand side, the name of the originating Department and the date of origin.
- (g) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the standard way with the brief number (e.g. NMV(79) 10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation.
- (h) Additions to the list of briefs in Annex B require the authorisation of the Private Secretary to the Secretary of the Cabinet.

ANNEX C

INSTRUCTIONS ABOUT BRIEFS

All briefs should be laid out in the manner with a top page in accordance with the specimen layout in Annex D. Those preparing briefs should note the following -

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of points to make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained and with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.
- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) The top page only should bear the symbol and number of the brief in the top left-hand corner (e.g. MW(73) 40) with the date of production below it copy-number in the top right-hand corner, and the name of the person preparing the brief in the top left-hand corner. The name of the Department responsible (as in Annex D).
- (f) Briefs should carry at the foot of the last page, on the left-hand side, the name of the originating Department and the date of writing.
- (g) Briefs developed by a brief to be submitted or updated, the document should be prepared. It should be set out in the standard way with the brief number (e.g. MW(73) 10 Addendum) and title to which it relates at the top of the first page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation.
- (h) In addition to the list of briefs in Annex B, the Secretary of the Cabinet, the Private Secretary to the Secretary of the Cabinet.

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ANNEX D

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VISIT OF PREMIER HUA GUOFENG OF CHINA
28 OCTOBER-3 NOVEMBER 1979

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Brief by /name of originating Department e.g. Foreign and
Commonwealth Office/

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China

CONFIDENTIAL

28C



Five

10 DOWNING STREET

From the Private Secretary

SIR JOHN HUNT
CABINET OFFICE

VISIT OF PREMIER HUA GUOFENG

The Prime Minister has seen your minute to me of 28 September about the objectives and briefing for Premier Hua's visit. She has approved the texts at Annexes A and B.

M. O'D. B. ALEXANDER

1 October 1979

Pl

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Ref. A0322

MR. ALEXANDER

Yes - but don't expect too
much on trade. They are
very short of currency.
mt.

Prime Minister

Apex Annexes A+B?

Paul

Premier Hua Guofeng's Visit: Objectives and Briefing

The Chinese Premier Hua Guofeng will be making an official visit to this country from 28th October to 3rd November. He will come here from France and Germany and before a visit to Italy. He will be accompanied by Vice Premier Yu Qiuli, Foreign Minister Huang Hua, and four Vice Ministers (of Foreign Affairs, Planning, Foreign Trade and Public Security).

2. This will be the first time a Chinese Prime Minister has visited Britain, and Hua's first visit to Western Europe. A visit at this level is unlikely to be repeated for a long time: and, as Hua is effectively, though not in name, Head of State as well as Government, it represents a unique opportunity for us to influence and impress Chinese political, economic and commercial thinking at the highest level.

3. The timing is particularly appropriate. Since the fall of the "Gang of Four" and the return to power of Vice Premier Deng Xiaoping, the Chinese leadership have been increasingly looking to broaden the scope of their political and commercial co-operation with the West. They see the West both as a bulwark against the Soviet Union, and as a vital source of the modern technology they need for their economic modernisation. Our own bilateral relations with China have become substantially closer under the new Chinese leadership and our bilateral trade and co-operation over Hong Kong have both improved. Hua's visit offers us the opportunity both to carry this process further, and also to make an important contribution to the further strengthening of the West's overall relationship with China.

4. The programme for Hua's visit will probably include two sessions of talks with the Prime Minister and an exchange of dinners; lunch at Buckingham Palace; entertainment by the Duke of Kent (as Vice Chairman of the British Overseas Trade Board), the Lord Mayor of London, the Governor of the Bank of England, and the Speaker; and industrial and commercial visits inside and outside

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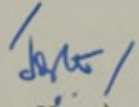
London. There is also the possibility of concluding an Air Services Agreement, a Cultural Agreement, a Trade Protocol or an Understanding on Agricultural Co-operation in time for signature during the visit.

5. Our principal objectives for the visit will be to impress Hua with Britain as a stable and prosperous society, and as a source of top-level industrial, agricultural, energy and defence equipment and technology; to establish at the highest level a productive and understanding relationship between China and Britain; to encourage the Chinese Government in general to play a more active and responsible role in international affairs; to probe Hua's views on relations with the Soviet Union and to put our own views to him; and to influence his thinking on other issues, particularly those of special concern to us (e.g. Southern Africa).

6. The Prime Minister will probably also wish to discuss Asia, particularly Indochina, and China's role in the area; trade and defence sales; and Hong Kong. A number of other bilateral issues could also usefully be raised briefly.

7. We would not expect the Chinese to want a detailed formal agenda, but we need to agree with them on the main topics to be discussed, with the bilateral issues to be covered in the Second Session of talks, at which the Prime Minister might wish to be accompanied, in addition to the Foreign and Commonwealth Secretary, by the Secretaries of State for Trade, Industry, and Defence. There may also be parallel talks with Foreign Minister Huang Hua, and possibly (on economic subjects) with Vice Premier Yu Qiuli, whose position as Minister in Charge of the State Planning Commission gives him particular influence on decisions affecting the Chinese economy, externally as well as internally.

8. I enclose at Annex A a list of suggested objectives for the visit, and at Annex B a list of suggested briefs, which will reach the Prime Minister on 19th October. I would be grateful if you would let me know if the Prime Minister is content with these.


(John Hunt)

28th September, 1979

Premier Hua's Visit to London

United Kingdom Objectives

1. To impress Premier Hua with Britain as a stable and prosperous society; as a reliable and important interlocutor on international issues; and as a major source of advanced technology.
2. Through a frank exchange of views, to establish a working understanding with the Chinese Government at the highest level; in particular:
 - (a) To explain to Premier Hua Her Majesty's Government's world view, especially on the Soviet Union and East/West relations; to probe Chinese intentions concerning Sino-Soviet relations, and Chinese policy in South East Asia.
 - (b) To seek Premier Hua's support, or understanding, for Her Majesty's Government's policies on international issues of particular concern to us, particularly Southern Africa.
 - (c) To encourage the Chinese Government to take an increasingly active part in multilateral discussions.
3. To reaffirm our expectation that the Chinese Government, following the many exchanges of delegations and their economic reassessment, will place substantial orders with British firms in the near future for industrial, agricultural, energy, transport, defence equipment, and technology (including marketing consultancy services).
4. To reaffirm our interest in expanding the scope of our educational, cultural, scientific and technological exchanges with China.
5. To improve further our understanding with the Chinese Government over the future of Hong Kong, and thus to contribute to political and business confidence in Hong Kong's future.

Chinese Objectives

1. To enhance Premier Hua's personal standing, both within China and internationally, and to assert China's role as a world power.

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2. To develop China's relations with the United Kingdom as a major member of the Community and Atlantic Alliance; to seek our understanding and support for China's foreign policies, particularly in relation to the Soviet Union and areas of strategic importance to China such as Indochina.

3. To look for ways of improving commercial and technological co-operation with the United Kingdom which will benefit China's modernisation plans; and to press for further trade concessions, particularly in the EEC context.

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ANNEX B

Premier Hua's Visit to London

Draft List of Briefs

1. Steering Brief
2. The International Political Situation, including East/West relations
3. Asia (particularly South East Asia, and covering also the Indian sub-continent, Afghanistan and Iran)
4. Africa (particularly Southern Africa)
5. China's International Role (including non-proliferation, disarmament, international economic and United Nations issues)
6. The Non-aligned Movement
7. Arab/Israel
8. Taiwan
9. Bilateral Trade and Technological Co-operation
10. EEC/China
11. Defence Sales (including implications for COCOM and East/West relations)
12. Other Bilateral Issues (including Hong Kong; cultural, scientific and other exchanges; Air Service and Maritime Agreements; claims; travel restrictions in Peking and London; Chinese Trade Centre in London; and accommodation for the British Embassy's staff in Peking)
13. The Internal Political and Economic Scene in China

①
I have informed
F.C.O. (Miss Delahay)



10 DOWNING STREET
Prime Minister

There will be 400/500 guests at your
reception. The maximum number
for No 10 is 200 (Mr Taylor thinks
150 is enough.) N.B. I have checked
350 less. m.t.

There would be an awning over the
entrance to the Banqueting House. I
have asked the P.S.A. to look into the
possibility of carpeting the stairs
temporarily on this & similar occasions.
I have asked G.H.F. for assurances about
floral decorations & the like at the
entrance & on the stairs. If I am
satisfied that the stonemasons of the
entrance would be adequately disguised,
would you be prepared to go ahead? Yes.

(The Chinese advance party have seen
& admired the Banqueting House).

27.9. *Ans*



Foreign and Commonwealth Office

London SW1A 2AH

28 September 1979

Sir Kenneth Clucas KCB
 Department of Trade
 1 Victoria Street
 London SW1

HN + f.n.
Ant
 28/9

Dear Ken,

VISIT OF PREMIER HUA GUOFENG

Thank you for your letter of 24 September.

2. We have noted that your Secretary of State wishes to be involved in the second plenary session of talks, and his readiness in principle to hold separate talks with Vice Premier Yu Qiuli. Our Embassy in Peking have been instructed to find out Vice Premier Yu's wishes, and we shall of course let you know as soon as we hear.

3. On the point you raise about the Air Services Agreement, I agree that we should not undermine the Government's airports policy for the sake of starting services to China. I also agree that the Prime Minister should be briefed to raise the matter early in the visit if there is still no change in the Chinese position. But even if we cannot compromise, I hope that your brief will be able to put forward a formula which recognises the Chinese difficulties; and so allows them to agree to using Gatwick without an unacceptable loss of face. If the Prime Minister is briefed only to say that our policy cannot be changed, I see virtually no chance of our securing an agreement. I am aware of the serious difficulties which would face British Airways if they were to switch some, or all, of their services to Gatwick, but if the offer of a review when direct flights to Peking are started fails to satisfy the Chinese, I wonder if it would be possible to give them a somewhat more forthcoming offer on this point. It seems to me that if British Airways are to fly to Peking they will have to be prepared to move their Peking services to Gatwick. I do not believe that the Chinese can be persuaded to accept what they will consider an unequal arrangement. I had wondered whether a possible alternative might be for both BA and CAAC to use Heathrow until BA fly direct to Peking and then both move to Gatwick, but I can see that this would undermine your basic airports policy.

/4.

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4. On shipping, I certainly agree that we should use the opportunity to emphasise to Chairman Hua the importance we attach to the need to make progress on the maritime agreement and the question of equitable sharing of cargoes.

5. I am sending copies of this letter to the recipients of yours.

Yours ever,

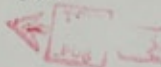
A handwritten signature in dark ink, appearing to read 'Michael Palliser'.

Michael Palliser

cc:

Sir John Hunt GCB

Mr M Alexander



CONFIDENTIAL

28 SEP 1979



PRIME MINISTER

Your Reception for Premier Hua

I have been into the question of whether a venue other than the Banqueting House could be found for your reception on 29 October for Premier Hua.

Marlborough House would not be possible. It is reserved with some strictness for Commonwealth occasions. I do not think that Hong Kong provides a sufficient excuse. (I imagine that Premier Hua might in any case regard your reasoning as somewhat double-edged!)

The other possible venue would have been St. James's Palace. But I am told that this would only be available if Royalty were involved. Since you are giving a dinner at which Royalty will not be present it would hardly be feasible to invite a member of the Royal Family to the reception.

We seem to be left, therefore, with the Banqueting House. I am not sure why you dislike the Banqueting House. I am assured that great care will be taken with floral decorations and the like. My own experience has been that, provided the guest list is sufficiently large to fill the Banqueting House (and it will be on this occasion), the overall effect is not unimpressive.

*Heedful entrance. How
many people? Could we have it in
No. 10? out.*

Amis

26 September 1979



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THE PERMANENT SECRETARY
SIR PETER BALDWIN KCB

DEPARTMENT OF TRANSPORT

2 MARSHAM STREET LONDON SW1P 3ER

01-212 4581

25 September 1979

Sir Michael Palliser KCB
Foreign and Commonwealth Office
LONDON SW1A 2AH

Dear Michael,

LS. Hunt - 27/9

PREMIER HUA'S VISIT

to

Thank you for copying/me your letter of 18 September to John Hunt about objectives and briefing for this visit.

There is a considerable transport interest in this. Three Chinese visits here in the last two years have been concerned with road construction, traffic control and traffic management respectively; and I am myself visiting China with a small team from 5-12 November. I shall try to consolidate contacts and if possible realise commercial opportunities in these and a number of other fields: including inter-urban communications, freight systems and handling, public transport, road safety, research and training.

Later in November we expect a visit from the Chinese Minister of Railways, though dates are not yet finally settled. This should enable Transmark (the consultancy service of British Rail) to pursue discussions with the Chinese on proposals already put to them for the development of one of their railway routes. We expect a delegation of up to 20 to stay for about two weeks, and to spend most of their time seeing the railway industry here at first hand.

Transmark has a good record in selling advisory services abroad, eg in the United States, and we hope that this visit will secure them another success. Everything possible will also be done to interest the Chinese in British railway hardware; and I hope we shall stimulate such an interest by the visit now arranged for the Premier and his entourage to the Railway Technical Centre at Derby, and the trip by High Speed Train to Oxford.

In addition, the National Ports Council is planning, with D's Overseas Projects Group, a joint mission to China later this year to offer services and equipment. Under these three broad heads we are thus fairly substantially involved; and you may think (though I do not press the point unduly hard) that "transport" could usefully be added after "industrial" in the fourth line of the draft text for the third UK objective.

My only other suggestion on your Annex A is that it should stress a little more strongly the UK interest in marketing advisory services (such as Transmark's) to China. I do not think that the wording of the fourth objective quite achieves what I have in mind; but this could be secured if you were ready to add "; and in particular our concern to market consultancy services there".

My one comment on your Annex B is that the third item - Bilateral Trade - strikes me as a shade cryptic. I should like to see this widened to read "Bilateral trade and technological co-operation".

Under this heading, or the variant I have proposed, we are ready to contribute to briefing whenever you wish. If this is wanted please let me know as soon as may be.

I am sending copies of this letter to those who have had copies of yours.

Yours ever,
P.B.

PETER BALDWIN



China

H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000

Direct Dialling 01-233 5362

Sir Anthony Rawlinson KCB
Second Permanent Secretary
Public Services

Sir John Hunt GCB
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

h. Hunt 25/9

25 September 1979

Dear John

PREMIER HUA GUOFENG'S VISIT : OBJECTIVES AND BRIEFING

In the absence of Douglas Wass I write to say that the Treasury have no comments on and nothing to add to, the lists of objectives and of suggested briefs which were enclosed with Michael Palliser's letter to you of 18 September.

The Treasury expect to be consulted please, in the normal way, about the drafting of those briefs in which we may have an interest, including those concerning trade, defence sales, and bilateral claims against China.

I am copying this letter to Michael Palliser and the other recipients of his letter.

Yours
Anthony

ANTHONY RAWLINSON

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25 SEP 1979

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①

Visit of Premier Hua

I understand from Clive that you are not keen on the reception you will be giving Premier Hua on the evening of Monday, 29 October, being held at the Banqueting House, and that you would prefer to have it at Lancaster House.

The difficulty is that Premier Hua will be attending a lunch (probably hosted by the Foreign and Commonwealth Secretary) at Lancaster House the same day. The meal will finish at 1400 or thereabouts. Your reception is due to begin at 1730. If your reception were to be held at Lancaster House it would mean that Premier Hua would be ^athe guest twice within three hours or so ^{at} of Lancaster House. Apart from the desirability of varying Premier Hua's programme, GHF will have very little time to prepare properly for your reception.

If, in the light of the above, you would like me to pursue the question of switching the reception from Banqueting House, I will, of course, do so. But you may prefer to leave the programme in its present form.

*Is there any alternative?
Banqueting House is not-
very nice. Could we
use Marlborough House
at least in District?!*

*And:
Llanghore*

24 September, 1979.

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From the Permanent Secretary
Sir Kenneth Clucas KCB

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 3785
SWITCHBOARD 01 215 7877

24 September 1979

Sir Michael Palliser GCMG
Foreign and Commonwealth Office

NBPN yet

Ans 25/9

Dear Michael,

VISIT OF PREMIER HUA GUOFENG

You sent me a copy of your letter of 18 September to John Hunt about the forthcoming visit of the Chinese Premier. From the point of view of the Department of Trade, I am content with your analysis of the objectives of the visit, and we will be glad to provide the briefing which falls to us.

If the Prime Minister agrees, my Secretary of State would certainly wish to be involved in the second plenary session. If the Chinese wish, and subject to his other commitments, he would be glad to arrange, in concert with other economic Departments, talks with Vice-Premier Yu Qiuli.

There are however two other points which I think I should raise with you at this stage.

The first is aviation. As you probably know, we initialled an Air Service Agreement with the Chinese in the summer, which only comes into force after signature. However, the services between London and Peking cannot start until we and the Chinese have agreed which of the London airports should be served by the Chinese airline, CAAC. My Secretary of State explained to his Cabinet colleagues on 30 August that the serious congestion problems at Heathrow made it necessary to continue to refuse permission for any airlines not currently operating to Heathrow to use that airport; and I think it is common ground between our two Departments that we cannot let CAAC into Heathrow without running into unacceptable difficulties with the other Governments whose airlines we have refused, or may refuse in future, to take at Heathrow.

Despite strenuous efforts by our two Departments and the Embassy in Peking we have so far been unable to persuade the Chinese to use Gatwick. We believe that for them it is primarily a

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question of prestige: they regard Gatwick, however wrongly, as the No. 2 London airport. We have just sent instructions to our Ambassador in Peking to make a final attempt to persuade the Chinese to accept Gatwick, explaining its many advantages and also making it clear that, if the Chinese cannot agree, the Air Services Agreement will not be signed during Premier Hua's visit and the services will not start. We would regret this, but believe that it is not worth allowing the Chinese into Heathrow at the price of undermining our policy on the use of Heathrow and Gatwick.

It is quite possible that this further high level approach by our Ambassador will not persuade the Chinese. In that case we will want to brief the Prime Minister to raise the issue herself early in the visit of Premier Hua so that, if he could be persuaded to change the Chinese position and accept Gatwick, there would still be time for the Agreement to be signed while he is in London.

The second point is shipping. Proposals for a maritime agreement with China, which would give MFN treatment in operational matters, have been under consideration for some years. We submitted a draft agreement to our Embassy in Peking, who had two meetings with the Chinese in 1977, but the negotiations then ran into the ground because of Chinese reluctance to accept that Hong Kong vessels and seamen should benefit from the proposed agreement. The Chinese have maritime agreements with most of the West's major maritime powers and have recently been negotiating one with the USA. It now looks as though the Hong Kong problem may not be insuperable and earlier this year we indicated that we were prepared to discuss the resumption of negotiations.

Quite apart from the maritime agreement we have been concerned to ensure that British shipowners should have reasonable participation in the carriage of our bilateral trade with China on remunerative terms. The Chinese export cif and buy fob so that they control the shipping and British shipowners have found it so unprofitable to operate in this trade that they have ceased to run regular services there. We put this problem to the Chinese in connection with a recent Economic Cooperation Agreement, which explicitly mentions shipping, but we have so far been unable to make any significant progress on the issue because of the difficulty of finding a Chinese Ministry which was prepared to take responsibility for the subject. The latest position on this issue is that the Foreign Trade Transportation Corporation have suggested discussions with the British shipowners on the possibility of opening up services and we are following up the idea of a British shipowners' mission to China.

It would not be appropriate to discuss these developments in detail during Mr Hua's visit, but it could be very helpful if his attention were drawn to our anxiety to make progress, both on the maritime agreement and on an understanding about the equitable sharing of



our bilateral shipping on remunerative terms. From our point of view the issues are closely connected and while we are ready to resume discussions on the former, we need to have clearer evidence of the readiness of the Chinese to discuss the latter.

I thought it right to draw your attention to these issues at this stage, so that they can be taken into account in the preparation of briefs, including the steering brief.

I very much hope, incidentally, that Premier Hua will arrive and depart through Gatwick, as we proposed to your Department some time ago. John Steele is writing separately to Hugh Cortazzi about this.

I am sending copies of this letter to John Hunt (Cabinet Office) and Michael Alexander (10 Downing Street).

Kenn. evs.

Ken.

KENNETH CLUCAS

25 SEP 1979



China
Foreign and Commonwealth Office

London SW1A 2AH

Minute to P.A.

Dear Michael,

24 September 1979

VISIT OF PREMIER HUA GUOFENG

In your letter of 18 September, you said that the Prime Minister saw no difficulty in the earlier timing for this visit (28 October - 3 November), that the Chinese have proposed.

--- Following extensive discussions with a Chinese reconnaissance team earlier this week, we have now established an outline programme (copy enclosed) which differs in some small respects from the draft previously submitted. However, none of these changes affect the Prime Minister's involvement.

The timing of Premier Hua's arrival from Bonn has still to be settled. We have impressed upon the Chinese the Prime Minister's preference for a late afternoon arrival, and have also instructed our Embassy in Bonn to ask the Germans to bear this in mind in their discussions with the Chinese reconnaissance team next week. Incidentally, arrival at 5 pm - the time discussed by yourself and Peggy Metcalfe here - is technically feasible, but from a ceremonial and publicity point of view, 4.30 pm would be preferable, particularly if the weather is poor, given that we shall no longer be on summertime.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, to the Secretaries of State for Defence, Trade, Industry, Education and Science, Energy, Agriculture, Fisheries and Foods, and to the Minister for Transport, the Lord President of the Council and Sir John Hunt.

Yours ever
Roderic Lyne

(R M J Lyne)

M O'D B Alexander Esq
10 Downing Street

VISIT OF PREMIER HUA GUOPENG: 28 OCTOBER - 3 NOVEMBER
DRAFT OUTLINE PROGRAMME AS AT 20 SEPTEMBER 1979
(ALL TIMINGS ARE APPROXIMATE)

<u>SERIAL</u>	<u>TIME</u>	<u>EVENTS</u>
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Sunday 28 October

1	? 1630	Arrival of Premier Hua at London Airport. (Escale technique)
✓ 2	? 1700	Arrival of Premier Hua by helicopter at Kensington Palace. Met by Prime Minister.

Monday 29 October

3	0915 - 1045	Sightseeing: Tower of London.
4	1230 - 1400	Lunch given by HMG at Lancaster House.
✓ 5	1500 - 1700	Short tête-à-tête talks with the Prime Minister, followed by first Plenary Session at No 10.
✓ 6	1730-1900	Reception hosted by Prime Minister at the Banqueting House.
7	1930	Performance of Sleeping Beauty at Covent Garden (including supper).

Tuesday 30 October

8	0900 - 1015	Call on Premier Hua at Claridges by the Secretary of State for Trade, Mr John Nott, accompanied by 8 businessmen.
9	1030 - 1200	Possible calls by political leaders at Claridges.
10	1235	Leave Claridges.
11	1245	Arrive Buckingham Palace (Guard of Honour).
✓ 12	1300 - 1430	Luncheon given by HM The Queen.
13	1430 - 1500	Tour of State Rooms with The Queen.
14	1515	Return to Claridges.
15	1630	Leave hotel for Britannic House.
16	1650 - 1800	Visit Exhibition at BP Centre, Britannic House.
17	1815	Return to Claridges.
18	1945	Arrive No 10 Downing Street.
✓ 19	1945 for 2000	Dinner given by the Prime Minister (Black tie or National Dress).

Wednesday 31 October (separate programme for Vice Premier Yu Qiuli)

20	0900	Leave Claridges.
21	0930-0945	Visit tomb of Karl Marx at Highgate.
22	1025	Arrive at Northolt Airport.
23	1110	Arrive at East Midlands Airport.
24	1130	Visit, and lunch at, British Rail Technical Centre.
25	1415	Drive to Rolls Royce Guest House
26	1515	Leave Rolls Royce Guest House
27	1530-1645	Visit Rolls Royce Factory.
28	1700	Return to Rolls Royce Guest House.
29	1900	Dinner, and overnight, with Rolls Royce.

Thursday 1 November

30	0900	Leave Rolls Royce's Guest House
31	0930	Arrive at East Midlands Airport.
32	0930-1000	Demonstration of Harrier Jump Jet Aircraft.
33	1000	Leave for Northolt.
34	1045	Arrive at Northolt Airport.
35	1250	Arrive at Bank of England.
36	1250-1430	Luncheon with Governor of Bank of England, after short presentation.
37	1430	Return to Hotel.
38	1600-1730	Second Plenary Session at No 10 Downing St.
39	1730	Leave for Speaker's House.
40	1730-1815	Speaker's Reception.
41	1815	Return to Hotel.
42	1930	Leave for Guildhall.
X 43	1945 for 2015	Dinner at the Guildhall (White tie or National Dress).

Friday 2 November (~~subject to further discussion~~)

44	0900	Leave Claridges by car.
45	1030 approx	Arrive Sherwood House Farm, Brightwell-cum-Sotwell, Wallingford.
46	1145 approx	Leave farm.
47	1210	Arrive Oxford.
48	1215 for 1230	Lunch hosted by the Duke of Kent, Vice Chairman of the BOTB (venue to be decided).
49	1400	Leave Hotel.
50	1410-1500	Visit a college or colleges.
51	1505-1540	Tea with Mr Macmillan
52	1555	Depart Oxford by highspeed train.
53	1640	Arrive Paddington.
54	1650	Arrive Claridges.
55	1800	Press Conference.
56	2000	Return Dinner.

Saturday 3 November

57	Before 1000	Depart Kensington Palace by helicopter.
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ALTERNATIVE PROGRAMME FOR VICE PREMIER YU QIULI, 31 OCTOBER AND 1 NOVEMBER

Wednesday 31 October

20	0900	Leave Claridges.
21	0930 - 0945	Visit tomb of Karl Marx at Highgate
22	1025	Arrive at Northolt Airport.
23	1110	Arrive at Manchester Airport.
24	1140	Arrive, and lunch, at Pilkington Glass Ltd, St Helens.
25	1430	Leave Pilkingtons
26	1445	Arrive at Fiddler's Ferry Power Station, St Helens.
27	1645	Leave Power Station.
28		Dinner and overnight in Manchester (place to be decided).

Thursday 1 November

29	0930	Arrive Manchester Airport.
30	1015	Arrive Northolt Airport
31	1250	Arrive at Bank of England and thereafter as for Premier Hua.

24 SEP 1970

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10 DOWNING STREET

From the Private Secretary

19 September 1979

Visit of Premier Hua Guofeng

I see from the file that you have been given no deadline for the presentation of guest lists and briefs for the above visit.

I should be grateful if the draft guest lists for the Prime Minister's reception on 29 October ^{dinner} ~~and for the~~ ^{guest list} ~~dinner on 30 October~~ could reach me by Tuesday 2 October; ^{arrived} and if the briefs could reach me by close of play on Friday 19 October. A space has been reserved in the Prime Minister's diary for a briefing meeting at 1730 on Thursday 25 October in case the Prime Minister, having read the briefs, thinks this is necessary.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

18 September 1979

Sir John Hunt GCB
CABINET OFFICE

2.10
22.10.

Sir John,

PREMIER HUA GUOFENG'S VISIT: OBJECTIVES AND BRIEFING

1. As you know, the Chinese Premier Hua Guofeng will be making an official visit to this country from 28 October to 3 November. He will come here from France and Germany and before a visit to Italy. He will be accompanied by Vice Premier Yu Qiuli, Foreign Minister Huang Hua, and four Vice Ministers (of Foreign Affairs, Planning, Foreign Trade and Public Security).
2. This will be the first time a Chinese Prime Minister has visited Britain, and Hua's first visit to Western Europe. A visit at this level is unlikely to be repeated for a long time: and, as Hua is effectively, though not in name, Head of State as well as Government, it represents a unique opportunity for us to influence and impress Chinese political, economic and commercial thinking at the highest level.
3. The timing is particularly appropriate. Since the fall of the "Gang of Four" and the return to power of Vice Premier Deng Xiaoping, the Chinese leadership have been increasingly looking to broaden the scope of their political and commercial cooperation with the West. They see the West both as a bulwark against the Soviet Union, and as a vital source of the modern technology they need for their economic modernisation. Our own bilateral relations with China have become substantially closer under the new Chinese leadership and our bilateral trade and cooperation over Hong Kong have both improved. Hua's visit offers us the opportunity both to carry this process further, and also to make an important contribution to the further strengthening of the West's overall relationship with China.
4. The programme for Hua's visit will probably include two sessions of talks with the Prime Minister and an exchange of dinners; lunch at Buckingham Palace; entertainment by the Duke of Kent (as Vice Chairman of the B0iB), the Lord Mayor of London, the Governor of the Bank of England, and the Speaker; and industrial and commercial visits inside and outside London. We are also considering, in consultation with other departments and the Chinese as appropriate, the possibility of concluding an Air Services Agreement, a Cultural Agreement, a Trade Protocol or an Understanding on Agricultural Cooperation in time for signature during the visit.

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/5.



5. Our principal objectives for the visit will be to impress Hua with Britain as a stable and prosperous society, and as a source of top-level industrial, agricultural, energy and defence equipment and technology; to establish at the highest level a productive and understanding relationship between China and Britain; to encourage the Chinese Government in general to play a more active and responsible role in international affairs; to probe Hua's views on relations with the Soviet Union and to put our own views to him; and to influence his thinking on other issues, particularly those of special concern to us (eg Southern Africa).

6. The Prime Minister should also be advised to discuss Asia, particularly Indochina, and China's role in the area; trade and defence sales; and Hong Kong. A number of other bilateral issues could also usefully be raised briefly.

7. We would not expect the Chinese to want a detailed formal agenda, but we would need to agree with them on the main topics to be discussed, with the bilateral issues to be covered in the Second Session. We would expect that the Prime Minister would wish that, in addition to the Foreign and Commonwealth Secretary, the Secretaries of State for Trade, Industry, and Defence should be present for the Second Session. There may also be parallel talks with Foreign Minister Huang Hua, and possibly (on economic subjects) with Vice Premier Yu Qiuli, whose position as Minister in Charge of the State Planning Commission gives him particular influence on decisions affecting the Chinese economy, externally as well as internally.

8. The Soviet Union will be watching Hua's visit with close attention. Although the Chinese and the Russians have agreed to start talks about their relations in September, those relations are likely to remain hostile. The Chinese may well hope that Hua's visit to Western Europe this autumn will in effect "play the European card" against the Russians by encouraging the view that there exists a form of tactical, anti-Soviet alliance between China and Western Europe. This is a point on which the Russians have shown themselves to be extremely sensitive and they will be watching for any sign that the West Europeans, and the United Kingdom in particular, are willing to side with China against Russia. We should therefore take care to avoid public statements during the visit which might unnecessarily damage our relations with the Soviet Union, which are currently somewhat improved.

9. I enclose at Annex A a list of suggested objectives for the visit, and at Annex B a list of suggested briefs.

Michael Palliser
Michael Palliser

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Copies to:

Sir Kenneth Clucas KCB
Department of Trade

Sir Peter Carey KCB
Department of Industry

Sir Frank Cooper GCB CMG
Ministry of Defence

Sir Douglas Wass KCB
HM Treasury

Sir Jack Rampton KCB
Department of Energy

Sir James Hamilton KCB MBE
Department of Education and Science

Sir Peter Baldwin KCB
Department of Transport

B D Hayes Esq CB
Ministry of Agriculture, Fisheries and Food

M O'D B Alexander Esq
Number 10 Downing Street

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ANNEX A

PREMIER HUA'S VISIT TO LONDON

UK OBJECTIVES

1. To impress Premier Hua with Britain as a stable and prosperous society; as a reliable and important interlocutor on international issues; and as a major source of advanced technology.
2. Through a frank exchange of views, to establish a working understanding with the Chinese Government at the highest level; in particular:
 - (a) to explain to Premier Hua HMG's world view, especially on the Soviet Union and East/West relations; to probe Chinese intentions concerning Sino-Soviet relations, and Chinese policy in South East Asia;
 - (b) to seek Premier Hua's support, or understanding, for HMG's policies on international issues of particular concern to us, particularly Southern Africa;
 - (c) to encourage the Chinese Government to take an increasingly active part in multilateral discussions.
3. To reaffirm our expectation that the Chinese Government, following the many exchanges of delegations and their economic reassessment, will place substantial orders with British firms in the near future for industrial, agricultural, energy and defence equipment.
4. To reaffirm our interest in expanding the scope of our educational, cultural, scientific and technological exchanges with China.
5. To improve further our understanding with the Chinese Government over the future of Hong Kong, and thus to contribute to political and business confidence in Hong Kong's future.

/CHINESE

C H I N E S E O B J E C T I V E S

1. To enhance Premier Hua's personal standing, both within China and internationally, and to assert China's role as a world power.

2. To develop China's relations with the UK as a major member of the Community and Atlantic Alliance; to seek our understanding and support for China's foreign policies, particularly in relation to the Soviet Union and areas of strategic importance to China such as Indochina.

3. To look for ways of improving commercial and technological cooperation with the UK which will benefit China's modernisation plans; and to press for further trade concessions, particularly in the EEC context.

PREMIER HUA'S VISIT TO LONDON

DRAFT LISTS OF BRIEFS

1. Steering_Brief
2. The international political situation including East/West relations;

 Asia (particularly South East Asia, and covering also the Indian subcontinent, Afghanistan and Iran);

 Africa (particularly Southern Africa);

 China's international role (including nonproliferation, disarmament, international economic and UN issues);

 The Non Aligned Movement;

 Arab/Israel;

 and Taiwan
3. Bilateral trade
4. EEC /China
5. Defence Sales (including implications for C O C O M and East/West relations)
6. Other bilateral issues, including

 Hong Kong;
 Cultural, scientific and other exchanges;
 Air Service and Maritime Agreements;
 Claims;
 Travel restrictions in Peking and London;
 Chinese Trade Centre in London;
 and accommodation for the British Embassy's staff in Peking
7. The internal political and economic scene in China.



19 SEP 1979

CONFIDENTIAL



cc Tby
Trade
Turb

10 DOWNING STREET

From the Private Secretary

18 September 1979

VISIT OF PREMIER HUA GUOFENG

You wrote to me on 14 September about the changes in Premier Hua's programme.

The Prime Minister sees no difficulty in the earlier timing for the visit that the Chinese have proposed. She would be happy to meet Premier Hua at the helicopter pad in Kensington Palace Gardens if the Chinese are content for Premier Hua's arrival to take place in the late afternoon. A convenient time might be 1800 hours. If the Chinese, on reflection, would prefer a significantly earlier arrival time, it might be easier for the Prime Minister to meet him at Heathrow.

The Prime Minister welcomes the proposal to bring forward the first session of talks from Tuesday to Monday afternoon. The timings proposed in the outline programme enclosed with your letter, ie 1500 to 1700, would seem to suit well.

The Prime Minister will be happy to bid Premier Hua farewell on the morning of Saturday 3 November, and again at Kensington Palace Gardens.

M. O'D. B. ALEXANDER

fl

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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①

PRIME MINISTER

Visit of Premier Hua

You agreed in August a programme for your involvement with the visit of Premier Hua to the United Kingdom at the end of October and beginning of November. I attach Mr. Cartledge's minute on this subject.

Premier Hua has now asked whether there will be any objection to his advancing the timing of his visit by one day. This is to enable him to take up an invitation to visit Italy after his visit to this country. The French and Germans have already agreed to similar requests.

The changes which the new timing would involve in the attached programme would be as follows:-

a) Arrival

Premier Hua will be arriving on Sunday 28 October. You had earlier agreed to meet him at the helicopter pad near Kensington Palace Gardens. Since you will be at Chequers on Sunday you may think, if you are still ready to meet him, that it would be convenient to do so at Heathrow. The Chinese, who very much hope that you will be able to meet the Premier, will be prepared to adjust the arrival time to the morning or afternoon to suit your convenience.* (You could make the journey to and from Chequers by helicopter.) Would you be ready to meet Premier Hua?

* If it were in the late afternoon you would return to Downing Street from Heathrow.

b) Talks

The earlier arrival of the Premier will make it possible to bring forward your first session of talks with him from Tuesday afternoon to Monday afternoon. Since this will avoid the necessity of going straight into the talks from Questions and since a Monday afternoon is at present free in your diary, the change would seem to be a sensible one. The talks might be from 1500-1700, leaving an hour's break

/before

Yes - do whatever is the most convenient. I cannot leave Heathrow by turning to Palace a minute.

Agreed not

before your reception for Premier Hua at the Banqueting House. Do you agree? ✓

c) Departure

Premier Hua will now be leaving on the morning of Saturday 3 November instead of Monday 5 November. It would, again, be appreciated by the Chinese if you could bid the Premier goodbye on his departure from central London. You will be in London the previous evening for the Chinese return dinner. You have at present no engagements on the Saturday. If you greet Premier Hua on his arrival it will be less important to see him off but would you none-the-less be prepared to do so?

yes out.

Phinds

I also attach the programme for the rest of the visit & use you should like to glance at it.

17 September 1979



Foreign and Commonwealth Office

London SW1A 2AH

14 September 1979

Dear Michael,

PREMIER HUA GUOFENG'S VISIT

In his letter of 22 August, Bryan Cartledge indicated the Prime Minister's agreement to the draft outline programme for Premier Hua's visit enclosed with Stephen Wall's letter of 14 August.

The Chinese have now told us that Premier Hua wishes to take up an invitation to visit Italy after his visit to Britain, and have sought our agreement to advancing slightly the timing of his visit here to Sunday, 28 October - Saturday, 3 November.

It is unfortunate that the Chinese should wish to change the timing of the visit, after the Prime Minister has approved the dates originally suggested and an outline programme. But it is understandable that Hua should wish to take up the Italian invitation (which he has only recently received) without extending the overall length of his tour more than necessary (he has to receive Mr Karamanlis in Peking on 12 November). The French and Germans have agreed to similar Chinese requests that Premier Hua's visit should be brought forward.

The first session of talks were to have taken place on the afternoon of Tuesday 30 October. I know that this timing would not have been very convenient for the Prime Minister. If the Prime Minister agrees, we would now propose that this session be held on the afternoon of Monday 29 October. It would get the visit off to a good start.

The only other changes which will affect the Prime Minister's own arrangements are the arrival and departure times. The Prime Minister had agreed to meet Premier Hua at Kensington Palace on Monday. It would be much appreciated by the Chinese if she could do the same on the Sunday. They should be able to adjust the arrival time for the Sunday morning or afternoon to suit the Prime Minister's convenience. It would of course be possible for the meeting to take place at London Airport if this would be more convenient for the Prime Minister (should she, for example, wish to go by helicopter from Chequers).

Premier Hua will now be leaving on the Saturday morning (3 November) and Lord Carrington hopes that, particularly if the Prime Minister is unable to greet Hua on arrival, she will be able to see him off. Mrs Thatcher will have been in London the previous evening for the Chinese return dinner.

--- The other items on the programme can be rearranged as set out in the revised draft programme attached.

/We shall

M O'D B Alexander Esq
10 Downing Street



We shall be discussing the programme on 17 September with a Chinese reconnaissance team. It would be very helpful to know by then the Prime Minister's views. If she is ready to accept the dates now proposed for Hua's visit, we shall consult other departments urgently about the programme.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Defence, Trade, Industry, Education and Science, the Minister of Agriculture, Fisheries and Food, the Minister for Transport, the Lord President of the Council and Sir John Hunt.

Yours ever
Roderic Lyne

(R M J Lyne)

VISIT OF PREMIER HUA GUOFENG: 28 OCTOBER - 3 NOVEMBER

DRAFT OUTLINE PROGRAMME

(ALL TIMINGS ARE ILLUSTRATIVE IE NOT EXACT)

SERIAL	TIME	EVENTS
<u>Sunday 28 October</u>		
1		Arrival of Premier Hua at Kensington Palace
<u>Monday 29 October</u>		
2		Sightseeing
3	1245 pm for 1300	Lunch given by HMG at Lancaster House hosted by ? Lord Carrington
4	1500 - 1700	? Short tête-à-tête talks with The Prime Minister followed by first Plenary Session at No 10
5	1800 - 1930	Reception hosted by Prime Minister at the Banqueting House
<u>Tuesday 30 October</u>		
6	0900 - 1015	Call by the Secretary of State for Trade, Mr John Nott, accompanied by 8 businessmen on Premier Hua at Claridges
7	1030 - 1130	Possible calls by political figures at Claridges
8	1235	Leave Claridges
9	1245	Arrive Buckingham Palace - Guard of Honour
10	1300 - 1430	Luncheon given by HM The Queen
11	1430 - 1500	Tour of State Rooms with The Queen
12	1515	Return to Claridges
13	1540	Leave hotel for Britannic House
14	1600 - 1800	Visit Exhibition at BP Centre, Britannic House
15	1815	Return to Claridges
16	1945	Arrive No 10 Downing Street

SERIAL

TIME

EVENTS

17

1945 for 2000

Dinner given by The Prime Minister
(Black tie or National Dress)

Wednesday 31 October

18

0900

Leave Claridges

19

0930

Arrive at Northolt Airport

20

1015

Arrive at Manchester Airport

21

1045

Arrive at Pilkington Glass Ltd, St Helens.
Lunch at Pilkington Glass Ltd.

22

1330

Leave Pilkingtons

23

1345

Arrive at Fiddler's Ferry Power Station,
St Helens

24

1515

Leave Power Station

25

1545

Arrive at Manchester Airport

26

1610

Arrive at Derby Airport

27

1635

Arrive at British Rail's Railway Technical
Centre. Tea at the Centre.

28

1800

Leave for Rolls Royce's Guest House

29

1900

Dinner with Rolls Royce. Overnight with
Rolls Royce.

Thursday 1 November

30

0900

Leave Rolls Royce's Guest House for the
Rolls Royce Factory.

31

0915 approx

Arrive at the Factory.

32

1000

Leave Factory for East Midlands Airport

33

1030

Arrive at East Midlands Airport.

34

1030 - 1100

Demonstration of Harrier Jump Jet Aircraft

35

1100

Leave for Northolt

36

1145

Arrive at Northolt Airport

37

1230

Arrive at Bank of England

38

1230 - 1430

Luncheon with Governor of Bank of England,
after short presentation

39

1430

Return to Hotel

<u>SERIAL</u>	<u>TIME</u>	<u>EVENTS</u>
40	1600 - 1730	Second Plenary Session at No 10 Downing Street
41	1730	Leave for Speaker's House
42	1730 - 1815	Speaker's Reception
43	1815	Return to Hotel
44	1915	Leave for Mansion House
45	1945	Dinner at the Mansion House (White tie or National Dress)
<u>Friday 2 November</u>		
46		Visit to Oxford (to see Mr MacMillan) a farm and a farm institute (before and after lunch)
47	1245 for 1300	Luncheon given by HMG hosted by the Duke of Kent, Vice Chairman of the BOTB at Lancaster House . Venue to be decided
48		Press Conference
49		Return dinner by Premier Hua.
<u>Saturday 3 November</u>		
50	am	Departure

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FIVE



cc: Miss Stephens.

10 DOWNING STREET

From the Private Secretary

22 August 1979

Visit to the UK by Premier Hua Guofeng, 30 October to 3 November

Thank you for your letter of 14 August about the programme for Premier Hua Guofeng's forthcoming visit to the UK.

The Prime Minister is content with the draft outline programme enclosed with your letter. Specifically, so far as her own involvement in the programme is concerned, the Prime Minister has agreed to meet Premier Hua at Kensington Palace Gardens on the morning of 29 October (if plans for Premier Hua's arrival are changed in a way which might require the Prime Minister to meet him at Heathrow or elsewhere, I shall of course wish to consult her again); to host a reception for Premier Hua at Lancaster House the same evening; to meet Premier Hua for a tête-à-tête discussion at No.10 on 30 October at 1600, and for a plenary session of talks immediately thereafter until 1800; to host the dinner for Premier Hua at No.10 on the evening of 30 October; to meet Premier Hua for a second plenary session of talks, at No.10, on 1 November at 1600; and to say farewell to Premier Hua at Kensington Palace Gardens on 5 November.

The Prime Minister has also agreed that the signing of the Cultural Agreement with the Chinese could take place in the White Drawing Room at No.10, immediately following the plenary session of talks on 30 October.

If it is possible to persuade the Chinese to hold their return dinner on Friday 2 November instead of on Saturday 3 November, the Prime Minister would greatly prefer this.

I am sending copies of this letter to Martin Hall (H.M. Treasury), Roger Facer (Ministry of Defence), Tom Harris (Department of Trade), Andrew Duguid (Department of Industry), Philip Hunter (Department of Education and Science), Bill Burroughs (Department of Energy), Garth Waters (Ministry of Agriculture, Fisheries and Food), Jim Buckley (Lord President's Office) and Martin Vile (Cabinet Office).

Stc

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

Premier Hua's Visit, 30 October - 3 November

You will see from the FCO letter below and the attached draft programme that your involvement in Premier Hua's visit, if you accept Lord Carrington's recommendations, would be as follows:-

Monday, 29 October

Morning: Meet Premier Hua at helicopter pad near Kensington Palace Gardens.

Evening: Host reception for Premier Hua at Lancaster House.

Tuesday 30 October

1600-1800 Tête-à-tête meeting, followed by plenary session of talks, at No. 10 (this is now likely to be followed by the signing (by Lord Carrington) of a Cultural Agreement in the White Drawing Room if you agree).

2000-2015 Host dinner at No. 10

Wednesday 31 October

No involvement

Thursday 1 November

1600-1730 Second plenary session of talks

Friday 2 November

Premier Hua's return dinner (if we can persuade the Chinese to move this from Saturday)

Monday 5 November

See Premier Hua off from Kensington Palace Gardens' helicopter pad.

/This is

This is asking a lot of you but it is an exceptionally important visit, not least from the long term commercial point of view and, if you can agree to devote this amount of time to it, I am sure it would be a good investment. I have checked with Caroline that there is no clash with other commitments.

Can you agree to the above?

Yes

Yes out

16 August 1979

China

MR CARTLEDGE

Visit by Premier Hua

I have now had a careful look at the draft programme for Premier Hua's visit. I must say the Foreign Office really are expecting an awful lot of the Prime Minister but I have tentatively pencilled in all the engagements she is requested to attend and the only point I would make is that Friday 2 November is now free in the diary and so if it suits the Chinese to give their return dinner on that evening rather than Saturday 3rd this would be just as convenient for Mrs. Thatcher.

ed.

15 August 1979



Foreign and Commonwealth Office

London SW1A 2AH

14 August 1979

CHINA: VISIT BY PREMIER HUA GUOFENG

I enclose a draft outline programme for Hua Guofeng's visit from 30 October to 3 November. We should be grateful for the Prime Minister's approval. We have had no indication yet of Premier Hua's own wishes. If the Prime Minister is content in principle with the attached draft, we shall put it to the Chinese as a basis for discussion.

Premier Hua will be the highest-level visitor ever to come to Britain in the thirty years of the People's Republic of China. He is effectively Head of State, as well as Head of Government and, although it is impossible to predict the future course of Chinese politics, he is young (58) by Chinese standards and could well continue to hold these two positions for many years. He will probably be accompanied by the most senior Vice Premier ever to visit this country, Mr Yu Qiuli, who is in charge of economic planning, and by the Foreign Minister, Mr Huang Hua. A visit on this level represents a unique opportunity to influence Chinese political, economic and commercial thinking at the highest level. The draft programme has therefore been designed to give Hua and his party the best possible impression of British interest in China, and of Britain's political life and industrial and commercial capacity.

Premier Hua will have been the guest of the President of France, and we understand that the West Germans will also give a reception appropriate to a Head of State. The Foreign and Commonwealth Secretary recommends that Hua's reception in this country should not appear to the Chinese or to anyone else to compare unfavourably with his reception in the FRG and France, and considers that the Prime Minister's personal involvement in the visit will be of central importance. Lord Carrington hopes that Mrs Thatcher can offer Premier Hua two sessions of talks, which is what he will expect, (probably one to cover international affairs, and the other bilateral issues); and that as well as hosting a welcoming dinner, she should meet him and, if possible, see him off (at the helicopter landing site in Kensington Palace Gardens): it is Premier Hua's normal practice to go in person to greet visiting Prime Ministers at the airport on arrival. It would also create a particularly favourable impression if the Prime Minister were prepared to host a reception for Premier Hua at Lancaster House, provisionally scheduled for the evening of Hua's arrival.

We may be able to ask the Chinese to hold their return dinner on Friday 2 November, if this would suit the Prime Minister better than the Saturday. The disadvantage would be that the last day of the official visit (Saturday 3 November)

B G Cartledge Esq
10 Downing Street

/would



would then peter out, whereas under the present programme the dinner on the Saturday provides the high point. However, this disadvantage would be offset if the Prime Minister were able to say goodbye to Hua Guofeng on the Monday.

Lord Carrington realises that the draft programme imposes a heavy burden on the Prime Minister. However, he believes that the importance of the visit makes the Prime Minister's close involvement particularly desirable.

I am copying this letter to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Defence, Trade, Industry, Education and Science, Energy, the Minister of Agriculture, Fisheries and Food, and to the Lord President of the Council and Sir John Hunt.

*Yours ever,
Stephen*

(J S Wall)

8 August 1979

VISIT TO THE UK BY PREMIER HUA GUOFENG: 29 OCTOBER - 5 NOVEMBER 1979

MONDAY 29 OCTOBER

a.m. Arrival from Paris by air. Helicopter to Kensington Palace and Guard of Honour, if this can be arranged; greeted by the Prime Minister.

p.m. Free by request, except for:

1730-1900 Reception hosted by the Prime Minister or Lord Carrington at Lancaster House

TUESDAY 30 OCTOBER

0850-0915 Hovercraft from Westminster to Rochester (accompanied by Mr Nott)

0915-1100 Visit Lucas CAV diesel engine component factory, and (if time permits) Royal Naval College at Greenwich

1100 Return to Westminster Pier, and drive to hotel

1130-1215 Call by Mr Nott, accompanied by 6 to 8 businessmen

1300 Lunch at Buckingham Palace. Inspection of Guard of Honour on arrival.

1430-1500 Tour of State Rooms, escorted by Her Majesty (and possibly meeting with Prince Charles, if HRH is available and agrees).

1600-1800 First Plenary Session at No 10 (Lord Carrington and possibly other Cabinet Ministers to attend)

1815-1845 Huang Hua and Lord Carrington sign Air Services/ Cultural Agreement ~~in Banqueting Hall~~

2000 Dinner at No 10 (Black tie)

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WEDNESDAY 31 OCTOBER

0900-1030	Highspeed train to Derby (possibly accompanied by Sir Keith Joseph for part or all of provincial tour)
1030	Arrive Derby, received by Mayor (? Freedom of Derby)
1100-1415	Visit and lunch at GEC Power Station (West Burton), Parkray Automated Foundry (Derby), or Boots Pharmaceutical Factory (Nottingham)
1445-1515	Visit Rolls Royce briefly
1515-1700	Visit British Rail's Railway Technical Centre
evening	Dinner and overnight with Rolls Royce

THURSDAY 1 NOVEMBER

0830	(Subject to weather) Leave Derby for Bedford by air
0900-1115	Visit National Institute of Agricultural Engineering, and/or Modern Experimental Husbandry Farm, and/or see short Harrier demonstration.
1245-1415	Lunch by HMG, hosted by Duke of Kent, Vice Chairman of Overseas Trade Board
1430	Listen to Prime Minister's Questions in the House of Commons
1600-1730	Second Plenary Session (possibly in the House of Commons)
1730-1815	Speaker's Reception
2000	Dinner at Mansion House

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FRIDAY_2_NOVEMBER

0930-1045	Visit to BP Exhibition at Britannic House
1045-1245	In the City of London: presentation by the Governor of the Bank of England and visits to Commodity markets
1300	Lunch with Governor of Bank of England
pm	Free for calls (eg by Leader of the Opposition)
1730	Press Conference
2000	Romeo and Juliet at the Royal Opera House

SATURDAY_3_NOVEMBER

	Visit to Oxford: probably accompanied by Mr Mark Carlisle.
	Lunch with the Vice Chancellor; and tea with Mr Harold Macmillan; and possibly award of honorary degree
pm	Return to London
2000	Return Dinner given by the Chinese

SUNDAY_4_NOVEMBER_

Free by request

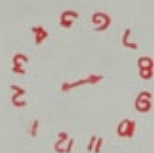
MONDAY_5_NOVEMBER

Leave for Peking (seen off by Prime Minister or Lord Carrington) from Kensington Palace, if this can be arranged.

Alternative Department of Industry Proposal for morning/lunch on
Wednesday 31 October

0900 - 0930	Fly to Manchester
0930 - 1330	Industrial Visits in Manchester, probably Skelmersdale New Town and Chloride Industrial Batteries Factory Lunch at factory
1330 - 1400	Drive to airport
1400 - 1430	Fly to Derby
1430 - 1445	Drive to Rolls Royce
pm	As in main Programme

N.B. Numbers may not permit all Premier Hua's party to accompany him all the time (eg on hovercraft trips).



15 AUG 1979



China

10 DOWNING STREET

MRS. GOODCHILD

I am just confirming that
the Prime Minister will act as
hostess for a banquet for
Chairman Hua on Wednesday
31 October at 2000 for 2015
(black tie).

C. STEPHENS

11 July 1979

File

MR. CARTLEDGE

Chairman
PREMIER HUA

When do you recommend the talks should take place? I have put Wednesday, 31 October in the diary for a dinner and the rest of the day is still free, so I would like some guidance as to when the best time would be for the meetings.

eg.

6 July 1979

BC spoke to CP.
16.00 - 16.30 Tete a Tete
16.30 - 18.00 Plenary

Miss Vickers:

MR. CARTLEDGE ✓

Premier Hua

I'm afraid it
shd. be a large
dinner. *by 7*

The Protocol Department of the Foreign Office rang today about Premier Hua's visit at the end of October. They would like to know what the Prime Minister is going to do for him. I said definitely a lunch or a dinner plus talks. Could you give me your advice please as to whether it should be lunch or dinner? Lunch on Wednesday, 31 October would be most convenient as Thursday being Cabinet day I would prefer to leave the ^{evening} free, particularly as she has a dinner with a speech on Tuesday 30th. But obviously there is protocol involved. I am keeping both free at the moment.

ep.

5 June 1979

[Mr. Pawley - x 4613]

Tuesday 23 October

0930	Media Briefing	No. 10
0945	Messrs Gow, Howe and Sanders	No. 10
1300	Lunch in Study and Questions Briefing	No. 10
1515	Questions	H/C

Wednesday 24 October

0930	Media Briefing	No. 10
	Lunch	No. 10
	Keep free if possible	

Thursday 25 October

0930	Media Briefing	No. 10
0945	Messrs Gow, Howe and Sanders	No. 10
1030	Cabinet	No. 10
1300	Lunch in Study and Questions Briefing	No. 10
1515	Questions	H/C

Friday 26 October

0930	Media Briefing	No. 10
1245	Finchley Ladies Lunch - Speech: Alison Ward	
	Surgery	
	YCs Dinner	Finchley

Monday 29 October

0830	Hair appointment	No. 10
1000	Media Briefing	No. 10
1015	Diary	
1045	Chairman, Home Secretary and Chief Whip	No. 10
1130-1500	Departmental visit - Industry?	

Tuesday 30 October

0930	Media Briefing	No. 10
0945	Messrs Gow, Howe and Sanders	No. 10
1000	BC to discuss Mayor's Banquet Speech	No. 10
1300	Lunch in Study and Questions Briefing	No. 10
1515	Questions	H/C
	Burke Club Dinner: Speech - Ian Gow	

Wednesday 31 October

0930	Media Briefing	No. 10
	Keep free if possible	

Thursday 1 November

0930	Media Briefing	No. 10
0945	Messrs Gow, Howe and Sanders	No. 10
1030	Cabinet	No. 10
1300	Lunch in Study and Questions Briefing	No. 10
1515	Questions	H/C
	Depart for tour	

Friday 2 November

	Tour - North East or East Anglia	
1915 for 1945	Rotary Club of Finchley Ladies Night (not confirmed)	Firs Hall, Palmers Green

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China
c.c. Miss Stephens

10 DOWNING STREET

From the Private Secretary

21 May, 1979.
BF 21/579

China: Visit by Premier Hua Guofeng

Thank you for your letter of 18 May, in which you conveyed the Foreign and Commonwealth Secretary's recommendation that an invitation should be extended to the Chinese Premier, Hua Guofeng, to visit the UK from 30 October to 3 November, 1979.

The Prime Minister agrees that Premier Hua should be invited to pay a visit on these dates; she has also agreed to receive Premier Hua, to have talks with him and his colleagues, and to offer him hospitality. The way is therefore clear for a formal invitation to be extended to the Chinese. I should be grateful for further advice on the programme, insofar as it affects the Prime Minister's involvement, in due course.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

TE. E. CARTLEDGE

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

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Prime Minister

*Do you agree that
an invitation should
be issued in these
terms?*

Foreign and Commonwealth Office

London SW1A 2AH

18 May 1979

Dear Bryan,

*BH
18/5*

Agreed and.

China: Possible Visit by Premier Hua Guofeng

The Chinese Government told our Embassy in Peking early in April that Premier Hua Guofeng wished to take up the invitation which had been issued to him by Mr Callaghan in 1978. They proposed a visit to Britain from 29 October to 5 November, following visits to France and West Germany. The formal visit would last from 30 October to 3 November, allowing 4 November for rest.

The level of recent Chinese visitors to this country has risen in line with the general improvement in our bilateral relations. Foreign Minister Huang Hua's visit in October 1978 was followed in November by a visit by Vice Premier Wang Zhen, the most senior member of the Chinese Government yet to visit this country. The Foreign and Commonwealth Secretary considers that a visit by Premier Hua Guofeng would be a logical and desirable development of this process, and that it would be commercially and politically disadvantageous if on his first visit to Western Europe Premier Hua were to visit France and West Germany and not Britain.

Although he now probably wields less political power than Vice Premier Deng Xiaoping, Mr Hua remains in formal terms China's most senior leader. In his capacity as both Premier and Chairman of the Chinese Communist Party, he outranks Mr Deng, as he does also, in Party terms, China's nearest equivalent to a titular Head of State, Marshal Ye Jianying, the Chairman of the National People's Congress.

Premier Hua was accorded Head of State treatment when he visited Romania and Yugoslavia last year, and we expect the Germans, and particularly the French, to involve their Presidents more actively than would be usual for other Prime Ministerial visits to Bonn and Paris. It would therefore be appropriate to recommend involvement by The Queen; Buckingham Palace have been consulted on a contingency basis and have indicated that The Queen would be free to give a Dinner for Mr Hua on 30 October.

The Foreign and Commonwealth Secretary therefore hopes that the Prime Minister will agree to receive Premier Hua on

Bryan Cartledge Esq
10 Downing Street

/the

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/ the dates suggested by the Chinese; and recommends that an invitation should be issued to him. We would expect the visit to include two sessions of talks, exchanges of hospitality, and a trip outside London. I enclose a draft telegram of instructions to Peking which, if the Prime Minister agrees, we would arrange to despatch.

For ever
J S Wall

J S Wall
Private Secretary

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File No.

Department FED

Drafted by
(Block Capitals)

Tel. Extn.

OUTWARD

TELEGRAM

Security Classification
CONFIDENTIALPrecedence
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FOR
COMMS. DEPT.
USE

Despatched

(Date)

(Time) Z

POSTBY Z

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(Time of Origin) Z(G.M.T.)

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(Security Class.) CONFIDENTIAL

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[TEXT]

YOUR TELNO 364: ^{Prime} HUA'S EUROPEAN TOUR1. The Prime Minister has agreed to Hua's visit
on the dates proposed.2. You should now issue an invitation in the
Prime Minister's name and say that the proposed dates
would be convenient. You should add that the
Prime Minister much looks forward to receiving Hua and
believes that his visit will provide a very useful
opportunity for a full exchange of views on international
and bilateral issues as well as indicating clearly the
continuing improvement of the good relations between
our two Governments.

Copies to:-



18 MAY 1979

END

Filmed at the National
Archives (TNA) in London

February 2010