

Yes - but don't expect too much on trade. They are very short of currency. (1) m.

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Ref. A0322

Prime Minister

MR. ALEXANDER

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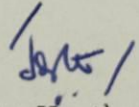
London. There is also the possibility of concluding an Air Services Agreement, a Cultural Agreement, a Trade Protocol or an Understanding on Agricultural Co-operation in time for signature during the visit.

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

China

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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

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