



PM/81/63

PRIME MINISTER

*Should prefer
to go over the
Suzuki news.
not*

Prime Minister.

Agree the Plan proposed?

*J.S. Collier
(only date)
15/12/81.*

Visit to China, Hong Kong and Japan

1. When I visited Peking in April, I told the Chinese with your agreement that you hoped to visit China during 1982, as a return for Hua Guofeng's visit in 1979. I am sure that a visit to China would be an excellent move in the context of our relations with China and our international position as a whole, and I believe that a visit to Japan at the same time would be essential and would have almost as great importance. I know that you have it in mind, subject to your other commitments, to carry out this visit in September 1982, and we have tentatively earmarked the period between 16 and 29 September.
2. Humphrey Atkins will be in both Peking and Tokyo in the first part of January, and can expect to be asked about possible dates for your visit. Unless he can give a rather more precise reply than I was able to, there is a danger that our preferred month of September may become congested with other visits, both for the Chinese and for the Japanese; indeed we have heard that Mr Suzuki may himself be contemplating a visit to Peking in September. I suggest therefore that during his visit Humphrey Atkins should take the opportunity of putting down a marker both with the Chinese and the Japanese that you hope in principle to visit in the second half of September. The Chinese will certainly expect us to suggest dates soon - the Hong Kong press is already saying that you are to go in September. They are almost bound to question Humphrey on this and subject to your views and the reaction of the governments concerned, he could confirm that you are indeed planning a visit in the Autumn. We could then start working out the programme in more detail.
3. I have of course very much in mind the fact that the subject of Hong Kong is bound to come up if you go to Peking. Indeed you agreed with Hua Guofeng in 1979 that you would keep in touch on the problem. I raised it when I was in Peking in April and the Chinese

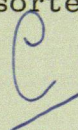
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will certainly be expecting you to take the matter up as well. As you know, we have good reasons to try to encourage the Chinese to cooperate in preserving confidence and stability in Hong Kong. The difficulty is that the Chinese are in no hurry to come to grips with the problem and there can be no guarantee that they will want to tackle it in substance by next Autumn. Against that people in Hong Kong, and investors outside who are interested in doing business there, will expect the problem to be a key issue during your talks with the Chinese and there may well be very strong expectations that a solution is about to emerge, or at least that negotiations to find a solution will be set in hand. We shall need to try to induce the Chinese to look at the problem realistically while guarding against euphoria in Hong Kong leading to disillusionment. We must play a rather flexible hand.

4. It will of course be very important to get the lead up to your visit right. Humphrey Atkins' visit will be an important link. As I see it, he should not try to pre-empt any substantive discussions which you may have. There is always a risk of scaring the Chinese off by pushing them too fast. But he should try to establish whether there have been any shifts in Chinese thinking since we last tackled them and to see what line they would be likely to take with you. He will also be able to talk the matter over with Murray MacLehose and the Ambassador in Peking and discuss the whole question with me on return. I would then put our views to you and perhaps at that stage suggest a line for the handling of your visit which could be discussed with colleagues in OD or some other suitable forum.

5. It would be very helpful to know whether you agree with this general plan and in particular to have before Christmas your views on what Humphrey Atkins might say about your Far East visit. This will enable him to get his line sorted out before he leaves on 2 January.


(CARRINGTON)

Foreign and Commonwealth Office

15 December 1981

SECRET