



VISIT OF THE PRIME MINISTER TO CHINA

SUMMARY

1. Mrs Thatcher visited China from 22-26 September. It was a working visit, concentrating on discussions with Premier Zhao Ziyang and Chairman Deng Xiaoping, but allowing for short visits to Shanghai and Canton. (Paras 1-3)
 2. Talks with Zhao Ziyang on world affairs centred on Sino-Soviet and Sino-US relations and showed that Chinese and British views on many international topics were close. (Paras 4 and 5)
 3. On Hong Kong, the meetings resulted in a joint statement, providing for talks via diplomatic channels with the object of maintaining Hong Kong's stability and prosperity. (Paras 6 and 7)
 4. The Prime Minister met resident British businessmen and had talks with the Chinese on commercial matters. (Para 8)
 5. In Shanghai, where we plan to reopen a Consulate-General, Mrs Thatcher launched a ship for Sir Y K Pao, visited a biochemistry research institute and met the local British community. In Canton she had talks with the Provincial Governor on economic cooperation. (Paras 9 and 10)
 6. The visit raised Sino-British relations to Prime Ministerial level, advanced commercial prospects and secured agreement to begin talks on Hong Kong. (Para 11)
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*Professor had
working with
Dorothy
Hodgkin*



BRITISH EMBASSY,
PEKING.

7 October 1982

The Right Honourable
Francis Pym MC MP
etc etc etc
Foreign and Commonwealth Office

Sir

VISIT OF THE PRIME MINISTER TO CHINA

1. I have the honour to report that the Prime Minister, the Rt Hon Mrs Margaret Thatcher MP, accompanied by Mr Denis Thatcher, visited China from the 22nd to the 26th September as part of her Far Eastern tour. Her programme here and a list of her party are attached at Annexes A and B.

2. The programme, which, as is customary with Chinese arrangements, took final shape only the day before the Prime Minister arrived, was that of a working visit, concentrating on discussions with Chinese leaders in Peking for the first two and a half days, and allowing only a brief visit to Shanghai and Canton on the way to Hong Kong. It provided for two meetings of about two hours each with Premier Zhao Ziyang, and one two-hour meeting with Chairman Deng Xiaoping (now called Chairman by virtue of his position as Chairman of the Party's Military Affairs Commission and Advisory Committee). We had asked for, and I am sure would have been given, a meeting also with the Party Secretary-General, Hu Yaobang, which would have offered Mrs Thatcher the chance to assess the third member of the current ruling triumvirate. But the sudden decision of

/Kim Il Sung



Kim Il Sung, the Korean leader, to visit China at the same time meant a hasty re-scrumbling of arrangements on the Chinese side and Hu Yaobang disappeared into the provinces escorting his Korean guest.

3. The Prime Minister's VC10 arrived on one of those glorious still and sunny afternoons which are the mark of the Peking autumn. She was met by Vice-Foreign Minister Zhang Wenjin who, with his wife, accompanied her throughout the visit, and was driven to the State Guest House through streets decorated with bunting and across a Tian An Men Square hung for the occasion with British and Chinese flags. At a formal welcoming ceremony outside the Great Hall of the People she inspected a guard of honour. The strains of God Save the Queen, played by the band of the People's Liberation Army, rang out impressively against the unusual setting of the vast square with its distant view of the Forbidden City.

4. The first round of talks with Zhao Ziyang was devoted to a survey of world affairs with particular reference to China's relations with the United States and the Soviet Union. After Mrs Thatcher had explained that the state of the Western Alliance was good in spite of current differences over equipment for the Siberian gas pipeline, Zhao said that he had recently told ex-President Nixon that China was not in favour of anything that strengthened the Soviet Union; but the

/United States



United States should not ask its friends to do something which it was not prepared to do first. He noted that President Reagan had lifted the grain embargo when he came to office. China approved of President Reagan's determination to curb Soviet expansionism, but considered that some US policies, eg in the Middle East and South Africa, did not serve that overall objective. China attached importance to the development of relations with the United States, not merely to oppose Soviet hegemonism, but also in the interest of economic and technological cooperation. The recent joint communique on arms sales to Taiwan was an important first step in the removal of a serious obstacle to Sino-US relations but was only a beginning; the issue had not yet been thoroughly solved. China would wait and see how the United States would implement it. China had been very flexible, which showed the importance the Chinese attached to Sino-US relations.

5. Premier Zhao also described the Soviet Union's desire to expand as the fundamental cause of tension in the world and said that China's foreign policy had not changed. It was an independent policy not swayed by expediency. China wished to maintain normal state-to-state relations with the Soviet Union on the basis of the five principles of peaceful coexistence. The Russians would be sending a Vice-Foreign Minister to Peking in October to exchange views. However, if the Soviet Union

/sincerely

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sincerely wanted to improve its relations with China, it would have to take practical measures to remove the threat it posed to China by its occupation of Afghanistan, its support for Vietnam, and the excessive number of Soviet troops stationed along the Sino-Soviet border and in Mongolia. Zhao ended by saying that he personally was not very optimistic about the prospects for the forthcoming talks. He also spoke at some length, but in familiar terms, about Afghanistan and Cambodia, expressing the hope that HMG could give political, moral and material support to the Cambodian coalition. In response, Mrs Thatcher was able to say that our views on these issues were similar.

6. This first round of talks with Zhao was useful in helping to establish some personal contact between the two leaders. It was followed by a welcoming banquet in the Prime Minister's honour given by Zhao Ziyang in the Great Hall of the People for some two hundred guests. In their speeches, copies attached at Annexes C and D, both Prime Ministers referred to the long history of Sino-British relations and expressed the belief that the British Prime Minister's visit would further strengthen them. Both speeches made cautious reference to the subject of Hong Kong, Zhao saying merely that "in our bilateral relations there are problems left over from history that need to be solved through consultations".

/7. The



7. The second round of talks with Zhao the next morning were devoted principally to Hong Kong. With this in mind, the Governor of Hong Kong, Sir Edward Youde, joined the Prime Minister's delegation in Peking and was present throughout the talks with Zhao Ziyang and Deng Xiaoping. The substance of the Prime Minister's talks with Zhao and Deng on Hong Kong is reported separately. It is sufficient to say here that the Prime Minister was able to agree with the Chinese a brief statement, as follows:-

"Today the leaders of both countries held far-reaching talks in a friendly atmosphere on the future of Hong Kong. Both leaders made clear their respective positions on this subject. They agreed to enter into talks through diplomatic channels following the visit, with the common aim of maintaining the stability and prosperity of Hong Kong."

8. In her second round of talks with Premier Zhao Mrs Thatcher also raised a number of bilateral commercial matters, but there were no firm responses from the Chinese side. In the course of her visit she also attended a reception at the Embassy for representatives of the British community and for some of our Chinese contacts; visited the Central Music Academy, the Peking Fine Arts Academy, a British book exhibition in the National Art Gallery, and gave an impressive return banquet for

/the Chinese



*She is full of
character -
plus
character -
which is
a great deal*

the Chinese Premier in the Great Hall of the People at which the tables were decorated for the first time in that building with fine pieces of British silver. Copies of the short speeches on this occasion are attached at Annexes E and F. She was also entertained to dinner by the Association of British Commerce in China, which gave her an opportunity of discussing trade issues and learning something of the opportunities and problems for British businessmen resident here.

9. On the 25th of September, Mrs Thatcher went on to Shanghai, where she visited the British Petroleum office, a biochemistry research institute (where she deeply impressed the Chinese specialists with her knowledge of their area of expertise), and launched a ship built for the Hong Kong shipping magnate, Sir Y K Pao, naming it "World Goodwill". She also met members of the growing British community resident in Shanghai and was entertained by the Mayor at a splendid banquet where the guests ate to the strains of Auld Lang Syne, Home Sweet Home, All Through the Night, and the Last Rose of Summer. *and Greenhouse* A performance of Chinese dancing and Peking opera followed. Mrs Thatcher's visit to Shanghai was relevant to our decision to open a Consulate-General there and gave valuable support to our efforts to obtain suitable accommodation for the office and staff.

/10. Finally,

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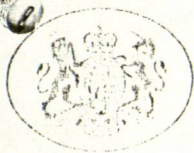
10. Finally, the Prime Minister paid a short visit on the 26th of September to Canton, where she was able to hold talks with the Governor of Guangdong Province, who afterwards entertained her to lunch. The talks concentrated on business opportunities and economic cooperation in Guangdong. She was present at the signing of a Letter of Intent between Cable and Wireless Ltd and a Chinese company for the establishment of an important microwave communications link in the province.

11. When plans for the Prime Minister's tour were being discussed last spring, Mrs Thatcher forecast that her visit to China might be the most strenuous part of her tour. The programme here was certainly a full one and the talks with Chinese leaders were concentrated and important. This was the first visit by a British Prime Minister in office to China and, therefore, raised Sino-British relations to Prime Ministerial level. In this we have hitherto lagged behind our friends and competitors. I hope conditions will be suitable for Zhao Ziyang to take up next year the invitation Mrs Thatcher gave him to make a return visit to Britain. On the commercial side, though no large contracts were signed, Chinese attention was concentrated on a number of important deals, which I trust, as a result, are closer to signature. Finally and most important, the visit allowed us to tackle the difficult issue of Hong Kong, which in coming months is likely to dominate

/Sino-British

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Sino-British relations, with considerable potential for good or ill. Thanks to the Prime Minister's advocacy we were able to secure our main objective for the visit, namely an agreement to begin talks about Hong Kong via diplomatic channels with the stated object of maintaining Hong Kong's stability and prosperity. We must now follow up that initial achievement.

12. I am sending copies of this despatch to HM Ambassadors at Washington, Moscow and Tokyo, and to the Governor, Hong Kong.

I am, Sir

Yours faithfully

A handwritten signature in dark ink, which appears to read 'Percy Cradock'. The signature is fluid and cursive, written over the printed name.

PERCY CRADOCK

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ANNEX A

PRIME MINISTER'S VISIT TO CHINA: WORKING PROGRAMME AS OF

21 SEPTEMBER

Wednesday, 22 September

- 1320 Arrive at Peking Airport by British special plane. Met by HMA and Lady Cradock; Vice Foreign Minister Zhang Wenjin; Ambassador Ke Hua and Mrs Ke Hua; Head of the Western European Department of the Ministry of Foreign Affairs, Wang Benzuo; and by representatives of the Protocol Department
- 1420 Arrive at the Guest House
- 1530 Members of the Prime Minister's Delegation leave the Guest House for the Great Hall of the People
- 1550 Leave the Guest House for the Great Hall of the People (Prime Minister and Mr Thatcher)
- 1600 Welcoming ceremony (in the Square outside the Eastern Entrance of the Great Hall): Embassy staff to assemble at 1540 hrs at GHP North Entrance lobby
- 1615 Courtesy call on Premier Zhao Ziyang (at the Hebei Hall)
- 1630 Talks with Zhao Ziyang (at the Eastern Hall)
- 1830 Return to the Guest House
- 1920 Leave the Guest House for the Great Hall of the People
- 1930 Welcoming banquet (at the Banquet Hall)
- Afterwards - Visit Chancery

Thursday, 23 September

- 0800 Breakfast
- 0850 Leave the Guest House for the Great Hall of the People
- 0900 Continued talks with Zhao Ziyang
- 12-1300 Reception given by Sir Percy and Lady Cradock at British Embassy (Residence)
- 1330-1430 Private lunch at Guest House



1430 Leave the Guest House for a visit to the Central Conservatory of Music

1440 Arrive at the Conservatory

1540 Leave the Conservatory for the Central Academy of Fine Arts to meet some artists

1550 Arrive at the Central Academy

1650 Leave the Central Academy of Fine Arts for the Art Gallery

1700 Visit the British Book Exhibition

1730 Leave Art Gallery for Residence

1745 approx Meeting in Chancery

1900 approx Visit Residence (to change)

1925 Leave Residence for Jianguo Hotel

1930 Arrive at Jianguo Hotel for dinner given by British business community

(Afterwards (?) Prime Minister's Press Secretary briefs British press at Jianguo Hotel)

Friday, 24 September

0800 Breakfast

0935 Leave the Guest House for the Great Hall of the People

0945 Meet with Vice Chairman Deng Yingchao

1030 Meet with Vice Chairman Deng Xiaoping

1230 Luncheon given by State Councillor and Foreign Minister Huang Hua (Yangyuan Hall, Diaoyutai Guest House)

1430 Leave the Guest House for a short visit to Haidian free market en route to the Summer Palace

1500 Arrive Summer Palace

1600 Leave Summer Palace for the Guest House

1620 Arrive back at Guest House



- 1720 Leave the Guest House for the Great Hall of the People
- 1730 Press Conference
- Later return to Guest House
- 1900 Leave the Guest House for the Great Hall of the People
- 1930 Return banquet
- 2130 onwards Interview with radio and television correspondents at Guest House

Saturday, 25 September

- 0630 Luggage Call
- 0700 Breakfast
- 0800 Premier Zhao Ziyang arrives at the Guest House to bid farewell
- 0815 Leave the Guest House for the Capital Airport
- 0900 Leave Peking for Shanghai by Chinese special plane
- 1030 Arrive in Shanghai (met by Mayor Wang Daohan)
- 1050 approx Visit British Petroleum's Headquarters in Shanghai (near airport en route to the Guest House)
- Later arrive at the Jinjiang Guest House
- 1200 Luncheon given by Sir Y K Pao
- 1400 Leave the Guest House for Jiangnan Shipyard
- 1430-1500 Attend the naming ceremony of MV "World Goodwill" built by Jiangnan Shipyard
- 1530-1630 Visit the Institute of Biochemistry
- 1700-1800 Reception given by HM Ambassador for the British community in Shanghai to meet the Prime Minister: at the Jinjiang Club
- 1900 Banquet given by the People's Government of Shanghai Municipality, followed by cultural performance

/Sunday, 26 September



Sunday, 26 September

0830 Depart Shanghai Airport in Chinese Boeing 707 (VC10 to follow)

1000 Arrive Canton

/1030 (?) Embassy has asked MFA for the Prime Minister to attend Cable and Wireless signing ceremony

1100 or (to be confirmed by MFA) - Call on Guangdong
1130 Province Governor for a general discussion of economic development projects

Lunch as the guest of the Governor of Guangdong

1400 Leave Canton by VC10 for Hong Kong

(Translation)

Speech by Premier Zhao Ziyang at the Banquet in Honour of
the Rt. Hon. Margaret Thatcher, Prime Minister of the
United Kingdom
22 September 1982

The Rt. Hon. Prime Minister Margaret Thatcher and
Mr. Denis Thatcher,
Distinguished British Guests,
Friends and Comrades:

During the Cancun Meeting last year, I had my first meeting and a friendly talk with Prime Minister Margaret Thatcher. Today we take particular pleasure in welcoming the Rt. Hon. Prime Minister in Beijing. Mrs. Thatcher visited China in 1977. She is a British political leader well-known to the Chinese people. Now, she has come on an official visit as the first serving British Prime Minister. This visit will have a far-reaching impact on the relations between our two countries. On behalf of the Chinese Government and people and in my own name, I wish to extend our warm welcome to the Rt. Hon. Prime Minister and Mr. Denis Thatcher as well as the other distinguished British guests.

The friendly contacts between the Chinese and British peoples started several hundred years ago. The founding of New China in 1949 opened the way for the establishment and development of relations between China and other countries in the world on the basis of genuine equality. In 1954, China and Britain reached an agreement on the exchange of *chargés d'affaires*. In 1972, we reached an agreement on the exchange of ambassadors, thus fully

normalizing Sino-British relations. In recent years, these relations have developed steadily. There have been frequent exchanges of visits between the two Governments and peoples. The British Foreign Secretary, Defence Secretary, Lord Privy Seal and other Cabinet Ministers visited China successively. The Chinese Premier, Vice-Premiers and Ministers also paid visits to Britain. Political consultations between us have increased. Our two countries have signed agreements on cooperation in the fields of the economy, education and culture, science and technology and civil air transport, which have served to strengthen and enhance our bilateral contacts and cooperation. The volume of two-way trade has increased. Our bilateral economic cooperation has expanded to cover more areas, including such important areas as aviation, electronics, chemical industry and energy. The Prime Minister's current visit has provided an opportunity for leaders of our two countries to have a wide-ranging exchange of views on international issues of common concern and on bilateral matters. This will certainly help deepen the mutual understanding between our two peoples and promote the development of our bilateral relations.

Your Excellency Prime Minister, the world today is even more turbulent and unstable. New aggressions have kept taking place before old ones are stopped. The Kampuchean and Afghan peoples have waged heroic and sustained struggles against foreign aggressors in defiance of brute force. The Israeli authorities have not only refused to withdraw from the Arab territories occupied by them and obstructed the Palestinian people from regaining their legitimate rights, but have also occupied large tracts of the territory of Lebanon

and its capital Beirut. Recently, Israel has gone so far as to carry out bloody massacre of innocent Palestinian civilians, including women and children. The Chinese Government and people strongly condemn Israel's savage aggression and atrocities. Israel must pull out all its aggressor troops from Lebanon immediately and unconditionally. It has become increasingly clear that the hegemonists are locked in rivalry on a world-wide scale, which has become the root cause of instability and turbulence in the world. The Chinese Government and people are ready to join all the other peace-loving and justice-upholding countries and peoples in a common endeavour to combat the superpowers' hegemonism, resist all aggression and expansion and to safeguard world peace. It is our hope that the development of Sino-British relations will contribute to promoting the cause of world peace.

As you all know, the Communist Party of China recently held its Twelfth National Congress, which adopted a programme guiding the Chinese people in their drive for all-round socialist modernization. In the days to come, there will be even greater stability and unity in China's political situation. China's economy will develop even more steadily. We firmly pursue the policy of maintaining independence and relying on our own efforts. We will continue to follow the policy of opening to the outside world and broaden external exchanges on the basis of equality and mutual benefit. The Five Principles of Peaceful Coexistence have been and will remain the basic principles guiding the development of China's relations with other countries of the world.

Your Excellency Prime Minister, since you came to office, you have made valuable contributions to the development of Sino-British relations. Your current visit to China is a major event in our bilateral relations and an important indication of their progress. I believe that with our joint efforts, your visit will be fruitful. Cooperation between our two countries in the economic, cultural and other fields will be further strengthened. True, in our bilateral relations, there are problems left over from history that need to be solved through consultations. However, I believe that problems of this kind are not difficult to solve so long as both sides approach and develop Sino-British relations in a long-term strategic perspective and take the Five Principles of Peaceful Coexistence as the basis in dealing with problems existing between us. I wish the Prime Minister a successful visit.

Now I propose a toast
to the continued development of friendship
between the Chinese and British peoples and of our
bilateral relations,
to the health of Her Majesty Queen Elizabeth II,
to the health of the Rt. Hon. Prime Minister
and Mr. Denis Thatcher,
to the health of the other distinguished
British guests present, and
to the health of friends and comrades present here!