

PREMIER HUA'S VISIT: ON-THE-RECORD PRESS CONFERENCE

We explained that at the First Plenary Session the Prime Minister and Premier Hua had dealt with international affairs - a tour d'horizon covering, inter alia, Europe, Indo-China, East-West relations and Hong Kong.

The Second Plenary, this afternoon, lasted one hour ten minutes. The Prime Minister was accompanied by the Foreign Secretary, the Secretaries of State for Trade and Industry and the Minister of State, FCO (Mr Peter Blaker). There was a happy end to the meeting with the signing in the Pillared Room of two Agreements. The first, signed by the Foreign Secretary and Huang Hua (Minister for Foreign Affairs) was a Cultural Agreement covering exchanges involving universities, literature, the arts, the performing arts, publishing, TV etc. The second Agreement, signed by the Secretary of State for Trade and Yu Qiuli (Minister, State Planning Commission), was an Air Service Agreement. It covered direct services between the UK and China (London/Peking to start 1 April 1980) and between Hong Kong and the major cities of China. This was a very successful end to cordial discussions.

Subjects covered in the Plenary were:

- i Hong Kong: The PM raised the problem of the high rate of (illegal) immigrants into Hong Kong and said she would be grateful for co-operation from the Chinese. Premier Hua said he understood the difficulty and promised to help.
- ii Trade: The PM said that the UK was willing to sell Harriers and other defensive equipment, subject to our obligations. The Chinese were clearly interested in coal and mineral mining, mining machinery, railways and off-shore technology (Hua had clearly been impressed by his visit to BP and said that the North Sea was a big success) etc. The Minister for Railways is due to visit the UK this month, following Hua's visit to Derby.

In answer to questions we said:

- i Harriers: The Harrier position was not new. Negotiations were continuing between the firms concerned and the Chinese on technical specifications, price etc. We acknowledged a slight change of emphasis in the Government's position compared with the last Government. But Harrier sales were still seen as part of a wider relationship. [In the House earlier, the PM had talked about increased trade with China, including the Harrier ... We ought to check for exact words in Hansard]. Cocom were being kept in touch" [the Cocom position needs clarification].
- ii ASA: UK carrier would be BA, flying from Heathrow. Gatwick would be base for Chinese airline.

- iii Hong Kong lease: Premier Hua was sympathetic to the UK position.
- iv Illegal immigrants: Premier Hua was specific to the extent that he understood the problem and was anxious to do what he could to ease it. Beyond that he must speak for himself.
- v Rail Minister's visit: Details were still being finalised. China obviously had formidable transport problems (eg freight, coal).
- vi Chinese geophysicists' visit: This was for BP: certainly in discussion, Hua had shown himself to be very interested in off-shore technology.
- vii Consular agreements: The French and Germans, said the questioner, had made Consular agreements with the Chinese. Had we? We said that the subject had not been raised yet; but the Foreign Secretary was seeing the Minister for Foreign Affairs on Friday. We had "informal arrangements which worked well".
- viii Visits: The PM had not yet received a formal invitation to visit China again. But several opportunities remained for Premier Hua to invite her. [Since then Reuters, quoting the New China News Agency, has reported that the PM has accepted an invitation "with pleasure". The PM has confirmed, however - Friday am - that the subject has not come up though she would, of course, be delighted to go. She also commented: "Poor Premier Hua - He has got to fit in Giscard, Schmidt ..." someone whose name I didn't catch ... "and me".]
- ix Subjects not raised:
 - Cambodia/Vietnam (briefly mentioned in Monday's tour d'horizon)
 - Arms for Patriotic Front
 - China to restrain North Korea ("not in our hearing")