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Foo (Mwallan)

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 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 Mr. Churchill of war, / in fact had both a penetrating appreciation of the situation and the courage to speak out. Later events

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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 <u>Prime Minister</u> 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. <u>Premier Hua</u> agreed. The <u>Prime Minister</u> 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

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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 <u>Prime Minister</u> 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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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.

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30 October 1979



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From the Private Secretary

30 October 1979

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PREMIER HUA'S VISIT

As you know, the Prime Minister had a tete-a-tete discussion with Premier Hua here yesterday afternoon. I enclose a copy - 29/10/74 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.

Your ever Nichael Alexander

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