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TO PRIORITY FCO

TELEGRAM NUMBER 969 OF 7 NOVEMBER

INFO PRIORITY HONG KONG.

Prime Minister

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Ants

PREMIER'S HUA'S VISIT.

1. I BELIEVE THE DEPARTMENT WILL BE PREPARING A DESPATCH ON THIS VISIT. IN THE MEANTIME, YOU MAY FIND IT USEFUL TO HAVE SOME QUICK PERSONAL IMPRESSIONS.
2. THE FIRST AND MOST IMPORTANT IS THAT THE VISIT WAS A VERY GREAT SUCCESS. IT DEMONSTRATED BEYOND DOUBT THE IMPORTANCE WE ATTACH TO SINO-BRITISH RELATIONS, TO HUA'S VISIT AS MARKING A NEW HIGH LEVEL IN THOSE RELATIONS AND TO THE VALUE OF A LARGE BRITISH CONTRIBUTION TO CHINESE MODERNISATION OVER A LONG PERIOD OF YEARS. IT SHOWED BRITAIN AS AN ADVANCED, STABLE SOCIETY WITH LONG TRADITIONS BUT ALSO HIGH TECHNOLOGY. FINALLY, IN AN UNOFFICIAL AND UNSCRIPTED WAY, IT EXPRESSED THE WARMTH OF FEELING FOR CHINA AMONG BRITISH PEOPLE GENERALLY. ALL THESE POINTS WERE TAKEN BY THE CHINESE.
3. THE VISIT ACHIEVED THESE OBJECTIVES PARTLY THROUGH CAREFUL PREPARATION AND EFFICIENT ORGANISATION, AND I AM MOST GRATEFUL TO ALL THOSE IN LONDON WHO LABOURED TO ACHIEVE THIS. THE LEVEL OF CEREMONIAL, ONLY JUST SHORT OF A STATE VISIT, CONVEYED THE POLITICAL MESSAGE. HER MAJESTY'S PERSONAL RECEPTION OF HUA AND HIS ENTERTAINMENT BY HRH THE DUKE OF KENT WERE CLEARLY OF MAJOR IMPORTANCE. BUT IN CHINESE EYES THE KEY ELEMENT WAS THE TALKS WITH THE PRIME MINISTER AND THE RELATIONSHIP ESTABLISHED BETWEEN THE TWO GOVERNMENT LEADERS. THERE IS NO DOUBT THAT FROM HER HANDLING OF THIS FLOWED THE SUCCESS OF THE VISIT AND THE SPECIAL WARMTH DESCERNABLE AT THE END OF THE DAY.

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4. THE FIRST SESSION OF TALKS AT NO.10 WAS DIFFUSE AND DISAPPOINTING BY OUR STANDARDS, BUT WAS, I BELIEVE, THE NECESSARY PRICE TO PAY. WE HAD TO LISTEN TO THE CHINESE ON THEIR VIEW OF THE WORLD AND WE WERE JUDGED, AND HIGHLY ASSESSED BY THEM, IN TERMS OF THE FIRMNESS OF OUR RESPONSE ON SOVIET POLICY. IN MANY WAYS THIS WAS THE YARDSTICK. THE CHINESE TOLD ME AFTERWARDS THEY KNEW THEY COULD SPEAK MORE FREELY IN LONDON THAN IN PARIS OR BONN AND THEY WERE DELIGHTED TO BE ABLE TO DO SO.

5. BY THE SECOND ROUND AT NO.10 RESULTS WERE COMING THROUGH. FOR EXAMPLE, THE LAST MINUTE CONCESSION OVER GATWICK, WHICH MADE THE AIR SERVICES AGREEMENT A REAL ONE AND NOT STILLBORN, OWED SOMETHING TO THE VISIT BY THE CAAC REPRESENTATIVE TO THAT AIRPORT, BUT ALSO MUCH TO THE CHINESE JUDGEMENT OF THE POLITICAL SUCCESS OF THE VISIT.

6. ON BILATERAL TRADE ISSUES THE BROAD PATTERN IN THE MINISTERIAL TALKS WITH HUA AND YU WAS THAT WE PUT A SERIES OF SPECIFIC PROPOSALS AND THE CHINESE REPLIED IN GENERALITIES. I AM NOT TOO DISTURBED BY THIS. NEITHER YU NOR A FORTIORI HUA WAS PREPARED ON SUCH AN OCCASION TO ENTER INTO GREAT DETAIL. BUT YU MADE CLEAR TO ME LATER THAT HE HAD NOT FINISHED HIS PRESENTATION AND THAT DETAILED POINTS SHOULD BE PURSUED LATER WITH VICE-MINISTERS. IN THE SECOND ROUND OF PRIME MINISTERIAL TALKS WE WERE ALSO ABLE TO RE-EMPHASISE SOME OF OUR SPECIAL INTERESTS AND TO DRAW ENCOURAGING RESPONSES, EG ON RAILWAYS, EXPLOITATION OF CHINESE MINERALS, COAL, OIL, AEROSPACE AND DEFENCE SALES GENERALLY.

7. ON DEFENCE SALES, NEITHER YU NOR HUA RESPONDED ON HARRIER THOUGH THEY WERE BOTH GIVEN A CUE. BUT HUA WAS CLEAR AND POSITIVE ABOUT MARINE ENGINES AND THEIR INTEREST IN TANK ENGINES. HE SHOWED SPECIAL INTEREST IN THE ROLLS ROYCE PROPOSALS FOR COOPERATION INVOLVING PROVISION OF ENGINES IN CHINESE CIVIL AIRCRAFT. THIS LAST HAS GREAT COMMERCIAL POTENTIAL AND I HOPE WILL BE PURSUED VIGOROUSLY. HE AND HIS DELEGATION WERE SPECIALLY PLEASED BY THE PRIME MINISTER'S GENERAL ASSURANCE THAT SHE HAD ASKED MANY OF HER MINISTERIAL COLLEAGUES TO ATTEND THE SECOND ROUND OF TALKS AND THAT IN WHATEVER FIELD THE CHINESE SOUGHT OUR HELP WE WOULD DO OUR BEST TO PROVIDE IT. THIS WILL MEAN, INTER ALIA, THAT THE CHINESE WILL EXPECT A PARTICULARLY POSITIVE ATTITUDE OVER MANY OF THEIR REQUESTS FOR COOPERATION ON DEFENCE-RELATED MATERIAL.

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8. THE TALKS WITH HUANG HUA PRODUCED NO SURPRISES BUT COVERED A LOT OF USEFUL GROUND. ON HONG KONG, ON WHICH I SHALL BE COMMENTING SEPARATELY, WE WERE ABLE TO REAFFIRM THE COINCIDENCE OF SINO-BRITISH INTERESTS AND OUR WORRIES ABOUT IMMIGRATION. IT REMAINS TO BE SEEN HOW MEANINGFUL THE CHINESE ASSURANCES ARE ON THE LATTER, BUT THEY WERE GIVEN AT THE TOP LEVEL.

9. ON CAMBODIA, THE PRIME MINISTER WAS ABLE TO CONVEY OVER DINNER SOMETHING OF OUR VIEWS ON POL POT. BUT GIVEN THE STRENGTH OF CHINESE FEELING, AS EVINCED IN HUA'S LONG STATEMENT ON THE NEED FOR SUPPORT FOR 'DEMOCRATIC KAMPUCHEA', I HOPE THAT IF WE MUST MOVE TO DERECOGNITION WE SHALL DO SO IN SLOW TIME AFTER CONSULTING ASIAN AND IF AT ALL POSSIBLE IN CONCERT WITH SOME OF OUR EEC COLLEAGUES.

10. THE VISIT GAVE US AN OPPORTUNITY TO STUDY THE CHINESE LEADERS RATHER MORE CLOSELY. I CONFESS HUA REMAINS SOMETHING OF AN ENIGMA. HE PERFORMED IMPRESSIVELY. HE WAS WELL PREPARED (HE REFERRED TO NO BRIEFS), CAREFUL AND WATCHFUL, AND SCARCELY PUT A FOOT WRONG. HE WAS TECHNICALLY INTERESTED AND QUITE WELL INFORMED. HE WAS PRIMARILY CONCERNED WITH POLITICS RATHER THAN CEREMONIAL, AND EVEN IN OXFORD IT WAS THE DISCUSSION WITH MR MACMILLAN AND THE LATTER'S REFERENCE TO THE DANGERS OF APPEASEMENT THAT MATTERED TO HIM. BUT IN VIRTUALLY A WEEK'S VISIT, I SAW NO HUMAN MOMENT WHEN HE REALLY REVEALED HIMSELF, OR, WHAT IS PERHAPS MORE REMARKABLE, NP

REALLY HUMAN EXCHANGE BETWEEN HIM AND ANY OF HIS ENTOURAGE. HE CLEARLY IS AT A CONSIDERABLE DISTANCE FROM THEM. BY CONTRAST, YU QIULI REVEALED HIMSELF READILY AS THE TYPICAL OLD CHINESE SOLDIER, TECHNICALLY QUALIFIED IN CERTAIN FIELDS SUCH AS OIYBN REMARKABLY IGNORANT IN MANY OTHERS, BAFFLED BY MUCH OF THE CEREMONIAL BUT SOMEONE WITH WHOM IT WAS RELATIVELY EASY TO STRIKE UP A REAL RELATIONSHIP.

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/19. FOLLOW-UP

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19 FOLLOW-UP ACTION WILL NOW BE IMPORTANT, WE HAVE THE RIGHT ATMOSPHERE BUT SHALL NEED TO MOVE TO SPECIFICS AND AS ALWAYS A GREAT DEAL WILL DEPEND HERE ON THE PERSISTENCE OF OUR FIRMS AND THE QUALITY AND PRICE OF THEIR PRODUCTS WE LOOK FORWARD

TO RECEIVING THE PROMISED LETTER FROM DOT AND DOI SETTING OUT FOR YU QIULI THE DETAILED PROPOSALS FOR BILATERAL COOPERATION. WE SHALL THEN TAKE UP THE VARIOUS SUBJECTS WITH THE VICE-MINISTERS WHO ACCOMPANIED HUA AND WITH SPECIALIST CHINESE MINISTERS. ON THE AIR SERVICES AGREEMENT, IT WILL BE IMPORTANT TO KEEP THE CHINESE TO OUR DEADLINE OF APRIL NEXT YEAR, AND WE SHOULD PERHAPS BEGIN TO THINK IN TERMS OF AN INAUGURAL FLIGHT AT A SUITABLE POINT IN THE SPRING.

CRADOCK

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