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Note of a meeting between the Prime Minister and Premier Zhao Ziyang at the Great Hall of the People, Peking, on 22 September, 1982, at 1630

Present:

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| Prime Minister | HE Premier Zhao Ziyang |
| Sir Percy Cradock
(HM Ambassador) | Huang Hua,
(State Councillor and Foreign Minister) |
| Sir Edward Youde
(Governor of Hong Kong) | Zhang Wenjin,
(Vice-Minister of Foreign Affairs) |
| Mr. R.W. Gray
(Department of Trade) | Jia Shi
(Vice-Minister of Foreign Economic Relations and Trade) |
| Mr. A. Donald
(Foreign and Commonwealth Office) | Ke Hua
(Ambassador to the United Kingdom) |
| Mr. M.W. Atkinson
Mr. A.C. Galsworthy
Mr. R.N. Peirce
(HM Embassy, Peking) | Wang Benzhuo
(Director, West European Department, Ministry of Foreign Affairs) |
| Mr. F.E.R. Butler
Mr. A.J. Coles
Mr. B. Ingham
(Prime Minister's Office) | Cao Yuanxin
(Deputy Director, Protocol Department, Ministry of Foreign Affairs) |
| | Wang Changyi
(Deputy Director, Information Department, Ministry of Foreign Affairs) |
| | Lu Ping
(Adviser to the West European Department, Ministry of Foreign Affairs) |
| | Zheng Yaowen
(Division Chief, West European Department, Ministry of Foreign Affairs) |

Mr. Zhao Ziyang proposed that at their first session he and the Prime Minister should cover international issues and should tackle bilateral issues on the following day. He invited the Prime Minister to speak first. The Prime Minister said that she would ^{not} seek to cover all issues of concern to the United Kingdom and China, since on many of them their respective

CONFIDENTIAL

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CONFIDENTIAL

- 2 -

positions were well known, and had been discussed before. She would therefore concentrate on some specific matters, starting with East/West relations and the state of the Western Alliance.

The Prime Minister said that the state of the Western Alliance and of NATO was good despite minor differences, ^{/e.g.} over the Siberian Gas Pipeline of which the Chinese Government would be aware. In her view, President Reagan was entirely justified in applying pressure on Russia to give Poland more freedom to determine her own affairs. There was no ^{dispute} / over this objective, but the Western European countries involved had not been happy about the method adopted in the case of the Siberian Pipeline. Before the United States acted, contracts had been made in good faith, and should be completed: it was not as if direct hostilities had broken out with Russia which would justify the breaking of contracts. So the United Kingdom and other Western European countries were resolved that ^{these} / contracts would have to be completed. In the meantime, we were seeking to arrange meetings through which we could persuade the United States to find a different way of exerting pressure. We knew from the Versailles Summit that President Reagan had wanted to reduce credit to Russia and subsidisation of interest rates. The United Kingdom supported this. But agreement was not reached, and this was probably the cost of the US action on the pipeline.

The Prime Minister said that, despite this problem and one on steel exports, the differences between Europe and America were small compared with the things which united them, and which would continue to do so.

Referring to the balance of arms control, the Prime Minister said that Russia had a superiority of conventional forces on its border with Europe and currently one of nuclear weapons too in the form of their SS 20s. The NATO countries had said that they would station cruise missiles in NATO countries unless Russia reduced the SS 20s. But this was not NATO's preference: NATO would prefer to have equality of arms with lower expenditure on both sides. Talks with Russia on this basis were going slowly, and if Russia did not agree to reduce her missiles, the European countries which

CONFIDENTIAL

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had agreed to the stationing of cruise missiles on their territory would be resolute in doing so. The change of government in Germany would make no difference to this position.

Turning to Afghanistan, the Prime Minister said that Russian aggression must not become accepted and therefore forgotten. She considered that the invasion of Afghanistan had been a blunder by Russia. She noted that the freedom fighters in Afghanistan continued to do well, and regarded it as important that they should continue in one way or another to be supplied with the weapons they need.

The Prime Minister said that the West's strategic aims had not changed. Russia's amassing of military might was consistent with the objectives of expansionism so deeply rooted in Russian history. There were three main methods by which Russia had sought to achieve this expansion, by military might or threat - by proxies, such as the Cubans, or by subversion - and to these there should perhaps be added a fourth - the replacement of civilian by military government, as in Poland. The Prime Minister said that she would welcome the Chinese assessment of what was likely to happen in Russia when Mr. Brezhnev left the scene: the European countries were wondering about this with interest and anxiety, and in particular whether there would be changes introducing a younger generation of leaders who did not remember the last war. She remembered that on her last visit to China Premier Zhao Ziyang had gently advised her that the West had not sufficiently studied the Russian character, and that, if they did, they would be firmer still.

Premier Zhao Ziyang recalled that President Nixon had mentioned the Siberian gas pipeline during a recent visit, and the Chinese had commented that, if the Americans did not want their friends to sell to Russia, they should be the first to refrain from doing so. In this connection it was anomalous that one of President Reagan's earliest acts had been to lift the grain embargo. Premier Zhao Ziyang said that after reflecting on this, Mr. Nixon had said that the Chinese views were very like those of Mrs. Thatcher's. The Prime Minister commented that the situation could be described even more adversely. Even after pressing the European countries to support the pipeline, the United States had renewed their grain contract. But she now thought that the Americans

CONFIDENTIAL

- 4 -

wanted to find an alternative way of putting pressure on the USSR. The sanctions being applied were not as severe as had been threatened. Nevertheless, the Americans were lucky in having understanding friends.

Premier Zhao Ziyang, continuing his exposition, said that on many occasions the Chinese had told United States leaders that they approved the US determination to curb Russian aggression. But very often US actions in particular areas were not in accordance with this policy, and indeed contradicted one another: under this heading he referred particularly to American policies in the Middle East and Southern Africa, which were positively helpful to the Soviet Union. He had heard that President Reagan heeded Mrs. Thatcher's advice, and hoped that she would use her influence on the Americans.

Turning to Chinese views on international issues, Premier Zhao Ziyang said that their general assessment was unchanged, although the world had become more turbulent and tense as old contradictions remained unresolved and new problems were emerging. In China's view the cause of tension was the ambition of the super powers for hegemony and expansion. But the difficulties of the Russians had mounted: they had taken on heavy burdens through their actions in Afghanistan, Kampuchea and Poland, and their domestic position had deteriorated, as a result of high expenditure on arms and their people's pressures for improved standards of living. They also faced acute problems over nationalities within their population and over the leadership succession.

Premier Zhao Ziyang continued that despite these difficulties, Russia's policy of seeking supremacy in the world was unchanged. They were still engaged in arms expansion, and were still on the offensive. The main threat to peace was still from the Soviet Union. Russia had maintained a low posture in Europe and Asia and had launched a number of peace offensives, but the Chinese regarded this as changes of tactics rather than of underlying policy. It remained China's view that Russia provided the main threat to world peace and security. China's policy was still that the Chinese should get together with the Third World and

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CONFIDENTIAL

CONFIDENTIAL

- 5 -

other peace-loving countries to curb Russian expansion and support world peace. They also wished to establish and develop normal relations with other countries on the basis of their five Principles of Peaceful Co-existence. China's policies were not swayed by expediency. As Hu Yaobang had stated to the 12th Congress, China does not play the Russian card against the Americans, or the American card against Russia, and does not allow others to play the China card. They sought to pursue an independent foreign policy without attaching themselves to any third power.

Turning to Sino-US relations, Mr. Zhao Ziyang emphasised the importance which China attached to their development. Not only did China share a common interest with America in opposing Russian hegemonism and expansion, but also it was in the interests of the Chinese people to develop common interests with America on economic and technological matters. Since China had established diplomatic relations with America, there had been developments in trade and technological fields, and an increase in exchanges between the two countries. But one serious obstacle to improved relations with America remains; and that was American arms sales to Taiwan.

The raising of this matter with President Reagan at the Cancun Meeting had led to a visit by Foreign Minister Huang Hua to Washington and to talks lasting ten months. The joint communique reached on 17 August represented a major step to removing this obstacle to the improving of relations with America. But, speaking frankly, Premier Zhao Ziyang said that the communique had not thoroughly settled the matter. It was only just beginning to be seen how the US would implement the communique. The Chinese Government would hope that the US would seriously implement the undertaking which they had explicitly made in the joint communique to reduce gradually and finally terminate their arms sales to Taiwan. But some American officials were trying to distort the agreement by saying that termination of arms sales was pre-conditioned on China's peaceful settlement of the Taiwan issue. This was a distortion of both the spirit and the letter of the communique, since the two issues were quite separate. The peaceful reunification of Taiwan with China was an internal

CONFIDENTIAL

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CONFIDENTIAL

- 6 -

matter which was China's own business, and they would brook no interference on it. An even worse distortion was to link the ending of arms sales with the United States' unilateral policy on Taiwan. Mr. Zhao Ziyang said that the Taiwan Relations Act was contrary to the principles on which diplomatic relations had been resumed with America, and an interference in China's internal affairs.

Mr. Zhao Ziyang said that in saying this he wished to stress the importance which China attached to Sino-American relations. In signing the agreement, China had made the greatest allowance for America's concerns at the same time as upholding the principle that Chinese sovereignty should not be encroached nor their internal affairs interfered with. It was of the utmost importance that the US proceed swiftly to implement the agreement.

Turning to Sino-Soviet affairs, Mr. Zhao Ziyang recalled that these had been covered by Hu Yaobang in his report to the 12th Congress. China believed that Russia had not departed from the policy of hegemonism, and so China had not changed its own policy which was based on the Five Principles. Since Russia had often said that they

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CONFIDENTIAL

CONFIDENTIAL

- 7 -

wanted to improve relations, China had had some contacts with Russia, and in October Russia was sending a Vice Foreign Minister to China to exchange views on relations. If Russia was sincere, they should take practical steps to remove the threat they posed to Chinese security, but Mr. Zhao Ziyang said that China was not looking forward to the talks with optimism. The Soviet Union had supported the invasion of Cambodia and carried out the invasion of Afghanistan. It had deployed massive numbers of troops on the Chinese border and in Mongolia. All this posed a threat to Chinese security: relations between the Soviet Union and China were faced by very serious differences. It was therefore difficult to predict the outcome of the talks. Personally, he was not very optimistic.

Sino-Japanese Relations

This year marked the tenth anniversary of the normalisation of Sino-Japanese relations. Generally speaking, the relationship had developed considerably in various fields since normalisation. There had recently been a dispute relating to Japanese textbooks. This was now over. The Japanese would be responsible for correcting the errors in the textbooks. The Chinese Government assessed positively the attitude of the Japanese Government and Prime Minister Suzuki in upholding relations with China. Last May he (Zhao) had visited Japan. Very soon Suzuki would visit China - this would provide an opportunity to exchange views on international and bilateral issues. The establishment of peaceful, friendly and long term relations on a basis of equality and mutual benefit conformed with the fundamental interests of both peoples and was conducive to the maintenance of stability in Asia and the world at large.

Kampuchea

There had been some new developments in the Kampuchean situation. The three patriotic forces had come together and set up a coalition government, to the establishment of which China attached importance. It represented a new stage in the struggle of the Kampuchean people to safeguard its sovereignty and independence and oppose the Vietnamese aggressor. China's support for the three patriotic forces was not a matter of expediency - it was long term policy. Although

CONFIDENTIAL

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CONFIDENTIAL

-8-

there were still differences and contradictions among the three patriotic forces, the situation inside Kampuchea would improve as long as unity of the forces was preserved, the coalition government was sustained and the struggle was maintained against Vietnamese aggression. It would be possible for Kampuchea to drive the Vietnamese forces out of the country. The essence of the situation was Vietnam's invasion of Kampuchea, a small and weak country. The Hang Semrin clique was propped up by Vietnam. The sole legal regime was the Government of Democratic Kampuchea. More support should be given to the coalition government led by Sihanouk. He hoped that the Prime Minister would adopt an even more positive attitude to the Government of Democratic Kampuchea and give political, material and moral support to the coalition government.

The Kampuchean issue would be one of the priority issues at the current session of the UN General Assembly. Sihanouk was in New York attending the Assembly. China considered that, now that the coalition government had been established, the Government of Democratic Kampuchea would get more support and sympathy. It seemed that there would still be a big struggle to safeguard its legitimate seat at the United Nations. The Soviet Union and Vietnam were trying hard to keep the seat vacant. He hoped that the Prime Minister would use her influence and help people to see through this Soviet/Vietnamese plot, thereby helping Democratic Kampuchea to obtain its seat at the United Nations. China considered that the Kampuchean problem would eventually be settled by political means but the conditions were not yet ripe. Vietnam faced many difficulties and these were increasing but they were not yet of sufficient magnitude to force it to withdraw from Kampuchea. Vietnam had recently put forward proposals for a so-called partial troop withdrawal and the holding of an international conference. This was presented as a policy for peace and reconciliation but it was just a Vietnamese trick. Vietnam was still pursuing a policy of promoting regional hegemony, serving the interests of the Soviet Union's strategic drive to the south. So it would not withdraw its troops.

CONFIDENTIAL

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CONFIDENTIAL

-9-

The reason why Vietnam was making this overture was to take advantage of the desire of some people for compromise and encourage others in the same direction. Recently, the ASEAN Foreign Ministers had held a special meeting in Bangkok. This had been held after ^{the} Vietnamese Foreign Minister's visit to some ASEAN countries. China approved of the meeting's conclusion that Vietnam had not changed its position which was one of maintaining its occupation and controlling the whole of Indo-China. Any change had been purely tactical.

In supporting Kampuchea in its struggle against Vietnam China was upholding the norms of international relations. It had no selfish interests to pursue. It did not harbour an intention of setting up a pro-China regime in Kampuchea. It hoped that Kampuchea would become independent, neutral and non-aligned in the future - and one day become a member of ASEAN. After the withdrawal of Vietnamese troops China hoped to see a government of national unity, uniting all the patriotic forces in the country. The Chinese Government had decided to support Democratic Kampuchea because it regarded it as the only effective anti-Vietnamese resistance force. China's support went beyond the Government of Democratic Kampuchea to all three patriotic forces whom it was supplying with arms. If support was not given to the only effective resistance force, then there was no prospect for a settlement in the future. More and more people in ASEAN countries had come to understand China's position on this issue. Some, like Malaysia ^{and Indonesia} had been apprehensive but others, like Thailand ^{and the Philippines,} had shown a better understanding.

Afghanistan

He did not have much to say about Afghanistan because he believed that we shared his views. Before the Soviet Union had despatched troops to Afghanistan it had not anticipated that there would be so much resistance. There were now some 100,000 Soviet troops in the country who could still not crush the resistance. This involvement amounted to a very heavy burden for the Russians but they did not regret this because they had taken a major step forward in their strategy of driving southward to the Persian Gulf.

CONFIDENTIAL

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CONFIDENTIAL

-10-

Despite the difficulties, the Soviet Union would not change its policy and strategy and would not withdraw its troops. By launching a peace offensive, the Soviet Union aimed to win time to consolidate its occupation. It was now infiltrating and subverting that area in an attempt to meddle in the affairs of Pakistan and Iran. There was no probable shortcut to a political settlement. The only way out was to help strengthen the resistance so as to increase the difficulties facing the Soviet Union.

The Prime Minister thanked Mr. Zhao Ziyang for his fascinating statement. We had similar views on the Kampuchean/Vietnamese issue. We had never recognised Heng Samrin. We had reservations about Pol Pot but supported its retention of the United Nations seat. We now warmly supported the new coalition. We had confidence in the ASEAN judgment which Zhao Ziyang had described. It was right for Kampuchea to settle its future in its own way.

As regards relations with the United States, differences were inevitable from time to time. But America did not wish to extend its influence by military means. It was a defensive power. This meant that there was an enormous difference between the two super-powers - we regarded the United States in a very different light to the Soviet Union. China was non-aligned. We were staunch allies of America. If the United States and Europe did not stand together their ability to deter the Soviet Union would be much diminished.

With regard to Taiwan, we were very pleased that China had reached agreement with the United States at the end of the recent negotiations. We were aware of China's **views** and of American legislation on Taiwan; similarly we were aware of China's nine principles relating to Taiwan and knew that under them Taiwan would be permitted to defend its own territory. Given all the circumstances, the communique which had been issued seemed to us to represent an act of statesmanship - and we hoped things would turn out that way.

CONFIDENTIAL

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CONFIDENTIAL

- 11 -

As regards the Soviet Union we were in broad agreement. It had difficulties with its satellites and in its internal political and economic affairs. There were additional difficulties relating to credit and the countries of Eastern Europe faced problems of debt and interest repayment. The Soviet Union faced more problems in the economic, military and political spheres, than it had for a long time past. We had noted the visit of the Soviet Deputy Foreign Minister to China.

If there were a change in the Soviet leadership it might be tempted to distract attention by military adventures. This would be very damaging for all of us. As Zhao Ziyang had rightly said, Iran was the danger point. It was a troubled country with a terrible regime. If the Russians reached the Gulf the prize to them would be great. Instability in the Middle East could be a great advantage to the Soviet Union. We were constantly pointing out to the United States that the Arab/Israel problem would not be settled until the problem of the Palestinians was tackled.

With regard to the European Community, there were differences between Member States but these were differences between friends. Let there be no doubt that Britain would stay in the Community. Among other things, European political co-operation was valuable both for Europe and for the world as a whole.

She had been grateful for Zhao's detailed exposition of Sino/Soviet and Sino/US relations.

Mr. Zhao Ziyang said that he wished to comment on the Prime Minister's remarks about changes at the top in the Soviet Union and the possible policy of a new leadership. China did not know the Soviet Union very well. But its foreign policy was not determined by the personality of a single leader. It was determined by the way in which the Soviet ruling clique assessed the international situation and various other factors. Some statesmen in the West saw Brezhnev as a moderate. But it had been precisely in the Brezhnev period that the Soviet Union had built up its armaments and changed from a position of military inferiority to one of superiority. During the same period, the troops stationed

CONFIDENTIAL

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CONFIDENTIAL

-12-

along the Sino/Soviet border had been increased to several dozens of divisions. Russia was taking advantage of conflicts among third world countries. It was actively pursuing a policy of expansion in order to control other countries and it had gained from this policy. So we should not think that a change in leadership would necessarily lead to a fundamental change in policy - though there might be minor differences owing to changes in personalities.

With regard to the Middle East, it was the misguided policy of the United States which had created opportunities for the Soviet Union to exploit. The crux of the issue was that Israel was arbitrarily pursuing a policy of expansion. It dared to do so because it was supported and abetted by the United States. There was division, among the Arab countries, between **rejectionists** and moderates. The Soviet Union would have little room for manoeuvre in the Middle East once the United States ceased to stand in opposition to 100m Arabs, on the side of a few million Israelis. China was not in favour of wiping Israel off the map. All countries of the Middle East were entitled to the right to independence, survival and peace. China approved of the position of the United Kingdom and other EC countries in the area.

The discussion ended at 1820.

A. J. C.

22 September 1982

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