

Prime Minister

Content with objectives? - please note in particular C.3 on page

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3.

MR. COLES

A.S.C. 30/7

I must prefer your version
of the H'K objectives

Abraham agreed not

Prime Minister's Visit to the Far East,
16th-29th September 1982

Sir Antony Acland copied to you his letter of 7th July to me about the Prime Minister's forthcoming visits to Japan, China and Hong Kong. I have not minuted you before about the briefing arrangements for these visits, since I have had to await comments from the other Permanent Secretaries concerned about the proposals contained in that letter and its enclosures.

2. None of the Permanent Secretaries to whom Sir Antony Acland's letter was copied have made any comments on the contents of the letter as far as these concern the background against which the visits will be taking place and also developments in Japan and China. The letter made the point that neither in the political nor in the economic arena has Japan's performance as a member of the club of advanced countries been very satisfactory. As was seen in particular over the Falkland Islands, Japan's sense of political responsibility remains immature. Japan's response to the pressures of the international economic situation has also been inadequate, and her government has sought to forestall or divert criticism about the problems created by Japan's export policies by taking piecemeal or short-term and generally minimal measures in the hope of temporarily placating Japan's critics rather than making the more fundamental policy adjustments which her trading partners would welcome. This approach was evident in the run-up to the recent Versailles Economic Summit, when the Japanese announced a number of minor measures allegedly to encourage imports in an ultimately successful effort to prevent the Summit itself raising Japan's trading policies as a leading agenda item. These considerations have caused the Department of Trade to propose a more pointed British objective for the visit in the area of trade policy.

3. As far as China and Hong Kong are concerned, the combination of the two visits will inevitably mean that one of the principal focuses of attention for the Prime Minister's talks in Peking will be the future of Hong Kong.

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There will similarly be much attention paid in Hong Kong to the implications of the Prime Minister's talks in China for the future of the Colony with all that that involves for the financial and trading interests based there. The Prime Minister has already had the opportunity of discussing these aspects of her visits to Hong Kong and China with Lord Maclehoze and she is also to see Sir Percy Cradock later this week to discuss her visit to Peking. (She has also seen Sir Hugh Cortazzi about the visit to Japan.) In the light of these discussions, she will no doubt have her own views on the draft objectives for the visits and on the list of briefs, both of which I attach with this minute.

4. I should be grateful if you could let me know the Prime Minister's views on these drafts so that I can put in hand the commissioning of the briefs by the Cabinet Office. We would aim to arrange for them to reach you by close of play on Friday, 10th September. The Prime Minister's briefing meeting for the Far Eastern visits is currently planned for Monday, 13th September. She will thus have the weekend of 11th and 12th September in which to study the briefs.



Robert Armstrong

28th July 1982

PRIME MINISTER'S VISIT TO THE FAR EAST
16-29 SEPTEMBER 1982

OBJECTIVES

A. JAPAN

BROAD OBJECTIVES (UNITED KINGDOM)

1. To encourage Japan to accept greater responsibility for the international consequences of her economic success, and to adapt her economic and trading policies accordingly.
2. To promote industrial collaboration between the United Kingdom and Japan.
3. To convey the continued importance we attach to collaboration with Japan on political as well as economic issues.
4. To promote specific bilateral economic and commercial objectives.

SPECIFIC OBJECTIVES (UNITED KINGDOM)

ECONOMIC - INTERNATIONAL

5. To bring the Japanese to recognise the need for adjustment of their economic policies so as to prevent continuing large trade surpluses; to avoid export-led growth; to increase import propensity to levels comparable with other OECD countries; to support voluntary restraint arrangements as a means of avoiding direct Government action; and to encourage measures to strengthen the yen.

ECONOMIC - BILATERAL

6. To promote inward investment and scientific and industrial co-operation.

POLITICAL

7. To seek Japanese support for United Kingdom/Western objectives especially in East/West matters and the Middle East; and to exchange views on other international issues, especially Asian questions.

COMMERCIAL

8. To promote aircraft sales (BAe 146); defence sales (especially Sea Harrier); and sales of high technology equipment. To emphasise the need for changes in the structure of Japanese industry and distribution to reduce the propensity for self-sufficiency and to secure easier access for foreign goods. To press for meaningful reductions in tariffs in areas of importance to the United Kingdom.

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LIKELY JAPANESE OBJECTIVES

1. To repair the damage to Anglo-Japanese relations caused by Japanese unhelpfulness over the Falklands.
2. Following recent visits to Japan by other European leaders (Pertini, Mitterrand) and contacts eg at Versailles, to strengthen overall political and economic co-operation with Britain.
3. To avoid excessive concentration on bilateral (United Kingdom-Japan and EC-Japan) trade problems; and to convey the importance of recent measures to open the Japanese market.

B. CHINA

MAIN OBJECTIVES (UNITED KINGDOM)

1. To demonstrate Britain's willingness to develop through exchanges at the top level an enduring and balanced relationship with China. To show our confidence in China's stability and our interest in long-term co-operation, especially in Chinese economic development.
2. To continue a dialogue with the Chinese leadership on international issues. To explain our view particularly of the Soviet threat and of North-South questions. To persuade China of Western unity, realism and determination. To encourage China to play a constructive role in international organisations and debates.
3. Against this background, to obtain further Chinese understanding and co-operation over Hong Kong: this is the dominant objective for the visit. To reaffirm our wish to see a major Hong Kong contribution to China's economic development. To seek agreement on the opening of discussions on the future of the Territory after 1997. To contain public expectations of progress on the issue so that confidence in Hong Kong is not undermined.
4. To take such limited opportunities as may arise to further our commercial interests. To register with the Chinese what we have to offer in terms of technology and experience. To discuss possibilities for future commercial co-operation, including the Guangdong nuclear project.

LIKELY CHINESE OBJECTIVES

1. To discourage any weakening of British resolve to resist Soviet expansionism. To persuade Her Majesty's Government to work for greater European and NATO cohesion and to adopt more radical North/South policies aimed at reducing Soviet penetration of the Third World.
2. To persuade Her Majesty's Government of Chinese political stability and of the prospect of continuity for China's current 'open door' economic policy.

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3. To achieve progress towards the re-establishment of Chinese sovereignty over Hong Kong without jeopardising the Territory's prosperity.
4. To secure aid or concessionary finance in support of British involvement in China's economic modernisation.
5. To obtain Her Majesty's Government's support for the further development of economic co-operation between China and Hong Kong.
6. To obtain Her Majesty's Government's support for the maintenance of Democratic Kampuchea's credentials at the United Nations and to secure political support for the recently formed coalition of anti-Vietnamese forces in Cambodia.

C. HONG KONG

MAIN OBJECTIVES (UNITED KINGDOM)

1. To reassure the people of Hong Kong that Her Majesty's Government's commitment is as strong as ever.
2. To confirm that the common objective of the United Kingdom and China is to maintain Hong Kong's prosperity and stability.
3. [Depending on the results of the China visit] To confirm that in discussions with the Chinese on Hong Kong's future the interests of the people of Hong Kong will be taken into account.

LIKELY HONG KONG OBJECTIVES

1. To bring to the Prime Minister's attention certain United Kingdom/Hong Kong issues, notably Hong Kong's unhappiness over the Multi-Fibre Arrangement, the Nationality Act, and students' fees.
2. To obtain firm assurances that Britain is in no way distancing itself from Hong Kong.
3. To encourage Her Majesty's Government to face up to the problem of the future of Hong Kong in the near future and to ensure that in any discussions with the Chinese the wishes of the Hong Kong people are taken into account.

Prime Minister

C 3 above. You may prefer something like:-

"To confirm that in discussions with the Chinese on Hong Kong's future we shall be guided by our aim will be to secure a prosperous and secure future for the people of Hong Kong."

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ANNEX B

LIST OF BRIEFS FOR THE PRIME MINISTER'S VISIT TO
THE FAR EAST - 16-29 SEPTEMBER 1982

<u>LIST OF BRIEFS</u>	<u>Lead Department</u>	<u>In consultation with</u>
A. JAPAN		
1. Steering Brief (together with programmes and personality notes)	FCO(FED)	
<u>Bilateral Matters</u>		
2. Industrial issues (including inward investment and industrial and scientific co-operation)	DOI	FCO(FED/EESD/TRED)
3. Commercial issues (including BAe 146)	DOT	FCO(FED/TRED)
4. Defence relations and sales	MOD	FCO/FED/Defence)
<u>International Matters</u>		
5. EC/Japan (trade/political co-operation)	FCO (ECD(E))	DOT, DOI, TSY
6. Japanese Economy-International Implications	Treasury	FCO(ECD(E)FED) DOT, DOI
7. East and South East Asia	FCO(FED/ SEAD)	
8. East-West political relations (including Afghanistan)	FCO(EESD)	
9. East-West economic relations	FCO(TRED)	DOT, Treasury
10. Defence (and forces)	MOD	FCO(FED/Defence)
11. North-South dialogue	FCO(ERD)	Treasury
12. Middle East	FCO(NENAD/ MED)	

Capitular

LIST OF BRIEFS

Lead
Department

In consultation
with

Background Briefs

- | | | | |
|-----|------------------------------------|----------|--|
| 13. | Japan Foreign Policy | FCO(FED) | |
| 14. | Anglo-Japanese political Relations | FCO(FED) | |
| 15. | Politics in Japan | FCO(FED) | |
| 16. | Northern Islands | FCO(FED) | |

B. CHINA

- | | | | |
|----|---|----------|--|
| 1. | Steering Brief (together with programmes and personality notes) | FCO(FED) | |
|----|---|----------|--|

Bilateral Matters

- | | | | |
|-----|--|------------------|-------------------------------|
| 2. | Future of Hong Kong | FCO(HKGD) | |
| 3. | Guangdong Nuclear Project | DOI | FCO(FED/NED)
Treasury, DOT |
| 4. | Other commercial issues (eg involvement in modernisation of Chinese coal industry and ports, telecommunications and agricultural co-operation) | DOT | FCO(FED) |
| 5. | Defence Relations and Sales | MOD | FCO(FED/TRED) |
| 6. | Aid | ODA | FCO(FED/CRD)
Treasury, DOT |
| 7. | Scientific and Technological Co-operation and Educational exchanges | FCO(CRD) | DES, ODA |
| 8. | Air Services | FCO(MAED) | DOT |
| 9. | Consular agreement (including opening of consulate at Shanghai) | FCO(FED) | |
| 10. | Claims | FCO(Claims Dept) | Treasury |
| 11. | Travel Restrictions | FCO(FED) | |

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		<u>Lead</u> <u>Department</u>	<u>In Consultation</u> <u>with</u>
<u>International Matters</u>			
12.	East and South East Asia	FCO(FED/ SEAD)	
13.	China and South Asia	FCO(SAD)	
14.	East-West Relations (including Poland and Afghanistan)	FCO(EESD)	
15.	Defence (and forces)	MOD	Treasury FCO(FED/Defence)
16.	Middle East	FCO(NENAD/ MED)	
17.	Arms Control	FCO(ACDD)	
18.	COCOM	FCO(TRED)	MOD
<u>Background Briefs</u>			
19.	Chinese Foreign Policy (including Sino/US and Sino/Soviet relations)	FCO(FED)	
20.	Anglo-Chinese Political Relations	FCO(FED)	
21.	Chinese Internal Policies	FCO(FED)	
22.	Chinese Economy (including modernisation)	MOD(D173)	FCO(FED), DOT
23.	Taiwan	FCO(FED)	DOT
C. HONG KONG			
1.	Steering Brief (together with programmes and personality notes)	FCO(HKGD)	
<u>Bilateral Matters</u>			
2.	UK/Hong Kong issues (eg Nationality Act, Students Fees, MFA, refugees)	FCO(HKGD)	Treasury
3.	Defence and Security	FCO(HKGD)	MOD
4.	Castle Peak Power Station	DOI	FCO(HKGD), Treasury, DOT

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LIST OF BRIEFS

	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
5. Other Major Commercial Opportunities	DOT	FCO(HKGD) Treasury
6. Meeting with Unofficial Members of the Executive and Legislative Councils (UMELCO)	FCO(HKGD)	
7. Multifibre Agreement in Hong Kong	DQT	FCO(ECD(E))

Background Briefs

8. Hong Kong's Political, Economic and Social Situation	FCO(HKGD)	
9. Hong Kong's Economic Relations with UK, EC, US and Japan	FCO(HKGD)	



From the Permanent Secretary
M. D. M. Franklin, CB CMG

*cc to Japan, Hong Kong Policy
Originator China Policy*

DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 3785
SWITCHBOARD 01 215 7877

20 July 1982

Sir Robert Armstrong KCB CVO
Cabinet Office
Whitehall
London SW1

A.J.C. ^{21.}/₇

k.a.

Dear Robert,

PRIME MINISTER'S VISIT TO THE FAR EAST
16-29 SEPTEMBER 1982

I have no comments on Antony Acland's letter to you of 7 July setting out the background and general objectives to the Prime Minister's visit to the Far East.

As regards Annex A, I would like to suggest:

- (a) some rewording of paragraph 5 (Japan) as follows:

"To bring the Japanese to recognise the need for adjustment of their economic policies so as to prevent continuing large trade surpluses; to avoid export-led growth; to increase import propensity to levels comparable with other OECD countries; to support voluntary restraint arrangements as a means of avoiding direct Government action; and to encourage measures to strengthen the yen."

- (b) an addition to the "Commercial" objectives in para. 8 (Japan) of

"To press for meaningful reductions in tariffs in areas of importance to the UK."

On the list of briefs at Annex B, I think the Department of Trade should be included among those to be consulted on the Guangdong nuclear and aid briefs (Nos. 3 and 6) for China; and the same applies, brief No. 4, on the Castle Peak power station for Hong Kong. Finally, the Prime Minister will undoubtedly hear a great deal about the Multifibre Agreement in Hong Kong and you may feel that it would be advisable to provide a separate brief on this subject rather than include it in the general brief on UK/Hong Kong issues. We will of course produce it.



I am copying this to Antony Acland and recipients of his letter.

Yours ever
Michael

M D M FRANKLIN

cc Sir Antony Acland KCVO CMG
Foreign & Commonwealth Office

Sir Peter Preston KCB
ODA

Sir Peter Carey GCB
Department of Industry

Sir Frank Cooper GCB CMG
Ministry of Defence

A J Coles Esq
No. 10



Original folder China - PM's visit to China

Foreign and Commonwealth Office

London SW1A 2AH

7 July 1982

Sir Robert Armstrong KCB CVO
CABINET OFFICE

My dear Robert,

AR 9/7

h a.


PRIME MINISTER'S VISIT TO THE FAR EAST, 16-29 SEPTEMBER 1982

1. The Prime Minister is due to visit Japan, China and Hong Kong in September. This will be her first visit to Japan since 1979, when she attended the Tokyo Economic Summit, and to China and Hong Kong since 1977 when she was Leader of the Opposition. No British Prime Minister has visited China while in office. Most other Western heads of government and state have done so.

2. Since 1979 the Liberal Democratic Party Government of Japan, which has increased its majority, has concentrated on administrative reform and efforts to balance the national budget; on a gradual extension of Japanese involvement in international affairs; and, with even greater caution, on the development of a stronger defence posture. During this period the Japanese economy has been characterised by low inflation and unemployment and by an ever-growing external trade surplus, causing increased friction with OECD partners. Neither in the political nor in the economic arena has Japan's performance as a member of the club of advanced countries been entirely satisfactory; her sense of political responsibility is still immature, and her response to the pressures of the international economic situation has been inadequate.

3. Changes in China have been much greater since the Prime Minister's visit to Peking in 1977. Deng Xiaoping, who was beginning then to re-emerge as a major face in Chinese politics, has eased Mao Zedong's designated heir Hua Guofeng out of both the Premiership and the Chairmanship, and put in his own men; China has embarked on a course of economic modernisation which she has had to modify substantially in the light of experience since the programme was launched in 1978; and Sino/US relations have been normalised, although the relationship is at present threatened by disagreement over the supply of US arms to Taiwan.

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4. Hong Kong has continued to prosper throughout the last 5 years under the outstanding governorship of Sir Murray MacLehose, who was succeeded by Sir Edward Youde in May. A growth rate of 8-10% has been sustained despite the world recession, and a number of major development projects, in which the participation of British companies has been prominent, have been undertaken in both the private and public sectors. The influx of refugees from China has been brought under control, but a steady albeit reduced stream of refugees from Vietnam continues. The importance of Hong Kong as a market for British export goods has increased dramatically: at over £500 million the level of British sales makes Hong Kong almost as important in this respect as Japan.

5. By visiting the Far East at this time the Prime Minister will show that Britain as a world power has a role to play in an area of great strategic importance and in relations with two great Asian powers. Bilaterally the visit will enable us to impress on the Japanese that in our view they have so far failed to live up to our expectations of them in the international political and economic fields; it will be an opportunity to continue the development of our relationship with China, and specifically to begin discussion of the future of Hong Kong; and to identify HMG firmly with the interests of Hong Kong.

6. It is evident that the Japanese attach considerable importance to the visit, especially in the light of the uncertainty surrounding French economic policy and the domestic political strength of the West German Government. For the Chinese it will be an opportunity to gauge British thinking on the future of Hong Kong. People in Hong Kong will watch the outcome of the talks in Peking carefully and will look for progress on the problem, in order to sustain the confidence which is critical to their continuing prosperity.

7. I attach at Annex A a list of objectives for the tour, and at Annex B a proposed list of briefs. The list of briefs may appear long, but this is in our view unavoidable given the importance and breadth of interest of the two major countries to be visited, and their very different outlook. We suggest that Departments be asked to have all the briefs circulated by Friday, 10 September, with a view to a briefing meeting with the Prime Minister at the beginning of the following week. Both Sir H Cortazzi and Sir P Cradock (both at present on UK leave) are planning to return to their posts to supervise final preparations for



the visit before the Prime Minister returns from holiday in September, but she will have had an opportunity to meet the two Ambassadors to discuss the overall shape of the visit before she leaves for her holiday in early August.

Yours ever
Antony

Antony Acland

cc: Sir Douglas Wass GCB
HM TREASURY

Sir Peter Preston KCB
ODA

M D M Franklin Esq CB CMG
DEPARTMENT OF TRADE

Sir Peter Carey GCB
DEPARTMENT OF INDUSTRY

Sir Frank Cooper GCB CMG
MINISTRY OF DEFENCE

A J Coles Esq
NUMBER 10



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OBJECTIVES

A) JAPAN

Broad Objectives (UK)

1. To encourage Japan to accept greater responsibility for the international consequences of her economic success, and to adapt her economic and trading policies accordingly.
2. To promote industrial collaboration between the UK and Japan.
3. To convey the continued importance we attach to collaboration with Japan on political as well as economic issues.
4. To promote specific bilateral economic and commercial objectives.

Specific Objectives (UK)Economic - International

5. To bring the Japanese to recognise the need for adjustment of their economic policies so as to prevent the re-emergence of a large trade surplus; to avoid export-led growth; to increase import propensity; and to encourage action to strengthen the yen.

Economic - Bilateral

To promote inward investment and scientific and industrial cooperation.

Political

7. To seek Japanese support for UK/Western objectives especially in East/West matters and the Middle East; and to exchange views on other international issues, especially Asian questions.

Commercial

8. To promote aircraft sales (BAe 146); defence sales (especially Sea Harrier); and sales of high technology equipment. To emphasise the need for changes in the structure of Japanese industry and distribution to reduce the propensity for self-sufficiency and to secure easier access for foreign goods.

Likely Japanese Objectives

1. To repair the damage to Anglo-Japanese relations caused by Japanese unhelpfulness over the Falklands.
2. Following recent visits to Japan by other European leaders (Pertini, Mitterrand) and contacts eg at Versailles, to strengthen overall political and economic cooperation with Britain.
3. To avoid excessive concentration on bilateral (UK-Japan and EC-Japan) trade problems; and to convey the importance of recent measures to open the Japanese market.

B) CHINA

Main Objectives (UK)

1. To demonstrate Britain's willingness to develop through exchanges at the top level an enduring and balanced relationship with China. To show our confidence in China's stability and our interest in long-term cooperation, especially in Chinese economic development.
2. To continue a dialogue with the Chinese leadership on international issues. To explain our view particularly of the Soviet threat and of North-South questions. To persuade China of Western unity, realism and determination. To encourage China to play a constructive role in international organisations and debates.
3. Against this background, to obtain further Chinese understanding and cooperation over Hong Kong: this is the dominant objective for the visit. To reaffirm our wish to see a major Hong Kong contribution to China's economic development. To seek agreement on the opening of discussions on the future of the Territory after 1997. To contain public expectations of progress on the issue so that confidence in Hong Kong is not undermined.
4. To take such limited opportunities as may arise to further our commercial interests. To register with the Chinese what we have to offer in terms of technology and experience. To discuss possibilities for future commercial cooperation, including the Guangdong nuclear project.

Likely Chinese Objectives

1. To discourage any weakening of British resolve to resist Soviet expansionism. To persuade HMG to work for greater European and NATO cohesion and to adopt more radical North/South policies aimed at reducing Soviet penetration of the Third World.

2. To persuade HMG of Chinese political stability and of the prospect of continuity for China's current 'open door' economic policy.

3. To achieve progress towards the re-establishment of Chinese sovereignty over Hong Kong without jeopardising the Territory's prosperity.

4. To secure aid or concessionary finance in support of British involvement in China's economic modernisation.

5. To obtain HMG's support for the further development of economic cooperation between China and Hong Kong.

6. To obtain HMG's support for the maintenance of Democratic Kampuchea's credentials at the United Nations and to secure political support for the recently formed coalition of anti-Vietnamese forces in Cambodia.

C) HONG KONG

Main Objectives (UK)

1. To reassure the people of Hong Kong that HMG's commitment is as strong as ever.

2. To confirm that the common objective of the UK and China is to maintain Hong Kong's prosperity and stability.

3. [Depending on the results of the China visit] To confirm that in discussions with the Chinese on Hong Kong's future the interests of the people of Hong Kong will be taken into account.

Likely Hong Kong Objectives

1. To bring to the Prime Minister's attention certain UK/Hong Kong issues, notably Hong Kong's unhappiness over the Multi-Fibre Arrangement, the Nationality Act, and students' fees.

2. To obtain firm assurances that Britain is in no way distancing itself from Hong Kong.

3. To encourage HMG to face up to the problem of the future of Hong Kong in the near future and to ensure that in any discussions with the Chinese the wishes of the Hong Kong people are taken into account.

PRIME MINISTER'S VISIT TO THE FAR EAST, SEPTEMBER 1982

LIST OF BRIEFS	Lead Department	In consultation with
A) JAPAN		
1. Steering Brief (together with programmes and personality notes)	FCO (FED)	
<u>Bilateral Matters</u>		
2. Industrial issues (including inward investment and industrial and scientific cooperation)	DOI	FCO (FED/EESD/TRED)
3. Commercial issues (including BAe 146)	DOT	FCO (FED/TRED)
4. Defence sales	MOD	FCO (FED/DEFENCE)
<u>International Matters</u>		
5. EC/Japan (trade/economic/political cooperation)	FCO (ECD(E))	DOT, DOI, TREASURY
6. East and South East Asia	FCO (FED/SEAD)	
7. East-West political relations (including Afghanistan)	FCO (EESD)	
8. East-West economic relations	FCO (TRED)	DOT, TREASURY
9. North-South dialogue	FCO (ERD)	TREASURY
10. Middle East	FCO (NENAD/MED)	
<u>Background Briefs</u>		
11. Japan foreign policy	FCO (FED)	
12. Anglo-Japanese political relations	FCO (FED)	
13. Politics in Japan	FCO (FED)	
14. Japanese economy	FCO (FED)	TREASURY, DOI, DOT
15. Japanese economic relations with UK and other countries	FCO (ERD)	
16. Northern islands	FCO (FED)	

B) CHINA

1. Steering Brief (together with programmes and personality notes) FCO (FED)

Bilateral Matters

2. Future of Hong Kong FCO (HKGD)
3. Guangdong nuclear project DOI FCO (FED/NED)
4. Other commercial issues (eg involvement in modernisation of Chinese coal industry and ports, telecommunications and agricultural cooperation) DOT FCO (FED)
5. Defence sales MOD FCO (FED/TRED)
6. Aid ODA FCO (FED/CRD)
7. Scientific and Technological Cooperation and Educational exchanges FCO (CRD) DES, ODA
8. Air services FCO (MAED) DOT
9. Consular agreement (including opening of consulate at Shanghai) FCO (FED)
10. Claims FCO (Claims Dept)
11. Travel restrictions FCO (FED)

International Matters

12. East and South East Asia FCO (FED/SEAD)
13. China and South Asia FCO (SAD)
14. East-West relations (including Poland and Afghanistan) FCO (EESD)
15. Middle East FCO (NENAD/MED)
16. Arms control FCO (ACDD)
17. COCOM FCO (TRED) MOD

Background Briefs

- | | | | |
|-----|---|------------|----------------|
| 18. | Chinese foreign policy
(including Sino/US and Sino/
Soviet relations) | FCO (FED) | |
| 19. | Anglo-Chinese political
relations | FCO (FED) | |
| 20. | Chinese internal policies | FCO (FED) | |
| 21. | Chinese economy (including
modernisation) | MOD (DI73) | FCO (FED), DOT |
| 22. | Taiwan | FCO (FED) | DOT |

C) HONG KONG

- | | | | |
|----|--|------------|--|
| 1. | <u>Steering Brief</u> (together
with programmes and
personality notes) | FCO (HKGD) | |
|----|--|------------|--|

Bilateral Matters

- | | | | |
|----|---|------------|------------|
| 2. | UK/Hong Kong issues
(eg Nationality Act,
Students Fees, MFA,
refugees) | FCO (HKGD) | |
| 3. | Defence and Security | FCO (HKGD) | MOD |
| 4. | Castle Peak Power Station | DOI | FCO (HKGD) |
| 5. | Other major commercial
opportunities | DOT | FCO (HKGD) |
| 6. | Meeting with Unofficial
Members of the Executive
and Legislative Councils
(UMELCO) | FCO (HKGD) | |

Background Briefs

- | | | | |
|----|--|------------|--|
| 7. | Hong Kong's political,
economic and social
situation | FCO (HKGD) | |
| 8. | Hong Kong's economic
relations with UK, EC, US
and Japan | FCO (HKGD) | |

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1) Mr. F. Clarke
2) p.a. A.J.C. 4/8

Cabinet Office,
70, Whitehall,
London, SW1

PS(82) 20

3rd August 1982

Dear Private Secretary,

Prime Minister's Visit to the Far East
16th-29th September 1982

This letter sets out the briefing arrangements for the Prime Minister's visit to the Far East which is to take place from 16th-29th September.

The objectives for the visit have not yet been approved by the Prime Minister but her office have agreed that briefing arrangements should be put in hand on the basis of the list of objectives at Annex A. The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex B. Instructions on format are at Annexes C and D. Those preparing briefs should note carefully the details on the format of briefs set out in Annex C, particularly (b) on the structure of briefs. The list of briefs contains some briefs which are for background purposes only and which are not therefore expected to include any Points to Make.

Seventy copies of each brief should be sent to the Cabinet Office as soon as they are ready, and should in any event arrive no later than 12.00 noon on Wednesday, 8th September. They should be addressed to Mr. R.D. Roscoe in Committee Section in the Cabinet Office, who should be consulted (tel. no. 233 7343) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Antony Acland, Sir Douglas Wass, Sir Frank Cooper, Sir Peter Preston, Sir James Hamilton, Sir Kenneth Couzens, Sir Peter Carey, Mr. Michael Franklin and Mr. John Sparrow, and to John Coles (No. 10).

Yours sincerely,

(Signed) R.P. HATFIELD

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PRIME MINISTER'S VISIT TO THE FAR EAST
16-29 SEPTEMBER 1982

OBJECTIVES

A. JAPAN

BROAD OBJECTIVES (UNITED KINGDOM)

1. To encourage Japan to accept greater responsibility for the international consequences of her economic success, and to adapt her economic and trading policies accordingly.
2. To promote industrial collaboration between the United Kingdom and Japan.
3. To convey the continued importance we attach to collaboration with Japan on political as well as economic issues.
4. To promote specific bilateral economic and commercial objectives.

SPECIFIC OBJECTIVES (UNITED KINGDOM)

ECONOMIC - INTERNATIONAL

5. To bring the Japanese to recognise the need for adjustment of their economic policies so as to prevent continuing large trade surpluses; to avoid export-led growth; to increase import propensity to levels comparable with other OECD countries; to support voluntary restraint arrangements as a means of avoiding direct Government action; and to encourage measures to strengthen the yen.

ECONOMIC - BILATERAL

6. To promote inward investment and scientific and industrial co-operation.

POLITICAL

7. To seek Japanese support for United Kingdom/Western objectives especially in East/West matters and the Middle East; and to exchange views on other international issues, especially Asian questions.

COMMERCIAL

8. To promote aircraft sales (BAe 146); defence sales (especially Sea Harrier); and sales of high technology equipment. To emphasise the need for changes in the structure of Japanese industry and distribution to reduce the propensity for self-sufficiency and to secure easier access for foreign goods. To press for meaningful reductions in tariffs in areas of importance to the United Kingdom.

LIKELY JAPANESE OBJECTIVES

1. To repair the damage to Anglo-Japanese relations caused by Japanese unhelpfulness over the Falklands.
2. Following recent visits to Japan by other European leaders (Pertini, Mitterrand) and contacts eg at Versailles, to strengthen overall political and economic co-operation with Britain.
3. To avoid excessive concentration on bilateral (United Kingdom-Japan and EC-Japan) trade problems; and to convey the importance of recent measures to open the Japanese market.

B. CHINA

MAIN OBJECTIVES (UNITED KINGDOM)

1. To demonstrate Britain's willingness to develop through exchanges at the top level an enduring and balanced relationship with China. To show our confidence in China's stability and our interest in long-term co-operation, especially in Chinese economic development.
2. To continue a dialogue with the Chinese leadership on international issues. To explain our view particularly of the Soviet threat and of North-South questions. To persuade China of Western unity, realism and determination. To encourage China to play a constructive role in international organisations and debates.
3. Against this background, to obtain further Chinese understanding and co-operation over Hong Kong: this is the dominant objective for the visit. To reaffirm our wish to see a major Hong Kong contribution to China's economic development. To seek agreement on the opening of discussions on the future of the Territory after 1997. To contain public expectations of progress on the issue so that confidence in Hong Kong is not undermined.
4. To take such limited opportunities as may arise to further our commercial interests. To register with the Chinese what we have to offer in terms of technology and experience. To discuss possibilities for future commercial co-operation, including the Guangdong nuclear project.

LIKELY CHINESE OBJECTIVES

1. To discourage any weakening of British resolve to resist Soviet expansionism. To persuade Her Majesty's Government to work for greater European and NATO cohesion and to adopt more radical North/South policies aimed at reducing Soviet penetration of the Third World.
2. To persuade Her Majesty's Government of Chinese political stability and of the prospect of continuity for China's current 'open door' economic policy.

CONFIDENTIAL

3. To achieve progress towards the re-establishment of Chinese sovereignty over Hong Kong without jeopardising the Territory's prosperity.
4. To secure aid or concessionary finance in support of British involvement in China's economic modernisation.
5. To obtain Her Majesty's Government's support for the further development of economic co-operation between China and Hong Kong.
6. To obtain Her Majesty's Government's support for the maintenance of Democratic Kampuchea's credentials at the United Nations and to secure political support for the recently formed coalition of anti-Vietnamese forces in Cambodia.

C. HONG KONG

MAIN OBJECTIVES (UNITED KINGDOM)

1. To reassure the people of Hong Kong that Her Majesty's Government's commitment is as strong as ever.
2. To confirm that the common objective of the United Kingdom and China is to maintain Hong Kong's prosperity and stability.
3. [Depending on the results of the Chinese visit]. To confirm that in discussions with the Chinese on Hong Kong's future our aim will be to promote a prosperous and secure future for the people of Hong Kong.

LIKELY HONG KONG OBJECTIVES

1. To bring to the Prime Minister's attention certain United Kingdom/Hong Kong issues, notably Hong Kong's unhappiness over the Multi-Fibre Arrangement, the Nationality Act, and students' fees.
2. To obtain firm assurances that Britain is in no way distancing itself from Hong Kong.
3. To encourage Her Majesty's Government to face up to the problem of the future of Hong Kong in the near future and to ensure that in any discussions with the Chinese the wishes of the Hong Kong people are taken into account.

LIST OF BRIEFS FOR THE PRIME MINISTER'S VISIT TO
THE FAR EAST - 16-29 SEPTEMBER 1982

<u>PMVW(82)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
A. JAPAN			
1.	Steering Brief (together with programmes and personality notes)	FCO(FED)	
<u>Bilateral Matters</u>			
2.	Industrial issues (including inward investment and industrial and scientific co-operation)	DOI	FCO(FED/EESD/TRED)
3.	Commercial issues (including BAe 146)	DOT	FCO(FED/TRED)
4.	Defence Relations and Sales	MOD	FCO/FED/Defence)
<u>International Matters</u>			
5.	EC/Japan (trade/political co-operation)	FCO (ECD(E))	DOT, DOI, TSY
6.	Japanese Economy-International Implications	Treasury	FCO(ECD(E)/FED) DOT, DOI
7.	East and South East Asia	FCO(FED/ SEAD)	
8.	East-West political relations (including Afghanistan)	FCO(EESD)	
9.	East-West economic relations	FCO(TRED)	DOT, Treasury
10.	Defence (and forces)	MOD	FCO(FED/Defence)
11.	North-South dialogue	FCO(ERD)	Treasury
12.	Middle East	FCO(NENAD/ MED)	

<u>PMVW(82)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Background Briefs</u>			
13.	Japan Foreign Policy	FCO(FED)	
14.	Anglo-Japanese political Relations	FCO(FED)	
15.	Politics in Japan	FCO(FED)	
16.	Northern Islands	FCO(FED)	
B. CHINA			
1.	Steering Brief (together with programmes and personality notes)	FCO(FED)	
<u>Bilateral Matters</u>			
2.	Future of Hong Kong	FCO(HKGD)	
3.	Guangdong Nuclear Project	DOI	FCO(FED/NED) Treasury, DOT
4.	Other commercial issues (eg involvement in modernisation of Chinese coal industry and ports, telecommunications and agricultural co-operation)	DOT	FCO(FED)
5.	Defence Relations and Sales	MOD	FCO(FED/TRED)
6.	Aid	ODA	FCO(FED/CRD) Treasury, DOT
7.	Scientific and Technological Co-operation and Educational exchanges	FCO(CRD)	DES, ODA
8.	Air Services	FCO(MAED)	DOT
9.	Consular agreement (including opening of consulate at Shanghai)	FCO(FED)	
10.	Claims	FCO(Claims Dept)	Treasury
11.	Travel Restrictions	FCO(FED)	

<u>PMVW(82)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In Consultation with</u>
<u>International Matters</u>			
12.	East and South East Asia	FCO(FED/SEAD)	
13.	China and South Asia	FCO(SAD)	
14.	East-West Relations (including Poland and Afghanistan)	FCO(EESD)	
15.	Defence (and forces)	MOD	Treasury FCO(FED/Defence)
16.	Middle East	FCO(NENAD/MED)	
17.	Arms Control	FCO(ACDD)	
18.	COCOM	FCO(TRED)	MOD
<u>Background Briefs</u>			
19.	Chinese Foreign Policy (including Sino/US and Sino/Soviet relations)	FCO(FED)	
20.	Anglo-Chinese Political Relations	FCO(FED)	
21.	Chinese Internal Policies	FCO(FED)	
22.	Chinese Economy (including modernisation)	MOD(D173)	FCO(FED), DOT
23.	Taiwan	FCO(FED)	DOT
C. HONG KONG			
1.	Steering Brief (together with programmes and personality notes)	FCO(HKGD)	
<u>Bilateral Matters</u>			
2.	UK/Hong Kong issues (eg Nationality Act, Students Fees, MFA, refugees)	FCO(HKGD)	Treasury
3.	Defence and Security	FCO(HKGD)	MOD
4.	Castle Peak Power Station	DOI	FCO(HKGD), Treasury, DOT

<u>PMVW(82)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
5.	Other Major Commercial Opportunities	DOT	FCO(HKGD) Treasury
6.	Meeting with Unofficial Members of the Executive and Legislative Councils (UMELCO)	FCO(HKGD)	
7.	Multifibre Agreement in Hong Kong	DOT	FCO(ECD(E))

Background Briefs

8.	Hong Kong's Political, Economic and Social Situation	FCO(HKGD)	
9.	Hong Kong's Economic Relations with UK, EC, US and Japan	FCO(HKGD)	

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex D. Those preparing briefs should pay particular attention to ensuring that the following instructions are fully observed:

Content

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.

Layout

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) As shown in the specimen at Annex D, the top page only of each brief should contain the following details: the symbol and number of the brief in the top left-hand corner (e. g. PMVW(82) 10) with the date of production below; a copy number in red at the top right-hand corner; the visit heading; the title of the brief (in capitals) and the name of the Department responsible.
- (f) At the foot of the last page and on the left-hand side, briefs should bear the name of the originating Government Department and the date of origin.

Reproduction

- (g) Briefs should be reproduced throughout on white paper, with each page bearing a security classification at top and bottom (as in Annex D). Care should be taken that the reproduction method employed results in clear readable copies.

- (h) It is important that on arrival at the Cabinet Office, briefs should be complete in all detail - collated, stapled and copy numbered and ready for immediate circulation.

Updating

- (i) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the form described at (e) above, with the brief number (e.g. PMVW(82) 10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation. Revised briefs and corrigenda should be similarly treated.
- (j) Additions to the list of briefs in Annex require the authorisation of the Private Secretary to the Secretary of the Cabinet.

CLASSIFICATION

ANNEX D

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PMVW(82) Serial Number as specified in Annex B COPY NO. in red

Date

PRIME MINISTER'S VISIT TO THE FAR EAST
16-29 SEPTEMBER 1982

Leave 1½"
margin

SUBJECT Insert subject in capitals

Brief by name of originating Department, eg Foreign and Commonwealth Office

At the foot of the last page:-
left-hand side

Originating Government Department, eg Foreign and Commonwealth Office or Department of Industry, not a subordinate section or division

Date of origin

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