

*Man
FCO advice below
is "Confidential"
K 25/8*

*cc. FCO
China Policy
LM*



10 DOWNING STREET

THE PRIME MINISTER

24 August, 1982.

Dear Robert.

Thank you for your letter of 2 August about COCOM and China.

I agree that it is in our national interest to sell to China and acknowledge that we do not always see eye to eye with certain of our COCOM partners on the level of Western technology permissible for such sales. But it is the agreed policy of the NATO countries and Japan that exports to China should, at least for the time being, remain subject to COCOM control.

Within this framework, we have striven, with some measure of success, for a less rigid approach to sales to China, giving due weight to her relations with the UK and other countries. The attitudes of our partners have been developing favourably. As things stand, the main restraint on our trade in items covered by COCOM is not obstruction by the United States or any other partner, but Chinese lack of cash. Since the beginning of 1982 we have received COCOM approval for sales of defence equipment with a total value of around £200 million, though in the case of one major contract the Chinese have so far balked at paying our price.

I accept that the mere existence of COCOM controls is likely to act as a disincentive for British firms, but the difficulties can be exaggerated. They are willing and able to sell the Chinese a wide range of defence and other equipment covered by COCOM controls. Conversely, I doubt whether removing China from the proscribed list would lead to a dramatic rise in the value of orders secured by

/British

LM

British firms, especially as the removal would also benefit their competitors in other COCOM countries.

More generally, it is very much in our interest that COCOM should remain a credible and efficient institution. It is the mechanism by which the Western Alliance, with Japan in association, controls the export of goods and technology of strategic importance to all Communist countries. In this situation, it is in our interest to abide by its rules and principles, including the principle of unanimous decision. We can - and do - press our partners for changes in the rules; and often with fair success. But I am sure that it would be a mistake for us to act unilaterally.

I look forward to seeing you next Tuesday.

Yours
Raymond

Robert Adley, Esq., M.P.,



10 DOWNING STREET

PRIME MINISTER

You should be aware that Robert Adley is now coming to see you to discuss the prospects for your Far East trip next Tuesday at 2.30 pm.

WM

23 August, 1982

COVERING CONFIDENTIAL

FR 31/8
2.30



Foreign and Commonwealth Office

London SW1A 2AH

23 August 1982

FR
A
cc ✓ 28/8

Dear Willie,
Pl type and add a slip saying
"You should be aware that
Robert Adley is now coming to see you to
discuss the prospects for your Far East
trip next Tuesday at 2.30"
W
23/8

Thank you for your letter of 5 August to Francis Richards enclosing a copy of Robert Adley's letter of 2 August to the Prime Minister about the possibility of removing COCOM restrictions on trade with China.

I enclose a draft reply for the Prime Minister's signature.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

W Rickett Esq
10 Downing Street

COVERING CONFIDENTIAL

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Robert Adley Esq MP
House of Commons
London SW1A 0AA


Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

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Enclosures—flag(s).....

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More generally, it is very much in our interest that COCOM should remain a credible and efficient institution. It is the mechanism by which the Western Alliance, with Japan in association, controls the export of goods and technology of strategic importance to all Communist countries. In this situation, it is in our interest to abide by its rules and principles, including the principle of unanimous decision. We can - and do - press our partners for changes in the rules; and often with fair success. But I am sure that it would be a mistake for us to act unilaterally.

I look forward to seeing you next Tuesday.

ADLATE

Handed to the Prime
Minister by Mr. Adley, M.P.
who asked that its source should
be protected.

RANSIA

Telegram No.: 669

Date sent:

FeB
3-8
time:

From:

WISMAPUTRA KL

By

To:

MALAKIL BANGKOK

Date recd 6TH AUGUST 82
time:

FOR KADIR MOHAMAD FROM MELANIE.

FOLLOWING MESSAGE FROM AUSTRALIAN PM TO YB MENTERI LUAR WAS
RECEIVED THIS AFTERNOON. GRATEFUL CONVEY TO YB MENTERI.

" I HAD LENGTHY DISCUSSIONS YESTERDAY WITH PREMIER ZHAO ABOUT
CAMBODIA. IT WAS PARTICULARLY HELPFUL FOR ME TO HAVE HAD
DISCUSSIONS WITH YOU BEFOREHAND IN FORMULATING SOME OF THE QUESTIONS
I PUT TO HIM, AND I FOUND IT STRIKING HOW CLOSELY MANY OF THE
REPLIES FOLLOWED THE LINES YOU HAD PREDICTED. I NOTE PARTICULARLY
THREE CLAIMS ZHAO MADE:-

- (I) EVEN THOUGH CHINA SEES A NEED TO PROVIDE CONTINUING MATERIAL
SUPPORT TO THE KR FOR THE PRESENT IT IS NOT COMMITTED TO ITS
RETURN TO PHNOM PENH
- (II) CHINA WOULD RESPECT THE RESULT OF DEMOCRATIC ELECTIONS HELD
AFTER VIETNAMESE WITHDRAWAL, INCLUDING THE POSSIBLE
EMERGENCE OF AN INDEPENDENT NEUTRAL AND NON-ALIGNED GOVERNMENT
IN KAMPUCHEA.
- (III) CHINA WOULD BE QUITE HAPPY FOR THAT GOVERNMENT TO BECOME A
MEMBER OF ASEAN.

IN MY OWN REMARKS I STRESSED THE UNACCEPTABILITY OF POL POT
FOR COUNTRIES LIKE AUSTRALIA. I NOTED THAT PROSPECTS OF SIHANOUK
AND THE COALITION GAINING INTERNATIONAL SUPPORT WOULD BE MUCH ENHANCED
IF THE CHINESE COULD ARRANGE TO GIVE POL POT A LONG HOLIDAY, THEREBY
HELPING SIHANOUK TO BECOME THE EFFECTIVE, AS OPPOSED TO THE TITULAR,
LEADER OF THE COALITION.

-/2

Distribution

AMBASSADOR
MINISTER, COUNSELLOR (T)
LOG
FILE

THE FOREGOING IS, OF COURSE, ONLY A VERY BRIEF AND QUICK ACCOUNT OF WHAT TOOK PLACE. I SHOULD BE VERY HAPPY TO DISCUSS THE ISSUE WITH YOU FURTHER AND IN PERSON AFTER THE TRANSCRIPT HAS BEEN PUT TOGETHER AND ANALYSED.

WITH WARM PERSONAL REGARDS,

MALCOLM FRASER. "

[Handwritten notes and signatures in cursive script, including names like 'J. L. ...', 'E. C. ...', and 'J. ...']



FILE

EW
23/8

ROBERT ADLEY MP

10 DOWNING STREET COCOM/CHINA

From the Private Secretary

5 August, 1982

I enclose a letter the Prime Minister has received from Robert Adley, MP, in which he follows up her written answer about the possibility of removing COCOM restrictions on trade with China. The Prime Minister had promised to discuss with Mr Adley the prospects for her visit to the Far East, but this is now no longer likely, and I think that she will have to send a substantive reply to his letter.

I should be grateful for a suitable draft reply for the Prime Minister's signature by Monday, 23 August.

W. F. S. RICKETT

F N Richards, Esq.,
Foreign and Commonwealth Office

57



10 DOWNING STREET

From the Private Secretary

5 August, 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 2 August. I will place your letter before Mrs Thatcher and you will be sent a reply as soon as possible.

W. F. S. RICKETT

Robert Adley, Esq, M.P.,

ROBERT ADLEY MP



HOUSE OF COMMONS
LONDON SW1A 0AA

2nd August 1982

238 *PPS*
cc 18/8/82
22/7
I Margaret

Many thanks for your note about your visit to China. Naturally, I would very much welcome an opportunity to chat to you before you go.

I am disturbed by your written answer to my question on COCOM.

It is clear that, for some major companies, the COCOM list represents a serious obstacle in their trade relationships. The fact is that the United States can exercise a veto, which they use to further their own commercial ends, as well as in support of their Taiwan policy, which HMG do not support.

With best wishes

The Prime Minister,
10 Downing Street,
Whitehall,
SW1



FILE

JD

10 DOWNING STREET

22 July, 1982

THE PRIME MINISTER

Dear Robert,

Thank you very much for your letter of 15 July.

I have not finally settled my itinerary in China, and will certainly bear in mind your suggestion that I should visit Xian.

It would be nice to have a word about China before I go, if we can find time (perhaps after the Recess) ^{starts}.

*Yours
Raymond*

Robert Adley, Esq., M.P.

RM

ROBERT ADLEY MP



HOUSE OF COMMONS
LONDON SW1A 0AA

15th July 1982 219

J. Margaret

I was just wondering if you have yet had much time to consider the itinerary for your forthcoming visit to China. As Chairman of the British - Chinese Parliamentary Group, I have developed close links with the country and have established a good rapport with the Embassy in London. I was a member of the recent IPU delegation led by Edward Du Cann, although this was not my first visit to China.

I do not know whether your itinerary is yet settled, but I recommend a visit to Xian. The City sees comparatively few foreign visitors compared with Peking or Shanghai, and we felt it to be a most agreeable part of our recent journey. It is the capital of Shaanxi Province within which have been discovered the tombs of Qin Shi Huang. By way of declaration of interest, I should explain that I have arranged for a formal link between Shaanxi Province and Dorset County Council, which has just been approved by Dorset County Council. The Chinese Government's policy of devolution to the Provinces will, I think, be a major feature in the development of commercial relations between China and the West. The link I have arranged between Shaanxi Province and Dorset has been endorsed by the CBI, to whom I have been able to explain the position.

No doubt you will be inundated with advice! I am not always sure, frankly, that the Foreign Office or Department of Trade are as 'au courant' as they might be in these matters.

An opportunity to chat to you about China before you go, would be very welcome.

A large, stylized handwritten signature in dark ink, appearing to be 'M. Thatcher'.

The Prime Minister,
The Rt Hon Margaret Thatcher MP,
10 Downing Street,
SW1