



file 15

10 DOWNING STREET

*From the Private Secretary*

15 September 1982

Call on the Prime Minister by Mr Robert Adley

The Prime Minister has seen your letter of 10 September.

She would be prepared to present to the Chinese Government during her forthcoming visit a programme of technical cooperation in the agricultural sector on the lines you describe. Perhaps you could arrange for outline proposals to be drawn up and telegraphed to Peking in time for the Prime Minister's arrival there.

The Prime Minister still doubts whether the programme of cooperation in the cultural field, described in your letter of 28 July, would be worthwhile. But you should know that she has said that she would certainly be prepared to support an expansion in the British Council's programme of English language teaching.

I am copying this letter to Michael Power (Overseas Development Administration) and John Rhodes (Department of Trade).

A. J. COLES

J.E. Holmes, Esq.,  
Foreign and Commonwealth Office.

My





Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Do you prefer

(a) a programme of technical cooperation  
in the agricultural sector.

10 September, 1982

or (b) the original proposals for technical  
cooperation at Flag C

A.S.C. 192.

Dear John,

Call on Prime Minister by Mr Robert Adley

(RB's letter) Thank you for your letter of 31 August enclosing a copy of the record of Mr Adley's meeting with the Prime Minister on that day, and asking what might be done to assist the Chinese in the fields of agriculture and development of tourism as Mr Adley suggests.

China file [ We have noted the Prime Minister's view that assistance in these areas might be both cheaper and more welcome than what was proposed in Michael Power's letter of 28 July and the Foreign and Commonwealth Secretary's minute of 25 August. Certainly a package concentrating on two sectors could be devised that was cheaper than the wider-ranging programme which we had in mind. It is also true that agriculture and tourism are two sectors that the Chinese are anxious to develop; but whereas one has attractions for a development aid programme, the other is less attractive.

Agriculture is central to the Chinese economy and 80% of the population are engaged in it. It is moreover a field in which ODA are well placed to help and in which commercial benefit would accrue to British companies. Particular sub-sectors already identified by the Agricultural Research Council as suitable priorities for worthwhile expenditure are:

- (a) Animal husbandry;
- (b) Plant physiology;
- (c) Soil science;
- (d) Crop protection and breeding;
- (e) Plant disease;
- (f) Plant collection

On the other hand, although the British Tourist Authority have done one report for the Chinese and would be happy to do more if they were to be paid for their work, tourism does not seem to deserve the same priority for development; the majority of tourists other than overseas Chinese are after all Americans and Japanese. A programme of such assistance would therefore not be likely to reverse the Chinese tendency to look towards the United States

/and





and Japan for purchase of equipment.

The Departments concerned still see political and commercial benefit in the wider proposals for technical cooperation with China put forward earlier. They could be presented as developments of existing schemes (eg the cultural programme, BOTB services etc) if the Prime Minister preferred that to presentation as an aid package. However, if the Prime Minister does not wish to proceed with this, we would favour a more limited programme of technical cooperation in the agricultural sector. If it is agreed in principle that ODA funds should be made available, we could develop outline proposals rapidly.

Mr Pym, who is in Copenhagen, has not seen this letter but I will show it to him on his return and let you have any comments as soon as possible.

I am sending copies of this letter to Michael Power (ODA) and John Rhodes (DOT).

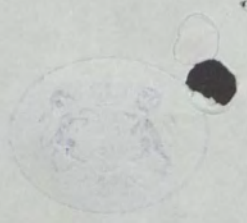
*Yours ever*

*J E Holmes*

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Private Secretary

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