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FM PEKING 020547Z APR 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 241 OF 2 APRIL

INFO IMMEDIATE WASHINGTON

INFO ROUTINE PARIS, BONN, UKMIS NEW YORK, UKDEL NATO, MOSCOW

TOKYO

INFO SAVING SINGAPORE, KUALA LUMPUR, BANGKOK, MANILA, JAKARTA

FROM PRIVATE SECRETARY

MIPT (NOT TO ALL) - MEETING BETWEEN THE SECRETARY OF STATE AND CHINESE FOREIGN MINISTER, 1 APRIL.

SINO-AMERICAN RELATIONS

1. LORD CARRINGTON SAID THAT THE REAGAN ADMINISTRATION HAD NOT YET FORMULATED ITS POLICY IN A NUMBER OF AREAS. THE ADMINISTRATION SHOULD TAKE TIME TO DISTANCE ITSELF FROM CAMPAIGN RHETORIC. HOWEVER IT HAD ALREADY DECIDED TO LET THE RUSSIANS KNOW EXACTLY WHERE THEY STOOD, AND TO AVOID THE DANGEROUS UNCERTAINTY OF PRESIDENT CARTER'S POLICIES. THE US DEFENCE CAPABILITY WOULD BE STRENGTHENED. HE HAD BEEN IMPRESSED BY THE OPEN-MINDED ATTITUDES OF MR HAIG AND HIS TEAM.

2. HUANG HUA SAID THAT US POLICY TOWARDS TAIWAN REMAINED THE MAIN OBSTACLE TO THE DEVELOPMENT OF CLOSER RELATIONS WITH THE PRC. HE REFERRED TO THE PRINCIPLES LAID DOWN IN THE 1972 AND 1979 SINO-AMERICAN JOINT COMMUNIQUE. CONTINUED ARMS SALES BY THE US TO TAIWAN WOULD NOT BE CONDUCIVE TO THE IMPLEMENTATION OF THE PRC'S DECLARED POLICY OF BRINGING ABOUT THE RETURN OF TAIWAN TO CHINA GRADUALLY, THROUGH PEACEFUL NEGOTIATIONS. HE REFERRED TO REAGAN'S REMARKS DURING THE CAMPAIGN AND (IN POSITIVE TERMS) TO GERALD FORD'S RECENT VISIT AND TO THE CHINESE AMBASSADOR'S CALLS ON LEADING MEMBERS OF THE NEW ADMINISTRATION IN WASHINGTON. THE CHINESE GOVERNMENT HAD REITERATED THAT THEY VIEWED SINO-AMERICAN RELATIONS IN THE STRATEGIC PERSPECTIVE OF THE INTERNATIONAL SITUATION: AND THAT THEY WERE READY TO CONTINUE TO DEVELOP DIPLOMATIC RELATIONS BETWEEN THE TWO COUNTRIES ON THE BASIS OF THE JOINT COMMUNIQUE. UNDERSTANDING OF EACH OTHER'S POSITIONS HAD BEEN ENHANCED, AND WOULD HELP FUTURE RELATIONS. BUT IN THEIR FUTURE STEPS ON TAIWAN, THE AMERICANS MUST OBSERVE PREVIOUS AGREEMENTS. ANY ATTEMPT TO SEPARATE TAIWAN FROM CHINA WOULD VIOLATE THE NORMS GOVERNING RELATIONS BETWEEN STATES AND THE PRINCIPLES OF THE JOINT COMMUNIQUE, AND WOULD NOT BE TOLERATED BY THE PRC. THIS WAS A MOST SENSITIVE ISSUE INVOLVING THE EMOTIONS OF THE CHINESE PEOPLE. THE AMERICANS HAD BEEN WARNED OF THE SERIOUS EFFECT WHICH IT COULD HAVE ON BILATERAL RELATIONS IF IT WAS NOT PROPERLY HANDLED.

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3. HUANG HUA NOTED THAT THE AMERICAN SIDE ALSO VIEWED SINO-AMERICAN RELATIONS FROM A STRATEGIC PERSPECTIVE. HE APPRECIATED THIS APPROACH. CHINA WAS A POOR COUNTRY WITH BACKWARD MILITARY EQUIPMENT: BUT IT KNEW ITS OWN WEIGHT IN INTERNATIONAL AFFAIRS. CHINA WAS PINNING DOWN ALONG THE SINO-SOVIET BORDER A QUARTER OF THE SOVIET UNION'S FORCES. THIS WAS OF NOT INSIGNIFICANT VALUE TO WESTERN EUROPE AND THE UNITED STATES. IN THE SOUTH, CHINA HAD TIED DOWN MORE THAN 60 PER CENT OF VIETNAMESE FORCES NORTH OF HANOI. THESE THINGS HAD AN EFFECT ON THE OVERALL STRATEGIC BALANCE.

4. HUANG HUA SAID THAT THE SOVIET UNION HAD SENT FEELERS TO THE PRC THROUGH ALL KINDS OF CHANNELS, THE LATEST BEING REMARKS BY BREZHNEV IN HIS PARTY CONGRESS SPEECH, BUT THESE HAD BEEN REJECTED. THE CHINESE HAD ALSO REJECTED A VIETNAMESE PROPOSAL THAT THERE SHOULD BE A DE-MILITARISED ZONE ALONG THE BORDER AND DISENGAGEMENT OF FORCES. CHINA MAINTAINED ITS POSITION ON HEGEMONISM AND SOVIET EXPANSIONISM IN THE INTERESTS OF WORLD PEACE. IT WOULD NOT PLAY AN AMERICAN CARD WITH THE SOVIET UNION OR VICE VERSA. IT WAS PREPARED TO FACE THE RISKS AND PRESSURES INVOLVED IN ITS PRESENT POLICY. FOR EXAMPLE, MANY OF CHINA'S FRIENDS IN EUROPE AND THE US HAD NOT FAVOURED THE PRC'S COUNTER-ATTACK IN SELF-DEFENCE AGAINST VIETNAM. DURING HIS VISIT TO THE UNITED STATES, DENG HAD GIVEN PRESIDENT CARTER ADVANCE WARNING OF THE ACTION. CARTER HAD NOT RESPONDED IMMEDIATELY, BUT HAD SUBSEQUENTLY INDICATED HIS DISAPPROVAL IN A WRITTEN REPLY. DENG HAD THEN TOLD CARTER THAT CHINA WAS PREPARED TO FACE THE RISK, WOULD HANDLE THE MATTER IN ITS OWN WAY, AND WAS SEEKING AMERICAN ASSISTANCE. CHINA'S ACTION AGAINST VIETNAM HAD BEEN SHOWN TO HAVE BEEN JUSTIFIED. IT HAD HELPED TO CONTAIN THE SOVIET DRIVE INTO SOUTH EAST ASIA AND HAD BEEN APPRECIATED BY ASEAN.

5. LORD CARRINGTON THOUGHT THE US ADMINISTRATION WAS KEEN TO HAVE PROPER RELATIONS WITH CHINA. HE HAD DETECTED NO SIGNS OF HESITATION ABOUT THIS ON THE PART OF HAIG AND OTHERS.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 240 OF 2 APRIL

INFO IMMEDIATE WASHINGTON

INFO ROUTINE UKMIS NEW YORK, UKDEL NATO, MOSCOW, PARIS, BONN, BRUSSELS, THE HAGUE, ROME, TOKYO.

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FROM PRIVATE SECRETARY

MEETING BETWEEN THE SECRETARY OF STATE AND CHINESE FOREIGN MINISTER

1. LORD CARRINGTON HAD A FIRST ROUND OF TALKS LASTING TWO AND A HALF HOURS WITH HUANG HUA ON 1 APRIL. THIS TELEGRAM RECORDS THE MAIN POINTS ON EAST/WEST RELATIONS AND POLAND. SEE MY 3 IFT'S FOR OTHER SUBJECTS. FULL RECORDS BY BAG.
2. LORD CARRINGTON SAID THAT THE WEST HAD LEARNED ITS LESSON FROM THE RAGGED REACTION TO THE SOVIET INVASION OF AFGHANISTAN. POLITICAL CO-OPERATION IN EUROPE HAD IMPROVED GREATLY SINCE THEN. NATO AND THE TEN WERE PREPARED TO RESPOND QUICKLY SHOULD THERE BE A SOVIET MILITARY INTERVENTION IN POLAND. COLLECTIVE AND INDIVIDUAL STATEMENTS BY WESTERN GOVERNMENTS HAD CONTRIBUTED TO SOVIET AWARENESS OF THE DAMAGING CONSEQUENCES (WHICH HE DESCRIBED IN BROAD TERMS) OF SUCH AN INTERVENTION.
3. HUANG HUA ASKED IF THE GAS PIPELINE PROJECT FROM THE USSR TO WESTERN EUROPE WOULD BE AFFECTED BY THE MEASURES UNDER CONSIDERATION. LORD CARRINGTON SAID THAT ACTION ON THE PIPELINE WAS ONE OF A NUMBER OF MEASURES WHICH MIGHT BE CONSIDERED, BUT A WIDE VARIETY OF ACTIONS COULD BE TAKEN ACCORDING TO THE NATURE OF THE SITUATION WHICH WE FACED. HUANG HUA SAID THAT THE PRC ALSO WOULD DECIDE ON ITS REACTION IN THE LIGHT OF THE CONCRETE SITUATION AT THE TIME.
4. LORD CARRINGTON THEN EXPLAINED THE PARALLEL APPROACH TO TNF MODERNISATION. HUANG HUA ASKED IF THE NEGATIVE STANCE OF BELGIUM AND THE NETHERLANDS TOWARDS TNF MIGHT NOT SPREAD TO THE FRG AND OTHER COUNTRIES. LORD CARRINGTON SAID THAT IT WAS FOR THIS REASON THAT WE HAD STRESSED THE IMPORTANCE OF COUPLING TNF MODERNISATION WITH ARMS LIMITATION TALKS. HE WAS ENCOURAGED THAT THE US ADMINISTRATION HAD EXPRESSED THEIR INTENTION OF TAKING PART IN SUCH TALKS.
5. COD PLEASE ADVANCE TO PS, PS/LPS AND NEWS D.

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TO IMMEDIATE FCO TELNO 242 OF 2 APRIL 81

INFO IMMEDIATE WASHINGTON AND ISLAMABAD, ROUTINE PARIS BONN
MOSCOW UKMIS NEW YORK NEW DELHI TOKYO UKDEL NATO KUALA LUMPUR
BANGKOK MANILA JAKARTA SINGAPORE.

FROM PRIVATE SECRETARY. MY 2 MIPTS (NOT TO ALL.)

SECRETARY OF STATE'S MEETING WITH CHINESE FOREIGN MINISTER.
AFGHANISTAN AND SOUTH EAST ASIA.

1. LORD CARRINGTON SAID THE PAKISTANIS WERE CONCERNED THAT AFGHANISTAN WAS BEING OVERSHADOWED BY SUBSEQUENT CRISES (IRAN/IRAQ, POLAND ETC). IT WAS IMPORTANT TO KEEP UP THE PRESSURE ON THE SOVIET UNION. TO PRESS FOR CONFERENCE ON THE LINES OF THE FRENCH PROPOSAL WOULD HAVE THIS EFFECT, EVEN IF IN THE EVENT THE RUSSIANS REFUSED TO ATTEND ONE. THE ONLY VIABLE SOLUTION WOULD BE ONE IN WHICH THE SOVIET UNION DID NOT LOSE FACE, BUT WHICH WAS ACCEPTABLE ALSO TO NEIGHBOURING COUNTRIES AND TO THE AFGHAN PEOPLE. IT WOULD BE DIFFICULT TO IDENTIFY AN APPROPRIATE AFGHAN LEADER TO REPLACE BABRAK KAMAL, AND EVEN MORE DIFFICULT TO INSTALL HIM. BUT IF WE DID NOT CONTINUE TO SEARCH FOR A SETTLEMENT, LIFE WOULD BECOME VERY DIFFICULT FOR THE PAKISTANIS.
2. HUANG HUA DID NOT REGARD THE SOVIET INVASION OF AFGHANISTAN AND THE VIETNAMESE OCCUPATION OF CAMBODIA AS ISOLATED INCIDENTS. THESE WERE IMPORTANT STEPS IN THE SOVIET DRIVE SOUTHWARDS. THE RUSSIANS WOULD CONTINUE TO TAKE ADVANTAGE OF THE IRAN/IRAQ WAR, TO EMPLOY SUBVERSION IN IRAN AND TO TRY TO DESTABILISE PAKISTAN. IT WAS THEIR AIM TO REACH THE GULF AND TO CONTROL OIL PRODUCERS AND THE SUPPLY ROUTE. THE REGION WAS WEAKLY DEFENDED AND POLITICALLY FRAGILE. THE EXTENSION OF SOVIET POWER FROM THE PERSIAN GULF INTO THE INDIAN OCEAN AND EAST AFRICA WOULD AFFECT EUROPE ON ITS FLANKS.
3. LIKEWISE VIETNAMESE CONSOLIDATION OF CAMBODIA WOULD PLACE THAILAND UNDER A DIRECT THREAT AND THEREBY DESTABILISE SOUTH EAST ASIA. THE RUSSIANS HOPED TO ADVANCE INTO THE WESTERN PACIFIC AND TO CONTROL THE STRAITS OF MALACCA. BY THIS PINCER MOVEMENT TO CONTROL MALACCA AND HORMUZ, THE RUSSIANS WOULD COMPLETE THEIR STRATEGIC DEPLOYMENT TO THE SOUTH AND ACCELERATE THE OUTBREAK OF A MAJOR WAR. IN THESE CIRCUMSTANCES JAPAN AND WESTERN EUROPE WOULD HAVE TO CHOOSE BETWEEN GOING DOWN ON THEIR KNEES AND BEING PREPARED TO FIGHT. THE CHINESE THEREFORE THOUGHT THAT THE BATTLE LINES AGAINST SOVIET EXPANSIONISM SHOULD BE DRAWN IN AFGHANISTAN AND CAMBODIA. WE SHOULD GIVE MATERIAL SUPPORT TO THE RESISTANCE IN BOTH COUNTRIES AND SHOULD STRENGTHEN

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THE DEFENCES OF NEIGHBOURING COUNTRIES. THE PAST TWO YEARS HAD SHOWN THAT WITH OUTSIDE SUPPORT THE RESISTANCE MOVEMENTS COULD CARRY ON THE STRUGGLE AGAINST SOVIET AND VIETNAMESE FORCES. IF THIS WAS CO-ORDINATED WITH DIPLOMATIC PRESSURE, IT SHOULD BE POSSIBLE TO BRING ABOUT A CHANGE IN VIETNAM AND TO INCREASE THE NUMEROUS BURDENS OF THE SOVIET UNION. THEREBY FAVOURABLE CONDITIONS WOULD BE CREATED FOR A POLITICAL SETTLEMENT.

4. HUANG HUA SAID THAT THE CHINESE WERE NOT AGAINST NEGOTIATED SETTLEMENTS, BUT THE CONDITIONS WERE NOT YET RIGHT.

5. HUANG HUA SAID THAT IN TWO YEARS OF WAR THE FORCES OPPOSING THE VIETNAMESE OCCUPATION OF CAMBODIA HAD STRENGTHENED THEIR COMBAT CAPABILITY. THEY WERE ABLE TO OPERATE OVER TWO-THIRDS OF CAMBODIAN TERRITORY. SOME HEADWAY HAD BEEN MADE IN POLITICAL EFFORTS TO UNITE THE RESISTANCE GROUPS. IF THESE EFFORTS HAD THE SUPPORT OF THE WEST, IT SHOULD BE POSSIBLE TO BRING THE DIFFERENT FACTIONS TO FORM A UNITED FRONT AND COALITION GOVERNMENT BEFORE THE NEXT U.N. GENERAL ASSEMBLY.

6. IT WAS ESSENTIAL TO KEEP UP THE PRESSURE ON VIETNAM, AND TO REFRAIN FROM GIVING AID BILATERALLY OR THROUGH INTERNATIONAL AGENCIES. SO-CALLED HUMANITARIAN AID WOULD HELP THE VIETNAMESE CONSOLIDATE THEIR OCCUPATION AND SHOULD THEREFORE BE GIVEN ONLY TO REFUGEES IN THAILAND AND THE BUFFER ZONES.

7. HUANG HUA HOPED THAT A POLICY OF CONTAINMENT OF THE SOVIET UNION AND VIETNAM COULD BE COORDINATED SO AS TO POSTPONE OR PREVENT A MAJOR WAR.

8. LORD CARRINGTON SAID THAT NEGOTIATIONS WERE NOT INCOMPATIBLE WITH SUPPORT FOR RESISTANCE MOVEMENTS. HE SAW ADVANTAGES IN A BROADER-BASED CAMBODIAN FRONT, BUT WONDERED WHETHER IT WAS NOT OVER-OPTIMISTIC TO EXPECT PROGRESS BY SEPTEMBER. HUANG HUA SAID THAT SIHANOUK HAD INTERNATIONAL INFLUENCE BUT ONLY 500 SUPPORTERS ON THE GROUND. THEY WERE MAINLY IN THAILAND ENGAGED IN SMUGGLING. HE HAD NO COMBAT FORCES. SON SANN HAD 3,000 MEN, WHO HAD NOT DONE MUCH FIGHTING. IN VARYING DEGREES SON SANN AND SIHANOUK WERE READY TO UNDERTAKE JOINT MILITARY ACTION AND TO UNITE THEIR MOVEMENTS. BUT THEY WERE WORRIED THAT THEIR SMALL FORCES WOULD BE SWALLOWED UP IF UNITED WITH THE DK. THEY THEREFORE REQUIRED MILITARY AID. THE CHINESE WERE IN FAVOUR OF PROVIDING THIS IN ORDER TO ESTABLISH A VIABLE NON-COMMUNIST FORCE. NEGOTIATIONS BETWEEN THE THREE FACTIONS WERE CONTINUING, WITH THE ENCOURAGEMENT OF ASEAN AND CHINA. HE HOPED THAT WESTERN COUNTRIES WOULD PROVIDE ECONOMIC AND MILITARY ASSISTANCE: CHINA'S ABILITY TO PROVIDE WEAPONS WAS VERY LIMITED.

CONFIDENTIAL²

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9. HUANG HUA ALSO HOPED THAT THE WEST AND COMMONWEALTH COUNTRIES EXCEPT INDIA WOULD ADOPT A MORE ROBUST STAND ON THE CAMBODIAN QUESTION. HE WAS DISAPPOINTED THAT THE AUSTRALIANS HAD FOLLOWED THE UK IN DE-RECOGNISING THE POL POT GOVERNMENT. THIS HAD NOT HELPED ATTEMPTS TO SET UP A UNITED FRONT. LORD CARRINGTON EXPLAINED OUR REASONS FOR DE-RECOGNISING POL POT, WHILE SUPPORTING (RELUCTANTLY) THE DK'S CREDENTIALS AT THE UN. HE STRESSED THAT THE UNITED FRONT WOULD NEED A LEADER WHO WAS GENERALLY ACCEPTABLE IN THE OUTSIDE WORLD AND THE UN. HE HAD THE IMPRESSION THAT ASEAN WAS NOT WHOLLY UNITED IN ITS ATTITUDES: INDONESIA AND MALAYSIA WERE MUCH KEENER ON NEGOTIATIONS WITH THE VIETNAMESE THAN THAILAND AND SINGAPORE. ASEAN, LIKE THE WEST, SHOULD FIND IT EASIER TO SUPPORT A UNITED FRONT.

10. HUANG HUA AGREED. SIHANOUK WAS WILLING TO LEAD A UNITED FRONT WITHOUT INVOLVING HIMSELF DIRECTLY IN THE EXECUTION OF ITS POLICIES: BUT HAD DEMANDED UNREASONABLE CONDITIONS. IN MID-APRIL SIHANOUK WOULD BE RETURNING FROM PYONGYANG TO PEKING. THE THAIS HAD ALSO INVITED HIM TO VISIT THEM, BUT HOPED FOR A SECRET VISIT AS HE WAS NOTORIOUS FOR HIS LOOSE TONGUE AND MIGHT UPSET THE PROSPECTS FOR UNITY. HUANG HUA SAID THAT INDONESIA WRONGLY FELT ITSELF THREATENED MORE BY CHINA THAN BY THE USSR, AND WANTED A COMPROMISE WHICH WOULD TURN CAMBODIA INTO A BUFFER ZONE. IT HAD BEEN DEMONSTRATED THAT CHINA HAD NOT INSTIGATED THE EVENTS OF 1965 IN INDONESIA, AND THE CHINESE WERE READY TO RESTORE DIPLOMATIC RELATIONS AS SOON AS THE INDONESIANS INDICATED WILLINGNESS TO DO SO. THE VIETNAMESE HAD TRIED TO FOSTER THE IMPRESSION THAT THEY HAD DIFFICULTIES WITH THE USSR AND WERE STRONGLY ATTACHED TO THEIR NATIONAL INDEPENDENCE (IN THE HOPE OF ATTRACTING MORE ECONOMIC AID). HUANG HUA STRESSED THAT IT WAS NOT CHINA'S OBJECT TO ESTABLISH PRO-CHINESE GOVERNMENTS IN ANY OF THE SOUTH EAST ASIAN COUNTRIES. HE HOPED TO SEE A FREE ELECTION UNDER INTERNATIONAL SUPERVISION IN CAMBODIA.

THAILAND.

11. WHAT HUANG HUA DESCRIBED AS THE "MINIATURE COUP" IN THAILAND WAS DISCUSSED BRIEFLY BOTH IN THE FIRST ROUND AND AT THE RESUMPTION OF TALKS ON 2 APRIL. HUANG HUA'S INFORMATION DID NOT DIFFER IN SUBSTANCE FROM THE REPORTS IN BANGKOK TELEGRAMS RECEIVED HERE, THOUGH HE APPARENTLY WAS NOT AWARE OF THE REQUESTS TO PREM TO LEAD A COUP AGAINST HIS OWN GOVERNMENT. EVEN IF THE REVOLUTIONARY COUNCIL SUCCEEDED, HE DID NOT EXPECT FUNDAMENTAL CHANGES IN THAILAND'S FOREIGN POLICY.

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TELEGRAM NUMBER 245 OF 2/4

INFO WASHINGTON, UKMIS NEW YORK, PARIS, BONN, MEXICO CITY,
VIENNA, TOKYO

FROM PRIVATE SECRETARY

SECOND MEETING BETWEEN SECRETARY OF STATE AND CHINESE
FOREIGN MINISTER.

RELATIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES.

1. LORD CARRINGTON SAID THE BRITISH GOVERNMENT DID NOT CONSIDER THAT THE MEXICO SUMMIT SHOULD BE LINKED DIRECTLY TO THE GLOBAL NEGOTIATIONS, THOUGH WE NATURALLY HOPED THAT IT WOULD SET A PATTERN WHICH WOULD BE USEFUL ALSO IN THE CONTEXT OF THE GNS. WE REGARDED THE MATTERS TO BE DISCUSSED AT MEXICO AS SUBJECTS OF THE FIRST IMPORTANCE. THE MOST IMPORTANT STEP WHICH COULD BE TAKEN TO EASE THE PROBLEMS OF THE DEVELOPING COUNTRIES WOULD BE TO IMPROVE THE RECYCLING OF OPEC SURPLUSES. THOUGH WE THOUGHT THAT THE MULTILATERAL INSTITUTIONS SHOULD BE ADAPTED TO MEET CHANGING REQUIREMENTS, IT WOULD BE A GREAT MISTAKE TO CALL THEIR RESPONSIBILITIES IN QUESTION OR TO REMOVE CONTROL OF THEM FROM THE DONOR COUNTRIES. THE CONFIDENCE OF LENDERS WOULD BE UNDERMINED IF THE INSTITUTIONS WERE CONTROLLED BY REPRESENTATIVES OF COUNTRIES WHICH DID NOT HAVE THE SAME DEGREE OF INVOLVEMENT AND FINANCIAL RISK. WE SHOULD TRY TO MAKE IT EASIER FOR DEVELOPING COUNTRIES TO BORROW FROM THE SURPLUSES OF OPEC AND INDUSTRIALISED COUNTRIES, AND SHOULD CONCENTRATE OUR AID ON THE POOREST COUNTRIES WHO COULD NOT AFFORD TO BORROW. STABILISATION OF OIL PRICES WOULD BE THE SINGLE MOST IMPORTANT FACTOR IF THE SITUATION WAS TO BE IMPROVED. HUANG HUA COMMENTED THAT OPEC WOULD LOOK FOR CORRESPONDING ACTION ON THE PRICE OF MANUFACTURED GOODS IF THEY WERE TO STABILISE OIL PRICES. LORD CARRINGTON AGREED THAT THERE SHOULD BE SOME RELATIONSHIP BETWEEN THE TWO.

2. LORD CARRINGTON HOPED THAT THE MEXICO SUMMIT WOULD NOT TRY TO PRODUCE A FINAL DOCUMENT, WHICH WOULD INEVITABLY REPRESENT THE LOWEST COMMON DENOMINATOR. THE BEST OUTCOME WOULD BE A MOOD OF DETERMINATION TO IMPROVE RELATIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES (TO REFER TO THEM AS NORTH AND SOUTH WAS A MISLEADING OVERSIMPLIFICATION)

CONFIDENTIAL

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3. HUANG HUA SAID THAT, TO ESCAPE FROM THE PRESENT TIGHT ECONOMIC SITUATION, IT WAS ESSENTIAL FOR THE NORTH TO TAKE A MORE FAR-SIGHTED APPROACH AND POSITIVE ATTITUDE. THE UNDERDEVELOPED COUNTRIES OF THE SOUTH WERE IN GREATER DIFFICULTIES THAN AT ANY TIME SINCE THE 1950S. THEIR POLITICAL INSTABILITY HAD OFFERED GREAT OPPORTUNITIES FOR SOVIET INFILTRATION. HE REFERRED TO THE ZIMBABWE SETTLEMENT AS A SATISFACTORY EXAMPLE OF CO-OPERATION BETWEEN GROUPS OF DEVELOPED AND DEVELOPING COUNTRIES, BUT SAID THAT THE COUNTRY'S FUTURE STABILITY DEPENDED ON RECEIVING GREATER ECONOMIC ASSISTANCE. TANZANIA WAS ANOTHER COUNTRY WHICH NEEDED HELP: IT WAS IN SEVERE ECONOMIC STRAITS AND ENCOUNTERING ITS MOST SEVERE PROBLEMS SINCE INDEPENDENCE. HE CONCLUDED THAT WE NEEDED A BREAKTHROUGH TO OVERCOME THE STAGNATION OF THE NORTH/SOUTH DIALOGUE: AND THAT NOT ALL DEVELOPING COUNTRIES FAVOURED THE EXTREME PROPOSITIONS PUT FORWARD BY FOLLOWERS OF THE SOVIET UNION IN THE NORTH/SOUTH DIALOGUE.

4. LORD CARRINGTON SAID THAT COMPROMISE WAS NEEDED ON BOTH SIDES: AND DESCRIBED THE MASSIVE HELP GIVEN BY THE UNITED KINGDOM TO ZIMBABWE.

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