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Foreign and Commonwealth Office

London SW1A 2AH

29 November, 1984

Mr Powell of

Dear Charles,

Visit by the Prime Minister to Peking and Hong KongBriefing

I promised in paragraph 6 of my letter of 14 November to submit more detailed proposals on the briefing to be provided for the Prime Minister for her talks with Chinese leaders. For convenience this letter also covers briefing for the Hong Kong visit.

The Visit to Peking

The centrepiece of the Peking visit will be the signature of the Hong Kong agreement. We would also expect Hong Kong to occupy a prominent position in the formal talks. There are a number of general points which the Prime Minister will no doubt wish to make. These will include our determination to carry out scrupulously our side of the agreement (and our expectation that the Chinese are committed to doing the same); our wish to co-operate closely within the Joint Liaison Group over the implementation of the agreement; and our perception of concerns in Hong Kong. However, we do not think it will be desirable or necessary to go into detail, and there will be many non-Hong Kong issues to be covered in the short time available.

The second aspect of the visit will of course be Anglo-Chinese relations, and in particular trade. It will be important, within the constraints of a short visit with the agreement at centre stage, for the Prime Minister to give positive signals. Against this, it will be presentationally important, especially for Hong Kong consumption, not to give commentators any opportunity to claim that we have been influenced in our conduct of the Hong Kong negotiations by hopes of commercial gain. This precludes a high public profile for commercial matters during the visit; but at the same time trade can be promoted strongly in private talks.

Against this background, we see the main non-Hong Kong objectives of the talks with Premier Zhao as:



- (i) to develop the good personal rapport with the Premier (bearing in mind also his visit to Britain planned for 1985);
- (ii) to demonstrate our active interest in adding substance to our bilateral relations; and in particular
- (iii) to lay the foundation for a marked increase in Britain's market share of Chinese imports (presented in terms of our stake in Chinese modernisation); and
- (iv) to underline the strategic importance we attach to an outward-looking and economically reformist China.

To these ends, if the Prime Minister agrees, we propose to provide in addition to a steering brief concise subject briefs on the following:

- (a) Hong Kong issues; to be prepared by the FCO;
- (b) Bilateral political issues (which will cover the Chinese invitation to The Queen to visit China); to be prepared by the FCO;
- (c) Trade issues, as a basis for discussion of how to increase British exports to China, covering specific projects and sectors, to be prepared by the DTI in consultation with the FCO (including ODA) and the Department of Energy; and including a proposal for a delegation of senior businessmen perhaps led by a Minister; and
- (d) International issues, agreed with the Chinese (East/West, Sino/Soviet, South Asia and Korea); to be prepared by the FCO

We shall provide separate briefing for the call on Chairman Deng Xiaoping. We envisage a single brief, to include a large element on Hong Kong and distilling the general lines of the briefing of non-Hong Kong subjects prepared for the talks with Premier Zhao. We shall also provide separate briefing for a call on General Secretary Hu Yaobang if this is arranged.

The Prime Minister has agreed to make two speeches in Peking, at the signature ceremony and the banquet. We shall provide drafts by 10 December, as you have asked.

#### The Visit to Hong Kong

The aims of the visit to Hong Kong will be to



demonstrate the personal concern of the Prime Minister for the future of the territory and the smooth implementation of the Sino-British agreement; to convey to the international community a sense of Britain's confidence in Hong Kong's continued role as a business and financial centre; and to encourage Hong Kong people to work to build their own future.

We envisage that our briefing, apart from the steering brief, will need to comprise:

- (i) a brief on the future, covering
  - (a) points to make in informal conversation (eg at the UMEICO lunch, the reception and the Government House dinner), including defensive briefing on aspects of the agreement that have aroused most concern in Hong Kong;
  - (b) background, which will in part be a duplication of 6(ii), but will go into more detail about Hong Kong concerns.
- (ii) a background brief covering other items on the programme.

We are already working on the speech which the Prime Minister will deliver to the joint meeting of EXCO and LEGCO, and shall let you have a draft in good time.

I am sending copies of this letter to Callum McCarthy (DTI) and Michael Reidy (DOE) and to Richard Hatfield (Cabinet Office).

*Yours ever*  
*Peter Ricketts*

(P F Ricketts)  
Private Secretary

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Visit to Kenya

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## 10 DOWNING STREET

From the Private Secretary

5 December, 1984

Charles Powell Esq.  
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London SW1

Visit by the Prime Minister to Peking and Hong Kong

Thank you for your letter of 29 November conveying more detailed proposals on the briefing to be provided both for the Prime Minister's talks with Chinese leaders and for her visit to Hong Kong.

I believe that these will be acceptable to the Prime Minister and should be grateful if the necessary briefing could be prepared by departments concerned. It is very important that the deadlines for the draft speeches should be maintained; indeed, if it were possible to bring them forward to the evening of 7 December, it would be very helpful.

I am copying this letter to Callum McCarthy (Department of Trade and Industry), Michael Reidy (Department of Energy) and Richard Hatfield (Cabinet Office).

C. D. POWELL

P. F. Ricketts, Esq.,  
Foreign and Commonwealth Office