

*Prime Minister 1*

Jp.011

Mr Powell

*Yes*

*If you agree, I shall arrange for Lord Young to be briefed accordingly.*

*CJP  
6/2*

Lord Young's Mission to China

the Commander of the Chinese Navy was very impressed by the equipment he saw in Britain last year. He apparently said that the range of naval equipment now being produced in Britain included many items, eg mines and torpedoes, that exactly matched Chinese requirements and as soon as Chinese departmental discussions were completed orders would be placed.

2. This, and reports of Sino-US discussions of arms sales, suggest that we use Lord Young's mission to reaffirm our interest in military as well as civil sales. I do not suggest any change in the composition of the delegation; but I suggest that Lord Young should be briefed to make a general statement to Chinese leaders about our continuing interest and ability to provide and we should then see what response the Chinese make. We may still not be entirely clear of the aftermath of the failure of the destroyer contract in January 1983; and the Chinese Defence Minister may still not be well disposed; but we must try to get back on the inside track on defence sales and the forthcoming mission against the background of the Hong Kong Agreement gives us too big a chance to miss.

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*PC*

PERCY CRADOCK

5 February 1985





10 DOWNING STREET

*From the Private Secretary*

7 February 1985

LORD YOUNG'S MISSION TO CHINA

the Commander of the Chinese Navy was very impressed by naval equipment which he saw in Britain last year and which he described as exactly matching Chinese requirements.

The Prime Minister thinks that it would be helpful to use Lord Young's mission to reaffirm our interest in military as well as civil sales. This would not involve any change in the composition of the delegation, but Lord Young might be briefed to make a general statement to Chinese leaders about our continuing interest and ability to provide certain items of military equipment. We should then see what response the Chinese make.

In view of the classification of this letter, I am copying it only to Richard Mottram in the Ministry of Defence. May I leave it to the Foreign and Commonwealth Office and the Ministry of Defence to arrange for Lord Young's mission to be briefed appropriately.

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( C. D. POWELL )

L. V. Appleyard, Esq.,  
Foreign and Commonwealth Office.





OSG

10 DOWNING STREET

*From the Private Secretary*

6 February 1985

I enclose two copies of the photograph taken following your meeting with the Prime Minister and the members of Lord Young's trade mission to China last Monday.

With best wishes,

Charles Powell

His Excellency Mr. Chen Zhaoyuan.