

File Record

INFORMATION

CONFIDENTIAL

18029

CONFIDENTIAL

COM'S OFFICE REG.NO.....
D.T.R. 20th DECEMBER 1984 0400 HRS

FROM PEKING 191807Z DEC 84

TO IMMEDIATE FCO

Subject *cc* Master Set

TELNO 3046 OF 19/12/84

INFO IMMEDIATE HONG KONG, WASHINGTON, MOSCOW, UKDEL NATO

PRIME MINISTER'S VISIT: MEETING WITH CHAIRMAN DENG XIAOPING:
19 DECEMBER : SINO-SOVIET AND EAST-WEST RELATIONS

1. AFTER DISCUSSION ON HONG KONG (REPORTED SEPARATELY, NOT TO ALL), THE PRIME MINISTER ASKED DENG FOR HIS VIEWS ON SINO-SOVIET RELATIONS AND ON THE RECENT SOVIET-US DECISION TO RESUME ARMS CONTROL TALKS.
2. DENG SAID THAT CHINA HOPED TO SEE PROGRESS AT THE SOVIET-US TALKS. HE ASKED THE PRIME MINISTER TO PERSUADE PRESIDENT REAGAN NOT TO DEVELOP WEAPONS IN OUTER SPACE AS THAT WOULD MEAN ESCALATION IN THE ARMS RACE AND AN EVEN MORE TENSE INTERNATIONAL SITUATION. OF COURSE CHINA UNDERSTOOD THAT THE INTENTION OF THE U S IN DEVELOPING SPACE WEAPONS WAS TO FORCE THE SOVIET UNION TO MAKE CONCESSIONS ON NUCLEAR MISSILES. BUT SPACE WEAPONS SHOULD NEVERTHELESS NOT BE DEVELOPED. THROUGHOUT THE 1970S AND THE FIRST 2 YEARS OF THE 1980S CHINA'S VIEW HAD BEEN THAT THE DANGER OF ANOTHER WORLD WAR EXISTED. NOW THIS VIEW HAD CHANGED SOMEWHAT BECAUSE THE FORCES FOR PEACE WERE GROWING FAST. THE BRITISH GOVERNMENT AND THE HRIME MINISTER HAD EXERTED EFFECTIVE EFFORTS IN THIS RESPECT. CHINA WAS ALL FOR BREAKING THE EXISTING SOVIET-AMERICAN DEADLOCK. SHE WAS MAKING EFFORTS TO INCREASE HER OWN CONTACTS WITH THE SOVIET UNION. BUT CHINA'S SITUATION WAS DIFFERENT FROM BRITAIN'S. CHINA WAS FACED WITH A DIRECT SOVIET THREAT. SHE HAD THEREFORE CONSISTENTLY TRIED TO NORMALISE RELATIONS BY REMOVING THE "THREE OBSTACLES" (SOVIET TROOPS ON HER BORDER, AFGHANISTAN AND CAMBODIA). UP TO NOW, THE SOVIET UNION HAD REFUSED TO REMOVE EVEN ONE, SO THERE WAS NO NORMALISATION OF SINO-SOVIET RELATIONS TO SPEAK OF AT PRESENT. SOME DEVELOPMENT OF ECONOMIC AND CULTURAL RELATIONS HAD TAKEN PLACE AND CONTACTS OF THIS KIND COULD SERVE THE INTERESTS OF PEACE AND DETENTE. CONFRONTATION WAS NOT THE WAY OUT.

CONFIDENTIAL

3. THE PRIME MINISTER SAID THAT DENG'S VIEWS ACCORDED IN MANY RESPECTS WITH HERS. SOME PEOPLE, BUT NOT HERSELF, BELIEVED THAT WARS WERE CAUSED BY THE EXISTENCE OF ARMS. THE REAL DANGER HOWEVER WAS NOT WHEN TWO COUNTRIES WERE STRONG ENOUGH TO DETER ATTACK BUT WHEN ONE WAS STRONGER AND POSSESSED TERRITORIAL AMBITIONS AND THE OTHER WAS WEAK. BRITAIN WOULD LIKE SECURITY AT A LOWER LEVEL OF WEAPONRY. BUT THIS HAD TO BE BALANCED SECURITY. WE HAD ONLY DEPLOYED CRUISE AND PERSHING IN EUROPE BECAUSE SS20S WERE TARGETTED ON US. IF THE SOVIET UNION WAS TO DESTROY SOME SS20S IN THE PERIOD OVER WHICH U S MISSILES WERE TO BE DEPLOYED IT WOULD BE POSSIBLE TO HALT THEIR DEPLOYMENT. WE HAD TO WATCH THE SOVIET UNION CLOSELY HOWEVER TO ENSURE THAT SHE DID NOT SIMPLY MOVE SS20S BEYOND THE URALS, BECAUSE THAT WOULD NOT BE REAL DISARMAMENT. THERE WERE TWO OTHER SOURCES OF IMBALANCE WHICH HAD TO BE DEALT WITH IN DISARMAMENT TALKS: FIRST, THE SOVIET UNION POSSESSED ENORMOUS STOCKS OF CHEMICAL WEAPONS AND, SECONDLY, THE SOVIET UNION HAD AN ANTI-SATELLITE SATELLITE CAPABILITY. IT WAS ONLY WHEN THE AMERICANS HAD SHOWN THAT THEY COULD DEVELOP AN EVEN MORE SOPHISTICATED CAPABILITY IN THIS SECOND AREA THAT THE SOVIET UNION HAD BEEN PERSUADED TO RETURN TO THE NEGOTIATING TABLE.

5. DENG ASKED FOR THE PRIME MINISTER'S VIEW OF GORBACHEV. THE PRIME MINISTER SAID THAT SHE HAD ENJOYED MEETING HIM AND FELT THAT SHE COULD DO BUSINESS WITH HIM. THE SOVIET UNION CONTINUED TO STATE THAT THE U S WAS NOT SINCERE IN WANTING DISARMAMENT. BUT SHE BELIEVED THAT PRESIDENT REAGAN WANTED ARMS REDSCTION TO BE ONE OF THE ACHIEVEMENTS OF HIS SECOND TERM IN OFFICE. FOR THAT TO BE ACHIEVED TRUST WAS NECESSARY. DENG ENQUIRED WHETHER THE PRIME MINISTER HAD ASKED GORBACHEV WHETHER THE SOVIET UNION WAS SINCERE IN WANTING TO DISARM. THE PRIME MINISTER SAID THAT SHE HAD DRAWN HER OWN CONCLUSIONS. BUT IT WAS IN SOVIET ECONOMIC INTERESTS TO REDUCE THE BURDEN OF ARMAMENTS.

/ 6. DENG ASKED

CONFIDENTIAL

CONFIDENTIAL

-3-

6. DENG ASKED THE PRIME MINISTER TO TAKE WITH HER HIS SINCERE REGARDS TO PRESIDENT REAGAN AND HIS CONGRATULATIONS ON HIS RE-ELECTION. HE ASKED THE PRIME MINISTER TO CONVEY HIS HOPE THAT IN PRESIDENT REAGAN'S SECOND TERM GHINA AND THE U S WOULD COOPERATE IN SOLVING THE QUESTION OF TAIWAN. IF THE U S AND PRESIDENT REAGAN THOUGHT THE CONCEPT OF "ONE COUNTRY, TWO SYSTEMS" WAS DESIRABLE, THERE WAS MUCH THEY COULD DO IN THIS RESPECT. THE PRIME MINISTER SAID **THAT** SHE WOULD CERTAINLY CONVEY THIS MESSAGE. THE U S HAD WELCOMED THE HONG KONG AGREEMENT.

A: PA

D: HE,CS,CBF(2),DPA,APA,SforS(5),S(OD),DSB(3),HSI,HSO(2),GCO,SLO,PS/CH

ah

CONFIDENTIAL