

SECRET

BSP



10 DOWNING STREET

3

THE PRIME MINISTER

2 December 1982

*My dear Governor,*

I am very grateful for all you have been doing to maintain confidence in Hong Kong in the past weeks. I have been following your telegrams with the closest interest. We have just had a useful meeting here about our talks with the Chinese and it was a great help that Philip Haddon-Cave was able to attend.

I know that you think it important that you should be able to take the Unofficials into your confidence about our talks with the Chinese. I entirely understand this and would like you in future to use your discretion to brief the Unofficials, and anyone else who you feel must know, about these contacts. It should of course be made clear to all concerned that it is most important to respect the confidential nature of your briefing.

I know you will use this discretion sparingly. I simply wanted to make it clear that you do not need to seek specific authority in future but may use your own judgement in which I have full confidence.

*Warm regards.*

*Yours sincerely*

Sir Edward Youde, K.C.M.G., M.B.E.

SECRET

*Margaret Thatcher*

BSP