

SECRET

FILE

HU



B/E

22

10 DOWNING STREET

*From the Private Secretary*

4 October 1982

Future of Hong Kong

I believe that the Prime Minister would be grateful for advice on three points:

- (a) Can our negotiating hand with the Chinese over Hong Kong be strengthened by making, in the right way and at the right time, one or more gestures in the field of Anglo/Chinese relations (for example, an offer to supply advanced civil or military technology), conditional on the satisfactory outcome of the talks. Given the importance of the future of Hong Kong we might need to consider gestures more radical than we would otherwise contemplate.
- (b) How is the process of educating the Chinese in the realities of Hong Kong to be conducted? The Prime Minister has seen a number of general references to this process but believes it essential that at a very early stage we should have as detailed a plan of campaign as possible. To what extent shall we rely on the talks themselves to convey information and arguments about the basis of Hong Kong's prosperity? To what extent shall we use less formal methods - emissaries from Hong Kong to Peking, discussions in Hong Kong with "representatives" of the Chinese Government etc? How will this activity be monitored to ensure that the message is getting through?
- (c) Are there any gestures which could be made to the people of Hong Kong to sustain confidence during the period of the talks (e.g. help with Hong Kong students in Britain)?

I should be grateful for a note on these questions as soon as possible.

JC

John Holmes, Esq.,

Foreign and Commonwealth Office

SECRET