



10 DOWNING STREET

From the Private Secretary

30 March 1983

FUTURE OF HONG KONG: CALL ON THE PRIME MINISTER BY CHINESE MINISTER
OF FOREIGN ECONOMIC RELATIONS & TRADE

Madame Chen Muhua called on the Prime Minister today. This letter records the brief exchange on the question of the future of Hong Kong. It should, however, be read together with my letter of today's date to John Rhodes about the rest of the conversation, during which the Prime Minister laid considerable emphasis on our desire for good relations with China.

The Prime Minister recalled that she had recently sent a letter to Zhao Ziyang expressing her concern that substantive talks about the future of Hong Kong had not yet begun. It was important for both China and Britain that talks began and arrived at a conclusion satisfactory to China, ourselves and Hong Kong. Both we and China recognised the importance of stability and prosperity in Hong Kong. Given good will between us, it should be possible to maintain this stability and prosperity. We were the first to recognise the sensitivity of the issue for China. In her letter to Zhao Ziyang she had gone as far as she could to meet China's sensitivities. We hoped that it would now be possible to commence substantive talks. All this should be seen within a context of friendship between our two countries which we valued and wished to preserve.

The Prime Minister asked that Madame Chen should give Zhao Ziyang an account of this conversation. Madame Chen promised to do so. The Prime Minister said that she understood that Zhao Ziyang had not been able to take personal delivery of her letter because of impending overseas visits. But she hoped for a helpful reply on his return. Madame Chen said that she was sure that the Prime Minister's letter would be carefully studied. She then moved on to other subjects.

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