Prince Minister

Agree that, at least by the Foreign and Commonwealth Office

London SW1A 2AH

time being, we do not potent London SW1A 2AH

to the clima about these leads?

25 April, 1983

A.J.C. 25.

Deer John.

## Future of Hong Kong: Chinese Breaches of Confidence

I promised you further advice on whether representations should be made to the Chinese over a leak about the Prime Minister's message to the Chinese Premier. So far there has been no press report of this but meanwhile Hong Kong have reported (Hong Kong telnos 536 and 537) that the Hong Kong Economic Journal have printed a fairly detailed account of some of the exchanges between our Ambassador in Peking and Vice Foreign Minister Yao Guang. Hong Kong have firm evidence that this came from an official source in China.

The report is sufficiently accurate to carry conviction but it adds some assorted points, in particular the assertion that the Ambassador had hinted that we would be ready to concede sovereignty in return for the continuation of British administration. It also tries to put the blame for lack of progress on British intransigence.

There are obviously arguments for remonstrating with the Chinese both in order to make clear that confidentiality must be preserved and in order to put the record straight on the sovereignty point. However the Ambassador advises strongly against, at any rate at this stage. He points out that because the report has appeared in a Hong Kong paper, we could not pin the Chinese down as being the originators without declaring the source of our information (the wife of the owner of the Economic Journal). The Governor has made clear that he would be very reluctant to see this source compromised since she may be helpful in the future.

We could of course protest anyway, emphasising that we were not responsible for the leak and that the detail in it suggests that it must have come from someone with access to the Chinese records of the conversations. However the likelihood is that we would make little headway. Sir P Cradock also argues that we would be unwise to sour the atmosphere at a time when we are expecting a reply to the Prime Minister's message. There have been a number of indications that the Chinese regard the Prime Minister's message as a helpful move. We shall of course need to ensure that they do not try to misrepresent it as offering a concession but the most important objective must be to get substantive talks going.



Mr Pym therefore believes that we should not instruct Sir P Cradock to remonstrate at this stage, pending the reply from the Chinese Premier. If this proves to be unsatisfactory, or if the South China Morning Post finally splash the leak by the New China News Agency, we may need to reconsider.

> You eve Jan Hous

(J E Holmes) Private Secretary

A J Coles Esq 10 Downing Street Hong Kong: Futur of Pt 6.

4

26 April 1983

## Future of Hong Kong: Chinese Breaches of Confidence

Thank you for your letter of 25 April.

The Prime Minister agrees with the recommendation of the Foreign and Commonwealth Secretary that, at least for the time being we should not remonstrate with the Chinese about the recent leak of Mrs. Thatcher's message to the Chinese Premier.

AJC

John Holmes Esq Foreign and Commonwealth Office.

SECRET

19