



PERSONAL

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# HENNING INTERNATIONAL

SUITE 604 135 MACQUARIE ST., SYDNEY N.S.W. 2000 AUSTRALIA  
Tel. (02) 27 9949    TELEX AA24667    CABLES: HENINT SYDNEY

RH:ng

20 June, 1983

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Dear Prime Minister,

We were all absolutely thrilled with the election result and again extend our congratulations to you on a superb victory!

Pru and I hope to be in the UK shortly to attend the wedding of one of our politicians in London on 9 July.

However, I have given some thought as to how to communicate to you some information regarding the attitude of China towards Hong Kong.

I do not believe it is wise to commit to paper the source of these comments but they are authoritative and come from a private conversation involving a prominent Chinese businessman with interests in Hong Kong, Macau and China.

He said prior to your election that he believed the Peoples Republic would begin negotiating "on a sensible basis" with the British Government during the second week of August.

He did not indicate a reason for stipulating the second week of August but felt that this month would be critical.

He believes that China has become quite aware of "the stupidity in insisting that the Governor of Hong Kong be someone appointed by the Chinese authorities."

He said that China has realised that a number of mistakes have been made in the handling of initial negotiations over the future of Hong Kong.

The Chinese business community has apparently put pressure on the decision-making process within China which was described as "archaic".

This discussion with someone whose future is dependent on both Hong Kong and Macau could best be described as pessimistic.

He was adamant that the future of both Macau and Hong Kong are irretrievably linked and if Hong Kong ceased to be a British colony, then the Chinese would be forced to do an about face on Macau and the fate of both territories would be similar.

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He believes the Chinese authorities are looking for a face-saving solution which is difficult for a country which he describes as being "50 years behind the times and unaware of how to communicate outside the Peoples Republic and devoid of any public relations or image-making skills."

He said that he automatically "writes off any business involvement he may be forced to have in China as an immediate bad debt" and gets it off his books.

His belief is that the Hong Kong situation can be resolved if "the British stick to their guns and do not concede to the unrealistic suggestions being made by China."

This prominent figure and others believe that it is essential for China to maintain the British presence in Hong Kong and that this necessity has been recognised.

The man involved in this conversation has no knowledge of my involvement with the Thatcher family as a friend and I intend to keep it that way.

Because of my on-going business activities involving Hong Kong, Macau and China and having been responsible for a report on tourism development in the southern provinces of China which helped lead to the opening of the border gate between Macau and China, I have some superb contacts and sources of information.

To the best of my knowledge the only person who knows that I have any connection with any member of the Thatcher family is my Hong Kong financial adviser who has met Mark on one occasion when we all had lunch together in Hong Kong.

I mention this to make it very clear that this pipeline to various sources of information in the Hong Kong/Chinese community, Macau and within China may be a resource of value to you but I do not know how to communicate to the appropriate person within your Government.

I am also anxious to retain the capacity to expand my ability to do business with China.

I can elaborate further on this conversation and others if it is of benefit to you or your colleagues in Government.

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I am reluctant to deal directly with any member of the bureaucracy or foreign office without first establishing the need for my various sources of information to be protected and it is vital that I am not linked directly with any Government to Government negotiations unless I am requested to participate on an official basis, as this could lead to embarrassment for all concerned and perhaps spoil opportunities for a happy final result for everyone.

I will be returning to Macau shortly and have an invitation from China to revisit the country but have chosen to postpone any direct contact with China until I can establish in my own mind the goal of the British Government in respect to Hong Kong.

Then and only then can I speak with any real knowledge of the situation as I am limited at this stage to the interpretation that is placed on the subject of Hong Kong by foreign correspondents and some areas of the business community.

I hope this input is of some benefit and I look forward to seeing the twins if they are in London when next we visit your country.

You have given us all new hope and for that we are most grateful.

Our best wishes for your next five years in office.

Sincerely and with best wishes

(ROGER HENNING)  
Managing Director

The Right Honourable Mrs Margaret Thatcher  
Prime Minister  
10 Downing Street  
London  
UNITED KINGDOM

Roger HENNING

BU 19/7

Clark



10 DOWNING STREET

*From the Private Secretary*

28 June 1983

The Prime Minister has asked me to thank you for your letter of 20 June which she read with considerable interest. She has asked me to establish whether you are likely to be visiting London in the near future. If so, she will be happy to have a word with you about this matter herself. Perhaps you would kindly let me know.

A. J. COLES

Mr. Roger Henning.



10 DOWNING STREET

Prime Minister

You will know the writer  
(ROGER HENNING) and perhaps be  
able to judge whether he can be  
helpful to us over HONG KONG.

He wants to know who he  
should communicate with about  
Hong Kong. If you think it  
useful, I could offer to be his  
contact point.

A.J.C.  $\frac{27}{6}$ .

All information is  
useful. I will be here  
when he comes and then  
we can discuss how to proceed  
no