

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

Foreign and Commonwealth Office



London SW1A 2AH

9 September 1983

Prime Minister

Agree last paper?

A.J.C. 12/2

Dear John,

Future of Hong Kong: Briefing of Allies

We have so far kept the circle of knowledge about the negotiations on Hong Kong's future very close. This clearly remains important. However we are under increasing pressure from those who feel they ought to know. There is a difficult balance to strike here. Sir Geoffrey Howe is not particularly concerned about hurt feelings in this context.

But the chances of them doing or saying things which are damaging to confidence in Hong Kong are, in Sir Geoffrey's view, increased if they are completely unbriefed. He has therefore come to the conclusion that we should be a little more forthcoming in selected cases.

For some time now, with the Prime Minister's agreement, we have been keeping the Americans and, to a lesser extent, the Australians up-to-date in a general way at a high level. The Australians have been disappointed by what they see as our failure to take them fully into our confidence, given their particular interest in the region and their close relationship with us. It is true that, despite our briefings, the Australian Foreign Minister made one or two unhelpful remarks to the press about the Chinese plan for Hong Kong (which he described as encouraging) when he visited Hong Kong and Peking in August. But Sir Geoffrey Howe continues to think that we should give general briefings to the Australians. Anything else could be counter-productive. There is likely to be an opportunity for the Foreign and Commonwealth Secretary to speak to Mr Hayden in New York at the end of this month. A further opportunity could be provided by Mr Whitney's visit to Australia in early October, when the Australians have already said they would like to discuss Hong Kong.

/The Australians

SECRET



The Australians have asked separately if we could make available to them the contents of the four factual papers on how Hong Kong works which we handed to the Chinese. It would be damaging if the Chinese learnt that we had handed to a third party something laid on the negotiating table. We suggest that instead the Australians might be given a general account of what was in the papers (the contents of which were uncontentious).

The New Zealanders are also showing interest in Hong Kong both here and in Wellington. Like the Australians they have a regional interest as well as a close relationship with us. Again, Sir Geoffrey Howe will have an opportunity to say something to his New Zealand opposite number in mid-October; and Mr Whitney's visit in late September would also be a chance for a general exchange.

Finally, the Canadians take a close interest in China, and on occasions have passed us useful material in the Hong Kong context. But their perceptions of how things are going on Hong Kong are not always accurate. Briefings from us would help to set things straight. Here the Prime Minister's visit might be helpful. The Premier of Alberta, Mr Lougheed, whom Mrs Thatcher will meet, will just have returned from visiting China and Hong Kong. Mr Trudeau will be briefed on Hong Kong for the visit. (It is relevant that the Chinese Foreign Minister is visiting Canada in early October.)

We see no need to go wider than these old Commonwealth countries for the moment. But we have in mind also the possibility of taking the Japanese a little more into our confidence at some stage. They have of course a role to play in keeping up investors' confidence.

In short, if the Prime Minister agrees, we propose to bring the New Zealanders and the Canadians into the picture at a high level, and to keep them and the Australians generally up-to-date. We shall continue to provide the Americans with material in a little more detail. It would

/be desirable

SECRET



be desirable too if the Governor in Hong Kong and the Ambassador in Peking could keep their New Zealand and Canadian opposite numbers in the picture, as they do already in respect of the Australians and Americans.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

SECRET

-9 SEP 1983



S E C R E T



10 DOWNING STREET

From the Private Secretary

13 September 1983

FUTURE OF HONG KONG: BRIEFING OF ALLIES

The Prime Minister has seen your letter of 9 September, has noted its contents and agrees with the conclusions in your final paragraph, namely that we should bring the New Zealanders and the Canadians into the picture at a high level and keep them and the Australians generally up to date; that we should also continue to provide the Americans with material in a little more detail; and that the Governor in Hong Kong and the Ambassador in Peking should keep their New Zealand and Canadian opposite numbers in the picture, as they do already in respect of the Australians and Americans.

John Holmes Esq
Foreign and Commonwealth Office.

S E C R E T

Let's
44

J. COLES

A handwritten signature in cursive script, possibly reading 'John Holmes'.