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Foreign and Commonwealth Office

London SW1A 2AH

4 October 1983

Prime Minister informed.

Dear John,

Hong Kong

will request if req. 7/10.

John Kerr wrote to Andrew Turnbull on 30 September about action taken by the Chancellor of the Exchequer to make technical advice available to the Hong Kong Government in connection with a suggested local measure to resist pressure on the Hong Kong dollar exchange rate. This action was taken by agreement with the Foreign and Commonwealth Secretary.

I am sure that you will bear fully in mind, in this connection, that the EXCO members know nothing whatsoever of the financial contingency planning which is in hand in Hong Kong and Whitehall. Knowledge of this is restricted to a very small number of officials in the Hong Kong Government. The Unofficial Members of EXCO could derive a seriously wrong impression if the subject came up during their discussions in London.

I am copying this letter to John Kerr (Treasury) and to John Bartlett (Bank of England), and to Richard Hatfield (Sir R Armstrong's office).

Yours ever

John Holmes

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