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Tom  
(no second carbon)

10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG

JIC ASSESSMENTS ON HONG KONG

Thank you for your minute of 9 November in which you propose a wider circulation of JIC assessments on Hong Kong. The Prime Minister has minuted that she does not wish the circulation list to be extended in this way.

A. J. COLES

11 November 1983

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MR. COLES

HONG KONG

In the last 24 hours, a difference of opinion has emerged between Percy Cradock and Teddy Youde. After a difficult session with Yao Guang (Peking Telno 1160) Percy Cradock recommended that we should be prepared to make a formal statement for the record to the effect that we "envisage no link of authority between post-1997 Hong Kong and the UK" (Peking Telno 1161). Teddy Youde (Hong Kong Telno 1699) feels that we should not let the Chinese rush us into further concessions. Percy's suggestion would go beyond the terms of the Prime Minister's message as EXCO understand it and we would be in trouble.

Percy's judgement has been impeccable so far. However, on this occasion, I think that Teddy Youde is right. It would be premature to give more ground, even on the usual conditional basis. If we did, we would have a row with EXCO which might well become public. Equally, we could not hope to convince EXCO in advance.

In the end, Percy may well be proved right and the talks will again grind to a halt. But the wheels are still moving and it would be premature for us to have another major policy review, including EXCO, until we see how the next round goes.

FCO at official level feel the same. They are sending a telegram to the Foreign Secretary in Athens today proposing instructions which effectively come down on Teddy Youde's side.



A.D. PARSONS  
9 November 1983

Sir A. Parsons.

I am afraid this did not reach me until

this morning.

2. The J.R. saw and endorsed last night the telegram to which you refer.

3. I have also asked the F/C.O. for a full yr. date (there etc.) by tonight.