



File HL

10 DOWNING STREET

THE PRIME MINISTER

9 January 1984

STRICTLY PERSONAL

Dear Lord Gomer.

I was very grateful for your letter of 15 December about Hong Kong. Please do not hesitate to write again about this or any other subject. Your views are most valuable.

As you say, Sir Percy Cradock was held in the highest esteem both in China and in Hong Kong. I am very glad that he is due to take up his job here this month as my adviser on foreign affairs and that he will also be taking over responsibility in the FCO for supervising Hong Kong negotiations. His appointment has been widely welcomed in Hong Kong.

A great deal of thought was given to the appointment of the new Ambassador in Peking. Both Sir Richard Evans and his staff have been selected on grounds of all round ability, not just because of their knowledge of the Chinese language and Chinese affairs. Seen from inside, the negotiating team seems to have put up a very good performance.

I note what you say about the inclusion in the delegation of the Governor of Hong Kong. But as you will appreciate, we have the difficult task of making progress in the negotiations with the Chinese while retaining confidence in Hong Kong at the same time. The presence of the Governor in Peking at the negotiating sessions is essential in order to reassure Hong Kong opinion - and the people of Hong Kong pressed very strongly in the early stages that Sir Edward Youde should be in the team.

/ The Chinese

The Chinese Government would no doubt prefer it if he were not present, but they have accepted him as a member of the British negotiating delegation.

I found interesting your ideas about appointing a distinguished political or legal figure to conduct the negotiations. I certainly do not have a closed mind about the best way of managing the negotiations but for the time being I think that the present team with the continued involvement at this end of Percy Cradock is appropriate.

We are all giving the highest priority to this matter. Not only I, but Geoffrey Howe, Richard Luce and a number of senior officials spend a great deal of time on the problem and are prepared to deploy whatever resources are necessary to ensure that no chance of a successful outcome is missed.

Your reference to the political adviser in Hong Kong is being followed up separately.

Warm regards

Yours sincerely  
Rogant Dalton

The Rt. Hon. The Earl of Cromer



Foreign and Commonwealth Office

London SW1A 2AH

6 January 1984

*See letter**WJ 6.1**Dear John,*

With your letter of 20 December you enclosed a copy of a letter from Lord Cromer to the Prime Minister about the Hong Kong negotiations.

The question of Robin McLaren is being dealt with separately, but the Prime Minister asked for Sir Geoffrey Howe's comments on the general suggestions made about the negotiations with the Chinese.


Sir Geoffrey suggests that in reply to Lord Cromer the following points should be made:

- (a) The Prime Minister is grateful to Lord Cromer for writing and welcomes comments from someone like himself on a matter as important as the future of Hong Kong.
- (b) The comments about Mr McLaren are being dealt with separately by Robin Butler.
- (c) Sir Percy Cradock has been able to open up a real discussion with the Chinese about the future arrangements for Hong Kong. It is certainly true that he has played a very important part in the negotiations and is held in high respect by the Chinese. In addition to being the Prime Minister's adviser on foreign affairs at No 10, he is being re-employed as an additional Deputy Under Secretary in the FCO with responsibility for the Hong Kong negotiations. This appointment has been widely welcomed in Hong Kong.
- (d) The new Ambassador, the staff of the Embassy in Peking, and all those involved in the negotiations are selected with the greatest care. Their all-round ability, in addition to their knowledge of the Chinese language and Chinese affairs in general, is of course considered to be of prime importance.

/(e)



- (e) As Lord Cromer will appreciate, we have the very difficult task of making progress in the negotiations with the Chinese while retaining confidence in Hong Kong at the same time. The presence of the Governor Sir Edward Youde in Peking at the negotiating sessions is essential in order to reassure Hong Kong opinion. The Chinese Government would no doubt prefer it if he were not present, but they have accepted him as a member of the British negotiating delegation.
- (f) Lord Cromer's ideas about appointing an eminent political or legal figure to conduct the negotiations are interesting. Ministers certainly do not have closed minds about the best way of conducting the negotiations, but are satisfied that for the time being the present team with the continued involvement of Sir Percy Cradock is appropriate.
- (g) There is absolutely no question of not attaching the highest importance to the Hong Kong negotiations. The Prime Minister and the Foreign and Commonwealth Secretary as well as the Minister of State, Mr Luce, and a number of senior officials, spend a great deal of time on the problem and are prepared to deploy whatever resources are necessary to ensure that no chance of a successful outcome is missed.

*Yours ever,*  


(B J P Fall)  
Private Secretary

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