

MR COLE

AJC. 12/1

HONG KONG

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How - Title

Prime Minister

2011

Sir Percy Cradock

I think the Prime Minister should feel very satisfied with the way the Unofficials' visit has gone. They have again been brought fully into the process of top-level consultation and planning; they have accepted our current objective (the highest degree of autonomy we can get backed by the best possible assurances); and they remain on board. At their meeting with Mr Luce on 17 January they showed that there will be some very sensitive points for them in the coming working papers, in particular on nationality; we are also now in a stage of negotiation when Hong Kong will need quite as much attention as Peking; but things have gone much more smoothly than at one time seemed likely.

On the Sino/British front, the atmosphere is good and Chinese leaders are receptive. This is confirmed by a recent                      which will have reached the Prime Minister separately, which contains some encouraging, though naturally as yet untested, indications. I am anxious that we should exploit this atmosphere and get in our papers on the central issues very fast, both so as to exert maximum influence on Chinese thinking and also to ensure that whatever is said publicly in the late summer is as joint and acceptable a statement as possible.

Not yet received - shall submit  
AJC. 19/1

Our planning will now be increasingly affected by the September deadline and in this context the possibility of a Ministerial visit to Peking in the Spring or Summer so as to advance the negotiating process and conduct the necessary top-level horse trading <sup>may</sup> become a rather more practical and attractive option than in the past. We should begin to think about this, though a great deal will depend on progress in Peking in the next two or three rounds.

PERCY CRADOCK  
19 January 1984

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