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10 DOWNING STREET

THE PRIME MINISTER

23 February 1984

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T34/84

Dear Bob.

I was most grateful for your account of your recent discussions with the Chinese Premier, Zhao Ziyang, about the future of Hong Kong and for the helpful line that you took with him.

As you know from the briefings which we have given you and your officials, the talks are continuing in a friendly atmosphere and, particularly during the last two rounds, have covered much detailed ground. Without prejudice to our own position, or to the nature of any final agreement, we are continuing the process of exploring China's ideas for Hong Kong as a Special Administrative Region of China. We wish to see whether they can be made to provide the basis for an acceptable and lasting settlement which would fulfil our mutual aim of maintaining Hong Kong's stability and prosperity.

We do not doubt the sincerity of China's Hong Kong policies as outlined to you by Premier Zhao. But the crucial point, which I know you recognise, is that any arrangements proposed must be acceptable to the people of Hong Kong and seen to be credible by all those affected. I am therefore encouraged by your belief

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that the Chinese have grasped this. We need not merely a common aim, but the determination to provide genuine assurances that there will be continuity, in the legal and economic spheres and, above all, in freedoms after 1997.

Yours sincerely
Raymond Shaker

The Hon. Robert Hawke, AC, MP.

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10 DOWNING STREET

From the Private Secretary

23 February 1984

Dear High Commissioner,

The Prime Minister has asked me to thank you for your letter of 10 February conveying to her Mr. Hawke's account of his recent discussion about Hong Kong with the Chinese Premier, Zhao Ziyang.

The Prime Minister would be grateful if you could forward the enclosed reply to Mr. Hawke.

Yours sincerely

A. J. Cole.

His Excellency Mr. A. R. Parsons.



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T31184
PRIME MINISTER

CANBERRA

10 FEB 1984

Dear Margaret,

Recalling our discussion in New Delhi last November when we touched on the progress of your negotiations with the Chinese on Hong Kong's future, I thought I would send you a message on that subject following my talks here in Peking with Premier Zhao.

You will by now have heard about my brief discussions with Sir Edward Youde and other senior officials in Hong Kong, which took place on my way to Japan, South Korea and China at the beginning of my current overseas visit. I appreciated the opportunity to talk to Sir Edward in Hong Kong. In discussing matters of regional concern with Premier Zhao the subject of Hong Kong also came up and I mentioned the discussion I had had with the Governor ten days ago.

I made it clear to Premier Zhao, as I had to Sir Edward, that I considered the matter of Hong Kong's future after 1997 to be a matter between China and the United Kingdom, and that Australia would not presume to intrude in the negotiations. I said I trusted that the negotiations would proceed in such a way that their outcome would be acceptable to the parties principal, and also provide an amicable environment for Hong Kong. From my observations it seems to me that this is occurring, and this is a cause of satisfaction to us and other countries in our region, which have an interest in a peaceful and stable outcome.

You will be interested, I think, in Premier Zhao's remarks. He expressed satisfaction at the way the talks were proceeding. He emphasised that the Chinese objective was to preserve Hong Kong's stability and prosperity while at the same time resuming Chinese sovereignty after 1997 over the whole of the territory. Premier Zhao indicated that with China's present policies, the co-operative attitude on your Government's part and the recent more stable conditions within Hong Kong itself, he was now more confident that the two Chinese objectives could be achieved.

Premier Zhao said China would be very reasonable and take into account the interests of the United Kingdom, other countries and the people of Hong Kong, especially its business people. He said that once the major questions of principle were resolved, China would adopt all measures necessary to ensure stability and prosperity in Hong Kong. In this regard he laid great stress on measures that would reassure the people of the territory.

Premier Zhao described to me in general terms China's policies in relation to the future of Hong Kong. He said the capitalist system would be kept intact for at least fifty years after 1997. China would not send people to Hong Kong to manage the capitalist system. The system would instead be managed by a government composed of local inhabitants. They would run a Special Administrative Region. The existing legal system would remain mainly unchanged. The Hong Kong dollar would be retained in circulation and remain freely convertible, with no foreign exchange control; Hong Kong would remain a free port and an independent tariff zone. China would not intervene in the internal affairs of Hong Kong; but it would reserve for itself the management of Hong Kong's foreign relations and defence.

My talks with the Chinese leadership here in the last few days have very much confirmed my earlier impressions of the considerable sophistication and pragmatism underlying their attitudes on this and other matters. I was therefore reassured by the approach they appear to be taking and I believe they have a clear perception of what will be required of their policies if the full measure of confidence in Hong Kong, especially among its business and managerial circles, is to be sustained.

I have devoted this letter to Hong Kong because I knew you would be directly and personally interested in that topic. My discussions here have been mainly on other matters of concern to Australia and China in the regional, international and bilateral spheres. They have been tremendously interesting discussions for me and they have revealed the very great potential for China's role in the world if the constructive pragmatism to which China's leadership seems committed can be continued.

With kind regards,

Yours Sincerely
Bob Hill

The Right Honourable Margaret Thatcher, MP,
Prime Minister of Great Britain,
LONDON. SW1.
United Kingdom.



AUSTRALIAN HIGH COMMISSION

AUSTRALIA HOUSE
STRAND
LONDON WC2B 4LA
01-438 8000

23 February 1984

Dear Mr Coles,

The attached envelope contains the original letter from Mr Hawke to Mrs Thatcher on the subject of Hong Kong, the text of which was conveyed in a letter from the High Commissioner dated 10 February 1984.

Yours sincerely,

(Patricia Paton)
Secretary to the High Commissioner

Mr A.J. Coles
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

AUSTRIAN HIGH COMMISSION

STANDARD
BOARD
NEW YORK

24 JAN 1984
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B 6 7
G 4 5
G 2 3 4

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24 February 1984

Thank you for your letter of 23 February containing the original of the letter from Mr. Hawke to Mrs. Thatcher which the High Commissioner conveyed in his letter of 10 February.

ATJ

Ms. Patricia Paton,

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S E C R E T

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Foreign and Commonwealth Office

London SW1A 2AH

22 February 1984

Type letter please.

Dear John,

AR 2/2.

Hong Kong: Message to the Prime Minister from the
Prime Minister of Australia

Your letter of 13 February asked for a draft reply from the Prime Minister to the message she had received from Mr Hawke about his recent discussion on Hong Kong with the Chinese Premier Zhao Ziyang. This is enclosed, with a covering draft letter from you to the Australian High Commissioner here.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

S E C R E T

H-K future Pt 12

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

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27 JAN 1984

DRAFT: ~~minute~~/letter/~~telex~~/~~dispatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:

Reference

A J Coles Esq, 10 Downing Street.

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

His Excellency
 Mr A R Parsons
 Australian High Commissioner
 Australia House
 Strand
 London WC2B 4LA

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

The Prime Minister has asked me to thank you for your letter of 10 February conveying to her Mr Hawke's account of his recent discussion about Hong Kong with the Chinese Premier, Zhao Ziyang.

The Prime Minister would be grateful if you could forward the enclosed reply to Mr Hawke.

AR 2/2.

Enclosures—flag(s).....

DRAFT: ~~minutes~~/letter/~~teletype~~/~~dispatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

HKK 040/6

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Hon Robert ~~James Lee~~ Hawke AC MP
Prime Minister of Australia

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I was most grateful for your account of your recent discussions with the Chinese Premier, Zhao Ziyang, about the future of Hong Kong. ~~I was particularly grateful for the helpful line that you took with Premier Zhao on this subject.~~ ^{and} ~~him.~~

~~We share Premier Zhao's satisfaction at the way the talks are proceeding.~~ As you know from the briefings which we have given you and your officials, ^{the talks} they are continuing in a friendly atmosphere and, particularly during the last two rounds, have covered much detailed ground. Without prejudice to our own position, or to the nature of any final agreement, we are continuing the process of exploring China's ideas for Hong Kong as a Special Administrative Region of China, ^{We} ~~and sincerely~~ wish to see whether they can be made to provide the basis for an acceptable and lasting settlement which would fulfil our mutual aim of maintaining Hong Kong's stability and prosperity.

We do not doubt the sincerity of China's Hong Kong policies as outlined to you by Premier Zhao. But the

Enclosures—flag(s).....

S E C R E T

crucial point, which I know you recognise, is that any arrangements proposed must be acceptable to the people of Hong Kong and seen by all those affected, to be credible. I am therefore encouraged by your belief that the Chinese have grasped this. We need not merely a common aim, but the determination to provide genuine assurances that there will be continuity, in the legal and economic spheres and, above all, in freedoms after 1997.

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S E C R E T



FILE

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10 DOWNING STREET

From the Private Secretary

13 February, 1984

HONG KONG

I enclose a copy of a message which the Prime Minister has received from the Australian Prime Minister about his recent discussions with the Chinese Premier on Hong Kong.

BT/

I should be grateful if you could let me have a draft reply to Mr. Hawke's letter, for signature by the Prime Minister.

A. I. COLES

P. Ricketts, Esq.,
Foreign and Commonwealth Office

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FILE

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10 DOWNING STREET

From the Private Secretary

13 February, 1984

The Prime Minister has asked me to thank you for your letter of 10 February containing a message to her from the Prime Minister of Australia about Hong Kong.

A. J. COLES

His Excellency Mr. A.R. Parsons

la

CONFIDENTIAL



AUSTRALIAN HIGH COMMISSION · LONDON

10 February 1984

THE HIGH COMMISSIONER

PERSONAL MESSAGE

SERIAL No.T31184

Prime Minister.

I will let you have a draft

regd.

A.F.C. 19/2

My dear Prime Minister,

Mr Hawke who is at present visiting Peking has asked me to pass to you the following message conveying his discussions with Chinese Premier Zhao Ziyang on the Hong Kong question.

Text begins:

Dear Margaret,

Recalling our discussion in New Delhi last November when we touched on the progress of your negotiations with the Chinese on Hong Kong's future, I thought I would send you a message on that subject following my talks here on Hong Kong. In discussing matters of regional concern with Premier Zhao the subject of Hong Kong also came up and I mentioned the discussion I had had with the Governor ten days ago.

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The Rt Hon. Margaret Thatcher, MP
Prime Minister
10 Downing Street
LONDON SW1

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Yours sincerely,

Bob Hawke

Text ends

Yours sincerely
A.R. Parsons

A.R. PARSONS