

MR POWELL
c Mr Ingham

29.
29/8

24 August 1984

Prime Minister (2)
To be aware
CDP
20/8

TIMES ARTICLE ON HONG KONG DEPARTMENT IN THE FOREIGN OFFICE


1. On 7 August Peter Hennessy of The Times approached the Foreign Office with a proposal to write an article on Hong Kong Department. Mr Hennessy specialises in the organisation of Whitehall and has done one or two broadly favourable articles on Foreign Office Departments, in particular one on the Planning Staff last year. Foreign Office Ministers felt that there would be advantage in agreeing, provided that the article did not appear until after the initialling of the Hong Kong agreement, ie after 30 September. The department was briefed to keep clear of substance.

2. As the Deputy Under Secretary responsible for the Department I was asked to see Mr Hennessy. I agreed on the understanding that we not get into substance and that there would be no questions about my work at No 10.

3. Mr Hennessy duly had an hour with Tony Galsworthy, the Head of Hong Kong Department, and then a short session with me. It all went fairly smoothly though his questions inevitably tended to stray from organisation towards substance. I answered some questions about job satisfaction and sinology, and said a little about the difficulties of

negotiating with the Chinese. There was, however, one potentially troublesome point which came up both with Tony Galsworthy and myself: Hennessy suggested that this was perhaps the first case since the 1940s when we were not only passing over territory but people to another system. In other words he was trying to draw some parallel with Yalta. Both Galsworthy and I rejected this as a totally unacceptable parallel. We explained something of this kind might conceivably have been said if we had done nothing or let negotiations founder, in which case in 1997 92% of the territory and its people would pass without qualification into mainland Chinese hands. But in fact what we had done was precisely the opposite. We had achieved a binding international agreement providing for the continuation of the capitalist system in Hong Kong for 50 years after 1997, had worked out a whole series of detailed annexes covering every aspect of Hong Kong life, and had provided, as far as was possible to do so, for the continuation of that life after 1997. In these circumstances, far from handing over Hong Kong people to an alien system, we were ensuring that their own survived. Mr Hennessy took all this in good part and will no doubt print some part of our denials but his preconception may also appear.

4. Before it is printed, the article will be seen by Foreign Office News Department who will check it for any inaccuracy.


PERCY CRADOCK