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10 DOWNING STREET

THE PRIME MINISTER

25 September 1984

Dear Bob,

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 163C/84.

As you know, we have been engaged in tough and detailed negotiations with the Chinese over the future of Hong Kong since my visit to Peking in 1982. We have kept your people regularly briefed. We have now agreed the text of a draft agreement which will be initialled on 26 September. I am arranging for our High Commissioner to let you have a copy of the Agreement.

Our aim has been to secure the best possible framework within which Hong Kong's unique and highly developed social, legal and economic systems can be maintained and developed. The Agreement meets our essential requirements. It will be a binding international agreement; it describes with sufficient detail and clarity the high degree of autonomy which Hong Kong will continue to enjoy after 1997 and the specific arrangements which will prevail there for 50 years thereafter; and it states that its terms will be stipulated in a Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, which will be passed by the National People's Congress, and will, in effect, form the constitution of Hong Kong after 1997.

The Agreement is one which I shall commend strongly to the people of Hong Kong and to Parliament.

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I wanted to write to you personally to let you know what has been achieved, in view of Australia's particularly close interest in Hong Kong. The Australian contribution to the territory in terms of capital, expertise, technology and skilled and professional manpower has been considerable. I very much hope that you will feel able to make a personal statement on the agreement, commending the results of the efforts of both sides, and expressing your confidence in Hong Kong's future stability and prosperity.

There is a great deal at stake. A successful settlement would have a beneficial effect stretching beyond Hong Kong itself. By healing one of the historical scars which have affected Chinese perceptions of the West, it should benefit relations between China and the Western world generally. Should it fail, the economic and strategic damage would be grave. I feel, therefore, that we must all do what we can to ensure the Agreement works well. I am sure that I can count on your help.

Yours sincerely
Raymond

The Honourable R. J. L. Hawke, A.C., M.P.

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AUSTRALIAN HIGH COMMISSION

AUSTRALIA HOUSE
STRAND
LONDON WC2B 4LA
01-438 8000

Acting
THE HIGH COMMISSIONER

Prime Minister
A helpful reply. Thank
you letter in preparation.
C.D. 25/9.

25 September 1984

My dear Prime Minister,

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Mr Hawke has asked me to pass to you the following text of a letter concerning a statement he will be making on The Future of Hong Kong:

Begins.

Dear Margaret

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 1638/84.

Thank you for your message confirming the successful conclusion of your negotiations with the Chinese on the future of Hong Kong.

As you note, Australia has a very close interest in the stability and prosperity of Hong Kong and we very much welcome the fact that a settlement has been reached.

I am happy to meet your request and issue a personal statement on the agreement.

I propose to issue the following statement at an early opportunity.

"The Future of Hong Kong
Statement by Prime Minister of Australia

The government welcomes the agreement that has been reached by the British and Chinese Governments about the future of Hong Kong.

I congratulate both governments on having achieved this settlement.

It is noteworthy that more than two years of intensive negotiations have resulted in a detailed agreement being reached with the declared object of maintaining confidence in Hong Kong and ensuring its continued stability and prosperity.

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It has been my firmly and consistently held view, a view strengthened by my visit to Hong Kong and particularly by my discussions with Premier Xhao in Peking in February this year, that the discussions between the United Kingdom and China would result in an amicable and sensible agreement which would allow Hong Kong to continue to function in conditions acceptable to all the parties.

Australia has important interests in Hong Kong and in Hong Kong's continuing to play a positive role in the development of our region. The agreement that has now been reached, and the arrangements made for continuing cooperation between the parties involved in Hong Kong's future, will make an important contribution to the political stability of the Western Pacific region as a whole."

Best wishes

Bob Hawke

Ends.

Yours sincerely,

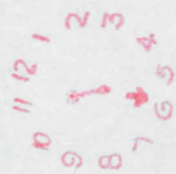
R.H. Robertson

R.H. Robertson

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

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25 SEP 1984



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File to

10 DOWNING STREET

From the Private Secretary

25 September 1984

HONG KONG: AUSTRALIAN STATEMENT

I enclose a copy of a letter from Mr. Hawke to the Prime Minister in reply to hers asking him to make a statement on Hong Kong as soon as possible after the initialling of the Agreement.

I should be grateful for a draft reply.

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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