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Foreign and Commonwealth Office

London SW1A 2AH

20 June 1989

Dear Charles,

Visit by the Prime Minister of Australia: Hong Kong

I wrote to you on 19 June about the Prime Minister's meeting with Mr Hawke on 21 June. We expect Mr Hawke to refer to Britain's responsibility for the people of Hong Kong. In preparation for this meeting the Prime Minister might therefore like to know what progress has been made by the task force which has been reviewing the application of our immigration and nationality laws to Hong Kong and what the Foreign Secretary said on this subject when he gave evidence to the Foreign Affairs Committee on 14 June.

One suggestion which has been widely canvassed in the light of recent events in China is the possibility of international action to provide the "insurance policy" which Hong Kong people are seeking. The Foreign Secretary made clear to the Foreign Affairs Committee that if the worst came to the worst, and disaster overtook Hong Kong, it would plainly be our duty to seek to mobilise the widest possible international support for whatever action was then necessary. But to do that now in relation to a hypothesis which we all devoutly hope is not going to happen, would neither get the response which proponents of an international solution want, nor would it help to head off the hazard that we all wish to avoid.

In any case we very much doubt if the international community would ever be able to make a commitment of the order of magnitude necessary to accommodate the entire population of Hong Kong. Australia, Canada and the United States are already taking significant numbers of Hong Kong people for settlement. (Of the 45,000 or so people who emigrated from Hong Kong last year, around 8,000 went to Australia.) But all these countries also have other immigration commitments of their own.

As far as the operation of our own nationality and immigration laws is concerned, a task force including Home Office, FCO and Hong Kong Government

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officials has been conducting an urgent review of the scope for flexibility. The task force has been examining a range of possible options to provide further assurances to British nationals in Hong Kong that would enable those whose skills and abilities are most needed in Hong Kong to remain there. The Foreign Secretary and the Home Secretary aim to circulate a paper to OD(K) for discussion on 29 June.

If Mr Hawke raises the matter the Prime Minister may therefore wish to:

- explain why Britain cannot take all 3.25 million BDTs, let alone all 5.7 million residents of Hong Kong;
- tell him that we are looking urgently at how to provide "insurance" to key groups, in both the public and private sector;
- refer to the Foreign Secretary's assurance to the FAC that Britain would make every effort to organise an international response to a possible refugee crisis in the very worst case.

Jaw,
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