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CF to note



Hong Kong

cc FCO

10 DOWNING STREET

THE PRIME MINISTER

Original in G.R.

9 November 1979

Dear Chris,

Thank you for your letter of 29 October about the interest shown in Hong Kong in the Far Eastern Economic Review article suggesting that I should raise the question of Hong Kong's future during the Chinese Prime Minister's visit to London.

It is understandable that people in Hong Kong should be wondering whether the time has yet come for us to start discussions with the Chinese authorities over the territory's future. The Chinese Government, however, have made it clear on more than one occasion that they believe it is still too soon to consider Hong Kong's future in any detail. This was clearly implied by the Chinese Foreign Minister during his press conference here in London last Friday.

At the same time, the Chinese authorities are aware of the need to reassure investors that their interest will be fully taken into account when the time does come to consider Hong Kong's future. They have made a number of statements to this effect this year, and Premier Hua Guofeng touched on the subject during our discussions last week. The important thing at this stage is that Britain and China have a mutual interest in maintaining Hong Kong's current prosperity and stability.

Yours

James Callaghan

Chris Patten, Esq., M.P.

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