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MR COLES

HONG KONG

When Sir Frank Cooper paid his farewell visit on the Prime Minister, he said how worried he was about the prospects for Hong Kong. He thought that there was no prospect that the Chinese would agree to anything less than full sovereignty and control, but this would be very prejudicial to the interest of a large number of Hong Kong residents, many of whom had originally been refugees from the Chinese. However, Sir Frank Cooper said - and the Prime Minister agreed - that there was no realistic prospect of defending Hong Kong from the Chinese if they were determined to take it over.

In the course of a brief discussion, Sir Frank Cooper said that contingency plans were being made for the maintenance of internal order in Hong Kong. But he suggested that it would be wise for the Prime Minister to ask the Chiefs of Staff to let her have their professional assessment of the scope for reinforcing and defending Hong Kong in the event of external aggression. Sir Frank Cooper suggested that it would be a defence for the Prime Minister to say that she had obtained this assessment.

The Prime Minister agreed and asked me to arrange to obtain an assessment of this sort. Since this is not immediately urgent, I have not acted on it because I thought that it might be easier for you to frame such a request in the context of the rest of policy towards Hong Kong without raising the alarms which such a request, coming out of the blue, might cause.

F.R.B.

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24 December 1982