



**British Consulate-General**

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A. J. Coles Esq.  
Prime Minister's Office  
10 Downing Street  
LONDON

Your reference

Our reference

Date

22 December 1983.

C/F.

I note to the F/C.O. about Dr. Henning  
using the bag. Pl. attach papers.

pt + A.J.C. 3/1

Dear John,

I enclose a copy of a self-explanatory letter from a Mr. Roger Henning of Henning International in Sydney, addressed to Martin Berthoud, who is on mid-tour leave.

My instinct is to disbelieve those who make the assertions contained in the first paragraph of this letter, but given the claims he makes later, I thought I might take advantage of knowing you and of being an Old Boy of No. 10 myself, and bend the rules a little and send you the letter for the Prime Minister without insisting that it be unsealed. I should be grateful to know what you would like us to do with any further letters from him.

Yours ever,

D. Pragnell

D. Pragnell

Encl.





# HENNING INTERNATIONAL

SUITE 604 135 MACQUARIE ST., SYDNEY N.S.W. 2000 AUSTRALIA  
Tel. (02) 27 9949    TELEX AA24667    CABLES: HENINT SYDNEY

RH:ng

**CONFIDENTIAL**

21 December, 1983

Dear Prime Minister,

Following our meeting with John Coles I have quietly proceeded to examine the Hong Kong situation without further reference to you.

Since then a number of things have emerged.

First, we have found that every member of the Chinese business community in Hong Kong has a differing opinion on the situation.

Those that we did discuss have remained pessimistic. One of our people has recently spent three weeks in Hong Kong and Macau and we have learnt that even entrenched, wealthy Hong Kong residents have now invested in Perth, Western Australia business operations.

It is obvious that the decline in confidence will not be stemmed unless there is a successful image-making campaign undertaken to successfully promote a compromise.

In our opinion, backed up by the observations recorded from other sources, your British PR machine in Hong Kong is too stiff and not in a position to come up with a campaign to gain support from the rest of the free world and to help convince the Chinese to retain British administration.

You hit it on the nail when you described the success of Hong Kong as being "the magic of the mix of British administrative and financial skills with the cultural benefits of the Chinese influence."

From our experience in dealing with image-makers in Hong Kong, we believe the thrust should come from a source outside of Hong Kong.

There is a need for media visits to Hong Kong from the United States, countries in Europe as well as the UK.

However, it is pointless having visits made by influential writers unless you are able to present them with a palatable alternative.

Material needs to be developed that can be made available to all media visitors to Hong Kong with emphasis on a theme of "joint co-operation" between the British Government and the Government of the Peoples Republic.

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CONFIDENTIAL

21 December, 1983

It will take time to formulate a PR policy which will provide the hooks to capture the support of western media representatives and to persuade the Chinese authorities that perhaps they need to look again.

One impeccable source in the United States with superb contacts in Hong Kong, Taiwan, Korea and with family inside China has advised me that the US Government plans to take advantage of the decline in confidence in Hong Kong.

He informs me that the US Government is planning to turn Guam into a fully fledged tax haven with all the benefits that are available in the Dutch antilles.

He says the US IRS are planning to approve very liberal methods of operation in Guam which will benefit accounting firms, banks, lawyers and others who wish to transfer money with ease, speed and without trace.

Moves are also afoot to establish Macau as a financial centre with incentives to banking organisations and manufacturers to move their operations to Macau.

I intend to visit Hong Kong early in the New Year and would appreciate any update on the situation that may be beneficial and help me to come up with suggestions that may assist you.

I have kept up-to-date with media coverage of the situation but have had no further official input following our last meeting.

There is a solution to the situation and in my opinion a starting point to open up more sensible communication is to focus attention through the international media on the benefits of the existing system of government in Hong Kong.

Should it be necessary for John Coles or anyone else to brief me further could you kindly note my home telephone number is Sydney (02) 46-4058 and from Boxing Day for about three weeks I will be at my holiday retreat on the Central Coast (043) 42-4533.

I will only make contact when there is something of substance to report and will continue to use your diplomatic bag for this purpose.

The situation remains extremely sensitive because of our involvement in South and South-East Asia and Japan but I am convinced positive results can be achieved.

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CONFIDENTIAL

21 December, 1983

May I extend to you, Mr Thatcher and the twins our best wishes for a very happy festive season. May your Christmas be peaceful and relaxed with your family and we hope that you have a very happy 1984.

Sincerely and with best wishes

(ROGER HENNING)  
Managing Director

The Right Honourable Mrs Margaret Thatcher  
Prime Minister  
10 Downing Street  
London  
UNITED KINGDOM

PRIAR BOND  
AUSTRALIA





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RH:ng

21 December, 1983

**CONFIDENTIAL**

Dear Mr Berthoud,

During my last meeting with your Prime Minister I was advised to communicate

The enclosed letter is for Mrs Thatcher and I would appreciate it if you could send it off

Should there be any difficulty in regard to this request could you please contact John Coles who is her Private Secretary responsible for political affairs.

He was involved in an hour long conference I had with Mrs Thatcher on my last visit to London.

I can call him at Number 10 if there is any reason for the enclosed envelope being delayed and have him call you.

I realise this is an unusual request and enclose some information regarding Henning International. I am a personal friend of the Thatcher family and this can be quickly established.

Should you need to contact me at any time outside of office hours my home telephone number is (02) 46-4058. From Boxing Day for about three weeks I will be at my Central Coast retreat on (043) 42-4533.

May we extend to you, your family and staff greetings for a very happy Christmas and a prosperous 1984.

Sincerely and with best wishes

(ROGER HENNING)  
Managing Director

Mr Martin S Berthuoud  
Consul General  
British Consulate-General  
Goldfieds House  
Alfred Street  
SYDNEY NSW 2000

encls.

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