



3

472

10 DOWNING STREET

THE PRIME MINISTER

9 January 1984

STRICTLY PERSONAL

Dear Lord Gomer.

I was very grateful for your letter of 15 December about Hong Kong. Please do not hesitate to write again about this or any other subject. Your views are most valuable.

As you say, Sir Percy Cradock was held in the highest esteem both in China and in Hong Kong. I am very glad that he is due to take up his job here this month as my adviser on foreign affairs and that he will also be taking over responsibility in the FCO for supervising Hong Kong negotiations. His appointment has been widely welcomed in Hong Kong.

A great deal of thought was given to the appointment of the new Ambassador in Peking. Both Sir Richard Evans and his staff have been selected on grounds of all round ability, not just because of their knowledge of the Chinese language and Chinese affairs. Seen from inside, the negotiating team seems to have put up a very good performance.

I note what you say about the inclusion in the delegation of the Governor of Hong Kong. But as you will appreciate, we have the difficult task of making progress in the negotiations with the Chinese while retaining confidence in Hong Kong at the same time. The presence of the Governor in Peking at the negotiating sessions is essential in order to reassure Hong Kong opinion - and the people of Hong Kong pressed very strongly in the early stages that Sir Edward Youde should be in the team.

/ The Chinese



The Chinese Government would no doubt prefer it if he were not present, but they have accepted him as a member of the British negotiating delegation.

I found interesting your ideas about appointing a distinguished political or legal figure to conduct the negotiations. I certainly do not have a closed mind about the best way of managing the negotiations but for the time being I think that the present team with the continued involvement at this end of Percy Cradock is appropriate.

We are all giving the highest priority to this matter. Not only I, but Geoffrey Howe, Richard Luce and a number of senior officials spend a great deal of time on the problem and are prepared to deploy whatever resources are necessary to ensure that no chance of a successful outcome is missed.

Your reference to the political adviser in Hong Kong is being followed up separately.

Warm regards

Yours sincerely  
Raghu Shetty

The Rt. Hon. The Earl of Cromer