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10 DOWNING STREET

From the Private Secretary

4 October 1982

Visit of the Prime Minister to the Far East

I think the Prime Minister would find it helpful to have a brief note soon explaining how Departments propose to follow up the various points outstanding from her visit to the Far East. In preparing such a note you may like to bear the following points in mind.

Hong Kong

I understand that, following a brief discussion at Cabinet last Thursday, the Home Secretary may wish to let the Prime Minister have his views on the question of the use of the term "British nationals" in Hong Kong passports.

China

As you know, the Prime Minister undertook to consider whether we could help with:

- (a) The Luda destroyer project;
- (b) Fees for Chinese students in Britain and English language training for Chinese.

In considering advice on these matters, I believe that the Prime Minister will wish to consider carefully whether it is appropriate to make any further gestures to the Chinese until they have shown themselves disposed to be helpful over the future of Hong Kong (or, conversely, whether any such gestures could help to produce the solution we require).

Japan

You will recall that the Prime Minister invited the Japanese Prime Minister to visit Britain, though without naming a date. The Prime Minister told me later that she thought we should attempt to time the visit in the way most likely to advance our economic interests.

In view of the references to the future of Hong Kong in this letter, I am not copying it to other Departments, but you will doubtless consult them before replying.

JC

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