

*cc/c*



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

10 July, 1984

The proposal is not to put the idea of an elected Governor to the Chinese now, but leave the option open for later i.e. during the late '80s.

Dear Charles,

Agree?

*Yes*

C.D.P.

10/7.

Future of Hong Kong: Constitutional Development up to and After 1997

On 25 June the Secretary of State minuted to the Prime Minister about constitutional development in Hong Kong before 1997. With this minute was enclosed a paper on the role of the Governor in the 1990s. This examined alternatives for possible changes to the role and method of appointment of the Governor. The paper sets out four main alternative approaches:

- (a) retention of a British Governor appointed from London up to 1997;
- (b) a locally elected Governor taking over the full administrative powers of the present office;
- (c) retention of a British Governor appointed from London but with an elected local Chief Minister;
- (d) a locally elected Governor, but with powers reserved to HMG for foreign affairs and defence.

This paper was considered by OD(K) on 28 June. The Sub-Committee invited the Secretary of State to discuss the future role and method of appointment of the Governor with Sir Edward Youde and Sir Richard Evans.

The Governor and the Ambassador have now discussed the governorship with FCO Ministers. I attach a copy of the paper considered by them. It was agreed that we should leave our options open on the role of the Governor, and in particular that we should not take any action that would rule out the possibility of an elected Governorship before 1997 as our eventual aim. It was also agreed that we should not approach the Chinese on the question at this stage.

I should be grateful to know if the Prime Minister can agree to the proposed course of action.

I am copying this letter to other Private Secretaries of OD(K).

*Yours ever, L. V. Appleyard*

(L V Appleyard)  
Private Secretary

C D Powell Esq  
10 Downing Street

FUTURE OF HONG KONG  
CONSTITUTIONAL DEVELOPMENT UP TO AND AFTER 1997

1. An important British requirement is to clarify the way in which constitutional arrangements in Hong Kong should develop in the period before 1997, particularly where the position of the governorship is concerned. This is linked to the need to achieve continuity beyond the period of transition, and hence to be able to state in the agreement with the Chinese as precisely as possible what constitutional arrangements would apply after 1997.
2. Whether dealing with the Executive and Legislative Councils, or with the governorship, our main objective is to establish as firm a basis as possible for continuity after 1997. The Chinese so far refuse to include a precise description of the constitutional machinery in the agreement or annexes, maintaining that this must await the appearance of, and be in line with, the Basic Law. They go further and say that arrangements up to 1997 should also be adjusted when the Basic Law is promulgated. Their general declarations of support for "democracy" in Hong Kong are qualified by suspicion of our intentions with regard to representative government; by their view (in their draft exchange of notes) that the future Chief Executive of the SAR should be appointed after "election or consultation"; and their indications to us that they would expect to discuss with us the appointment of senior officials in the period shortly before 1997.
3. There is a reasonable prospect that the Chinese may refrain from any direct criticisms of the proposals in the draft Green Paper as they affect EXCO and LEGCO, although they are likely to reserve the right to regard them as experimental and to reverse them after 1997. They would however be much more suspicious of any move towards an elected local Governor before 1997 since they would expect HMG to keep control up to that date in order to hand the territory over in good order, and they would rightly deduce that we were trying to tie them down on the method of selecting the Chief Executive after 1997.
4. From our point of view the arguments in favour of establishing

an elected governorship before 1997 are based on the advantage of promoting full local autonomy, which would carry on thereafter. There could be problems for HMG however if the need arose, before 1997, to exercise British authority (eg to put down local disturbances). An elected Governor might find that his position as a Hong Kong "representative" conflicted with that as the Queen's appointee. There could be difficulties over division of responsibility for internal security and the answerability respectively of the police and the Commander British Forces. Short of unrest, political differences could also arise between London and Hong Kong. One possibility might be to retain a British appointed Governor but to add an elected Chief Minister (with powers for defence, foreign affairs, and in an emergency, internal security reserved to the former). The problems here would be two-fold. In the first place differences between London and Hong Kong would surface on the ground. The Chief Minister might still feel obliged to advise against a course of action favoured by London and the Governor. The resulting political crisis would be little less than one in which London overruled (and possibly dismissed) a locally elected Governor. Moreover, such an arrangement would only be a half-way house to the full local autonomy which we would aim to see continued after 1997. While we should seek a transition in which the Governorship disappeared in 1997 and the Chief Minister became Chief Executive of the SAR, the Chinese might seek to use the arrangement to allow a Peking representative to exercise the reserved powers after 1997. Even if they held to their undertaking not to send anyone to rule Hong Kong, public opinion now would see as extremely risky the establishment of an outside British representative to exercise the same powers as would be reserved to China after 1997 under an agreement.

5. In practice, if we could obtain Chinese acquiescence, a move to an elected local governor would be the most advantageous option for Hong Kong. The problem of the exercise of British power in the 1990's should not be seen in terms of a normal colonial relationship or even as analogous to the situation shortly before independence in other countries. Order would be maintained on the one hand by the confidence inspired by the original agreement and by indications of Chinese readiness to honour it, and on the other by the imminence of

Chinese, rather than British power. Nevertheless, it would possible to reserve powers to HMG, to be exercised through the elected Governor in the first instance or directly if that relationship broke down. (See Annex)

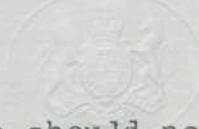
6. Chinese acquiescence in the appointment of an elected Governor would be necessary before we could with confidence take action to implement such an arrangement. Without it there might be a political clash which would overshadow the period up to 1997 and endanger the credibility of an overall agreement. The timing and method of the sounding of Chinese views on this question needs careful consideration. There is a case for approaching them soon, while negotiations are still in progress testing their reaction to the idea of an elected Governor. We shall in any case need to inform them of the contents of the Green Paper on Constitutional Development and a discussion on the Governorship might form a logical sequel to that.

7. However it is doubtful whether this sort of approach would be helpful. The indications are that the Chinese are not prepared to commit themselves on this question at such long range and that if asked they would at best give an imprecise answer and at worst turn the idea down. It would therefore be better to approach the problem from the other end and to concentrate on trying to get wording in the annex to the agreement on constitutional arrangements which left open the possibility of an elected Chief Executive of the SAR after 1997. The idea then would be to observe Chinese reactions to the implementation of the various stages in the Green Paper and to decide whether an approach should be made to them about the Governorship later on. This would have the advantage of keeping our own options open on the question so that we could see what problems arose during the late eighties over the Government of Hong Kong which might affect our view on the Governorship.

#### CONCLUSION

8. It is agreed that we should inform the Chinese of the contents of the Green Paper shortly before publication. We should make it our eventual aim to achieve the establishment of an elected

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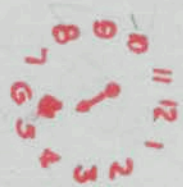


Governorship before 1997. We should not approach the Chinese on this question at this stage. In the negotiations, however, we should work for wording in the annex which left open the possibility of an elected Chief Executive after 1997.

Hong Kong Department



Hong Kong Future  
PT 15



10 JUL 1984

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10 DOWNING STREET

*From the Private Secretary*

11 July, 1984

cc OD(K) Ld Pres Home Sec Ch/Ex S/Defence LPS S/TI A. Gen Mr Luce (FCO) R.M. 13

FUTURE OF HONG KONG: CONSTITUTIONAL DEVELOPMENT UP TO AND

AFTER 1997

Thank you for your letter of 10 July about the role of the Governor of Hong Kong in the 1990s.

The Prime Minister agrees with the conclusion that we should leave our options open on the role of the Governor, not raise the question with the Chinese now, but not take any action that would rule out the possibility of an elected governorship before 1997.

I am sending a copy of this letter to the other Private Secretaries of OD(K).

(C.D. Powell)

L.V. Appleyard, Esq.,  
Foreign and Commonwealth Office

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