

CONFIDENTIAL

*pp, please*

MR POWELL

20 February 1985

HONG KONG CONSTITUTIONAL DEVELOPMENT

I agree with the recommendations in the Foreign Secretary's minute of 19 February.

- a. On the suggestion that reserve powers of legislation be created for the Governor, the strongest contrary arguments, to my mind, are that this would be seen as a declaration of no confidence in the elected legislature we are about to set up and, above all, that it would give the Chinese a precedent for giving the same powers to the Chief Executive after 1997.
- b. On the power of dissolution, it is true that such a provision might also be used as a precedent by the Chinese. But this should not be dangerous provided that the power was firmly coupled, as it would be in this case, with a requirement to hold fresh elections within a specified period. In other words, the argument in paragraph 11 of the minute seems to me a sound one.



PERCY CRADOCK

CONFIDENTIAL