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Foreign and Commonwealth Office

London SW1A 2AH

2 May 1986

Prime Minister
Agree that we should
aim to retain a British
Governor of Hong Kong up
to 1997? And should
we EXCO this?

I see no need
to take such a
decision now. rights
to 1997. The only

Hong Kong: Constitutional Development:
Future Position of the Governor

On 10 July 1984 Len Appleyard wrote to you on the future position of the Governor of Hong Kong. His letter identified four main options as regards the role and method of appointment of the Governor:

relevant point
is who
will be
the next person
and we will
decide that
at the
appropriate
time
not

- 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.

It was then recommended that we should leave our options open: we did not know how an eventual agreement with the Chinese would deal with this issue. In your reply of 11 July 1984 you recorded the Prime Minister's agreement.

The Joint Declaration has now been in force for some time; the Basic Law Drafting Committee has begun work in Peking on the document which will describe, among other things, the structure of Government after 1997; and we are to conduct a review of representative government in Hong Kong next year, consulting local opinion. It seems necessary, therefore, to take a view now on some of the essential points concerning the appointment of the Governor to 1997. Once that has been done, it will then be necessary to consider how the structure of government below the Governor's level should be developed in order to provide for a smooth transition in 1997.

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When we looked at this question in mid-1984 the major argument adduced in favour of an elected Governorship was that an elected Governor could simply continue in office in 1997 as the new Chief Executive, preserving continuity and making it difficult for the Chinese to install an appointee from Peking when sovereignty reverted to them. However, the Joint Declaration as eventually negotiated with the Chinese included a provision that the Chief Executive must be a local Hong Kong inhabitant "appointed by the Central People's Government on the basis of elections or consultations held locally". This removes our earlier concern about a Chinese implant.

There are strong arguments in favour of retaining a British Governor appointed from London for the full period of our administration up to 1997. He would symbolise HMG's continuing commitment to the territory. He would also provide the surest means by which British authority could be directly exercised in the territory, for instance in maintaining order in the event of unrest during the closing years of British administration. We believe that Hong Kong opinion would also welcome retention of a British Governor for the same reasons. The Chinese would favour it too. Indeed they almost certainly expect it of us, as the most effective mechanism to enable us to discharge our responsibility under the Joint Declaration for administering Hong Kong up to 1997.

The disadvantages of withdrawing a British Governor before 1997, and relying on a local Governor or Chief Executive, seem equally clear. Such a move would be perceived by very many in Hong Kong, and also by the Chinese, as premature British withdrawal. Moreover it would be very difficult for the British Government of the time to exercise their authority in conditions of crisis, perhaps in the face of opposition from a local Governor with a perceived local mandate.

Sir Geoffrey Howe believes therefore that the arguments in favour of retaining a British Governor up to 1997 are strong. Once this question has been decided we shall have to address the question of how to secure continuity across the transition to a Hong Kong SAR headed by a Chief Executive in 11 years' time and how to do so in such a way that the risk of Chinese interference is minimised. A possible way of doing this would be to introduce a Chief Executive into the present system sometime before 1997. Some of the powers currently exercised by the Governor might then be progressively devolved upon the Chief Executive, within the framework of the Joint Declaration and with sufficient powers reserved to the Governor to ensure that HMG remained fully able to discharge their continuing responsibilities. Preliminary work on this further question has already been started here and in Hong Kong.

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Before consulting the Prime Minister and colleagues formally on our future policy towards the position of the Governor, Sir Geoffrey Howe thinks it would be right to indicate to ExCo the basis on which he proposes to do so, so as to allow them the opportunity to comment. This would be in accordance with the established practice of consulting ExCo on important issues of policy affecting Hong Kong. Sir Geoffrey proposes however that the Governor, in putting the matter to ExCo, should give them a clear steer: he would tell them Ministers take the preliminary view that the advantages of retaining a British appointed Governor up to 1997 were clear cut. Sir Edward Youde believes that ExCo will reach the same conclusion.

Having obtained ExCo's views, Sir Geoffrey would then propose to invite the Prime Minister and OD(K) colleagues to have a full discussion of the matter.

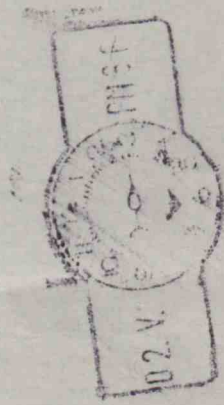
Yours ever,

(R N Culshaw)
Private Secretary

C D Powell Esq
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HONG KONG - Futaba Pt 18



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see ECI
as per Cadogan

10 DOWNING STREET

From the Private Secretary

8 May 1986

**HONG KONG: CONSTITUTIONAL DEVELOPMENT:
FUTURE POSITION OF THE GOVERNOR**

Thank you for your letter of 2 May about the future position of the Governor of Hong Kong, in which you convey the Foreign Secretary's recommendation that we should decide now to retain a British Governor of Hong Kong up to 1997.

The Prime Minister remains unconvinced that it is actually necessary to take such a decision, binding ourselves up to 1997, now. The reasons for doing so are not explained in very compelling terms in your letter. You may wish to set out the case more fully. But for the time being, the Prime Minister's view is that the only relevant point for decision is the nomination of the eventual successor to Sir E. Youde. That will no doubt come forward in due course.

CHARLES POWELL

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

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