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Foreign and Commonwealth Office

London SW1A 2AH

17 July 1986

Dear Charles
I think we must reserve the position of future gov. here to chart their mind to content?
Prime Minister
CDP 17/7.

Hong Kong: Future Position of the Governor

Suppose this thought it right to provide
Had Chinese governor in say 1994?
not

In your letter of 8 May you said that the Prime Minister remained unconvinced that it was necessary to take now a decision binding ourselves up to 1997 about the retention of a British Governor, appointed from London, until 1997.

The Foreign Secretary understands the Prime Minister's view. There is nonetheless a need for us to go ahead now with planning directed at ensuring the smoothest possible transition for Hong Kong through the 1990s.

The Basic Law Drafting Committee, set up by the Chinese Government and including unofficial Hong Kong representatives, has begun work on the Basic Law. This document will lay down the structure of Government in the Hong Kong Special Administration Region after 1997. We are ourselves committed to reviewing the system of representative government in Hong Kong next year, and to considering what further evolution might be in accordance with the needs and wishes of the Hong Kong people.

We need to consider what will be the best direction for development before 1997 if the structure of government in place when the change of sovereignty occurs is to dovetail into that laid down by the Basic Law for the period after 1997. A key element will be the leadership of the executive. After 1997 this will be in the hands of a local Chief Executive who, in the terms of the Joint Declaration, will be "appointed by the Central People's Government on the basis of elections or consultations held locally". We need to begin planning how to achieve the smoothest possible transition to that arrangement, while ensuring that, up to 1997, ultimate responsibility for the administration of Hong Kong remains firmly in our hands.

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To assist that process it seems sensible to make certain planning assumptions about the position of the Governor and the Chief Executive. These planning assumptions can be revised and will not bind us up to 1997. The Foreign Secretary felt it was right to consult the Hong Kong Executive Council on this, while making it clear that no decisions had been taken. Having considered the matter, Exco think that we should take it as a planning assumption that a resident British Governor, appointed from London, will be retained up to 1997. On that basis they would like to see further examination of how to develop the role of the Chief Executive so as to ensure a smooth transition and the maximum practicable continuity in 1997. As I suggested in my letter, we might meet that need by planning for the introduction of such a post into the system in advance of 1997.

Sir Geoffrey Howe believes that it would now be right for planning work to go ahead in Hong Kong and London, covering both the future position of the Governor and the linked question of the role of the Chief Executive. Once a more detailed planning framework has been established he would propose to consult colleagues formally. He would be grateful for confirmation that the Prime Minister is content with this way of proceeding.

Yours ever,

Robin Culshaw

(R N Culshaw)
Private Secretary

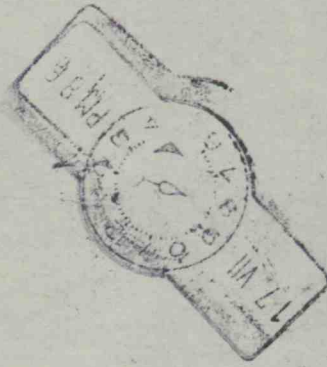
C D Powell Esq
PS/10 Downing Street

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HONG KONG

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Foreign and Commonwealth Office

London SW1A 2AH

28 July 1986

CDP
29/7

Dear Charles

Hong Kong: Future Position of the Governor

Thank you for your letter of 1~~8~~ July about the future position of the Governor of Hong Kong.

I can confirm that the proposed retention of a British Governor, appointed from London, until 1997 is no more than a planning assumption: it is not binding and can be changed. We shall now go ahead with planning work on that basis.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
No 10 Downing St

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

18 July 1986

HONG KONG: FUTURE POSITION OF THE GOVERNOR

Thank you for your letter of 17 July about the future position of the Governor of Hong Kong.

The Prime Minister thinks that we must reserve the right of a future EXCO and a future government in this country to change their mind and appoint a non-British Governor before 1997. As I understand your letter, all that is at present involved is a planning assumption that we shall retain a British Governor, but this is not binding and can be changed. If you would confirm that the point made by the Prime Minister is fully met, you may take it that the Prime Minister is content for planning work to go ahead as proposed.

BF

(Charles Powell)

R.N. Culshaw, Esq.,
Foreign and Commonwealth Office.

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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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