

PRIME MINISTER

HONG KONG: THE GOVERNOR AND THE CHIEF EXECUTIVE

You will recall that when you met EXCO they referred to the possible introduction of a Chief Executive (Designate) for Hong Kong before 1997. They appeared to favour this.

In the attached papers (Flag A) the Foreign Secretary argues that we should take a decision of principle now on the creation of such a post, and that he should give the Chinese Foreign Minister a very general paper on the subject next month. The details of how the Chief Executive would be chosen, the relationship between him and the Governor and the precise powers to be transferred or delegated to him would be left for later discussion. But the basic concept is that various powers should be progressively delegated by the Governor to the Chief Executive - who might have the title of Deputy Governor - over a period of four or five years before 1997.

There must be some risk in agreeing the principle and putting it to the Chinese before we settle the details. But Percy Cradock's note (Flag B) explains the urgency. Both the Chinese and EXCO are already thinking in these terms.

Agree that our policy should be to create a post for the Chief Executive (designate) in advance of 1997 as proposed in these papers; and that the Foreign Secretary should give the Chinese a paper discussing in general terms the possible creation of such a post?

OR

Prefer a discussion in OD(K) first? (Which would probably rule out the Foreign Secretary taking action with the Chinese during the Royal visit.)

(CHARLES POWELL)

25 September 1986

VC4AKB

SECRET

No - things have to work in practice & details must therefore be considered  
I assume he or she would have to be Chinese

C D P We also need to consider what we want for the post - not

too not  
We must discuss that proposed in Flag B  
Stally and could be one of those Janson expectations which land us in real difficulty at the end not

B

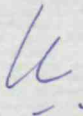
MR POWELL25 September 1986HONG KONG: THE GOVERNOR AND THE CHIEF EXECUTIVE

1. Your minute of 24 September.
2. I understand your worries, but we need to move fast with the Chinese. As was revealed during the recent meeting with Exco, Chinese thinking is developing faster than we had supposed. If we are to influence it we must feed in our views now. This is as true on the issue of the Chief Executive as on the more general question of the Basic Law. The Chinese have already revealed that they consider the Chief Executive must be chosen before 1997. But if he simply waits in the wings he will become a dangerous alternative focus of authority in the last years of our rule. The more reason to give the idea of a Chief Executive chosen before 1997 our slant. As the Prime Minister would gather from her meeting, Exco support the move.
3. It is true all the fine print of this proposal has not been worked out. The Foreign Office and Hong Kong are doing detailed work on the powers of a Chief Executive and the way he might be chosen. But these details will not cut across the broad proposal to be made to the Chinese, ie the possible creation of a Chief Executive post before 1997; whereas if we wait until every i. is dotted we may miss the bus.
4. Nor by acting in this way would we make our planning assumption of a British Governor until 1997 irrevocable. It would still be open to us to decide that there was need for a Hong Kong Chinese Governor in the last years, though I personally think this unlikely.

SECRET

5. The other concern expressed by the Prime Minister over the idea of a Chief Executive post established before 1997, namely that the Chinese might try to insist that a candidate of their own be appointed, is I think fairly dealt with in paragraph 5 of the Foreign Secretary's minute. In practice we would have to find someone agreeable to both sides. But if we could get a suitable figure and slot him into the system before 1997 the transition would be infinitely smoother, confidence would be enhanced and our influence after the handover would be greater.

6. I think it worth playing for.



PERCY CRADOCK

SIR PERCY CRADOCK

*minute*  
*H. R. G.*

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I am troubled by the Foreign Secretary's minute (attached). The Prime Minister is likely to argue that we are trying to run before we can walk. The paper admits that the definition of the powers of a Chief Executive before 1997, his relationship to the Governor and the methods by which he is chosen are highly sensitive. The paper puts forward no very firm proposals on them, yet it appears to be proposed that we should take a decision in principle to create a Chief Executive before our position on these issues - described as "subsidiary" - is settled; and that we should put a paper to the Chinese as early as next month. In view of her comment at the EXCO, I would expect the Prime Minister to regard this as premature.

Do you think this is a valid point? Alternatively, do you have some arguments to hand to cope with it?

*CDA*

C.D. POWELL

24 September 1986

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