



Prime Minister
The Foreign Secretary
proposes a holding line
on the Chief Executive at
his meeting with Mr Wu.

Foreign and Commonwealth Office
London SW1A 2AH

1 October 1986

He would identify the
problem & promise some
further thoughts soon (after OD(K) has considered).
Dear Charles, Agree? COP 1/K. Y

Hong Kong: The Governor and the Chief Executive

Thank you for your letter of 29 September. The Foreign Secretary discussed the issue further with the Prime Minister on the evening of 29 September.

Sir Geoffrey Howe explained why we need to indicate to the Chinese at an early stage that we see difficulty in their idea that the first Chief Executive of the Hong Kong Special Administrative Region (SAR) might be selected by the Chinese some time ahead of 1997 but not take up any functions in the administration of Hong Kong until 1 July 1997. Such an arrangement would mean an alternative government waiting in the wings in the crucial last years before 1997 and would inevitably cause serious erosion to the authority of the British Hong Kong Government. If we do not raise this issue with the Chinese soon there is a danger that this thinking will harden and/or become public: in either event it would be more difficult to persuade the Chinese to think again.

In Sir Geoffrey's view this danger might be reduced if he raised the issue briefly with the Chinese Foreign Minister in China in mid-October. He might say that

- one aspect of the need for convergence which is pre-occupying us is the introduction of the first Chief Executive of the Hong Kong SAR;
- this will need to be handled with particular care if a smooth transition is to be achieved;
- to select the Chief Executive in advance of 1997 but give him a role only on 1 July 1997, as the Chinese at present seem to have in mind, could cause problems;
- he hopes to share further thoughts on this with Wu later when we have been able to look at the problem, and its effect on our responsibility for the effective administration of Hong Kong before 1997 in more depth.



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This essentially negative holding line will not be as persuasive to Foreign Minister Wu as one which identified, in however general terms, an alternative approach, based upon the idea of introducing a Chief Executive (Designate) into the government structure of Hong Kong before 1997. But it might help to hold the position and it would give OD(K) an opportunity to consider the matter more fully. There is no prospect of arranging a meeting of OD(K) before Sir Geoffrey's departure for China on 10 October: but he looks forward to a discussion, on the basis of a fuller paper, at a meeting of the sub-committee after his return. Sir Geoffrey notes the Prime Minister's wish that the planned OD(K) meeting should also consider the development of representative government in Hong Kong. We shall prepare a separate paper on this as a basis for discussion.

The Prime Minister will wish to know that the Executive Council of Hong Kong gave further consideration yesterday to the issue of the Governor and the Chief Executive. They confirmed their support for the general approach described in the paper circulated earlier to members of OD(K) and expressed the hope that the issue would be discussed with the Chinese as soon as possible.

There is likely to be some disappointment that the opportunity of the Foreign Secretary's visit is not being taken to put to Wu personally a considered paper on the subject: however Sir Geoffrey Howe will do his best to see that an approach on the lines indicated above does something to mitigate any dismay in EXCO. He would explain the position fully to the Council when he transits Hong Kong on his way to China.

I am copying this letter to the Private Secretaries to members of OD(K) and to Sir Robert Armstrong.

Yours ever,

(A C Galsworthy)
Private Secretary

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2 October 1986

From the Private Secretary

Dear Tony,

HONG KONG: THE GOVERNOR AND THE CHIEF EXECUTIVE

Thank you for your letter of 1 October setting out the terms in which the Foreign Secretary might raise the issue of the appointment of a Chief Executive in Hong Kong in his talks with the Chinese Foreign Minister in mid October.

The Prime Minister is content that Sir Geoffrey Howe should speak as proposed. She agrees on the need for an early discussion in OD(K) both about the introduction of a Chief Executive into Hong Kong's Government structure and about the development of representative government in Hong Kong.

I am copying this letter to the Private Secretaries to members of OD(K) and to Sir Robert Armstrong.

Yours sincerely,
Charles Powell

Charles Powell

A.C. Galsworthy, Esq., CMG,
Foreign and Commonwealth Office.

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