

Letter to a Chinese friend in Hong Kong

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When I lived in Hong Kong, the big issue was the coming transition to Chinese sovereignty. I ended up playing a role in the debates.

The prevailing Western view was that the one country two systems idea would never work because China could not be trusted. But my first professional paper, written as part of the preparation for Nixon's trip to China, showed that China consistently honored its agreements. I believed those findings would apply in Hong Kong.

Second, the prevailing Western view was "the death of Hong Kong." Most Western papers constantly published articles, usually stimulated by Martin Lee and Chris Patten, saying that everyone was leaving Hong Kong and that there was a vast migration from Hong Kong to Singapore. I dug out the statistics showing that, at the worst, 64,000 people moved out of Hong Kong in a year but 80,000 moved in. As the change of sovereignty got closer, Western media expected the "exodus" to get worse but instead the number moving out declined sharply and the number moving in rose sharply until about three times as many people were immigrating to Hong Kong. Likewise, fewer than ten people per year moved to Singapore, but thousands of Singapore people moved to Hong Kong, forcing Hong Kong to build the Singapore International School to accommodate all their children. Western politicians and media had it completely wrong.

Hong Kong people were nervous about the transition and families often sent someone to Vancouver, Toronto or Sydney to establish a base just in case, but for most people Hong Kong was their home and the core of the family stayed in Hong Kong.

As a Governor of Amcham and as a Board member of the Business and Professionals Federation, I had access to China's top leaders and dealt with Zhu Rongji, Jiang Zemin, Li Peng, and others. They listened carefully to our advice, accepted many of our suggestions, and were conspicuously sincere about wanting one country, two systems to work. This was exactly the opposite of what Martin Lee and Chris Patten were saying. I debated Martin Lee twice, once on U.S. national television and once in front of an international lawyers' convention. He did not do well, because he insisted on using talking points like "After 1997 the PLA will be in the streets of Hong Kong arresting people." Anyone who studied it knew that China's leaders of the time were seeking to ensure that wouldn't happen. Most Hong Kong people understood that; the polls showed that a maximum 11 percent of Hong Kong people trusted Martin Lee compared with around 68 percent for Anson Chan.

As the 1997 handover approached, China scrupulously obeyed the Joint Declaration and the promises of the Basic Law. Britain did not. Britain imposed the new airport without doing the required consultation with China. It spent \$24 billion and kept top secret the Chinese government's offer of an alternative Shenzhen site that would have cost \$3 billion. Governor Patten reorganized the Legislative Council and

loudly boasted that he had not done the required consultation with China. The Western media and politicians found it inconvenient to mention Britain's failure to honor the agreements, in contrast with China's trustworthiness, but I was quite outspoken about it.

At the time of the handover, Hong Kong people were mostly quite proud of China and, despite their nervousness, basically loyal to it. In the 16 years I lived there, 1985-2001, I only heard one person speak of Hong Kong independence—the abrasive Emily Lau. Everyone else would have regarded that as a ridiculous idea.

Obviously, contrary to Western media predictions, Hong Kong did not die. It prospered. Moreover, Hong Kong's civil liberties were maintained. Publications like the New York Times had always stated, for instance, as a matter of fact not opinion, that the annual commemorations of June 4 would stop after the handover. On the contrary they often were larger. This was typical.

In recent years, however, the mood has turned sour. A huge protest movement has sporadically emerged. Large, peaceful middle class protests occurred over efforts to pass an Anti-Subversion Law and a Patriotic Education Law. Contrary to reports in the Western media that now use these as retrospective evidence that one country, two systems could never have worked, the debates and compromises over these important issues showed Hong Kong's resilience and Beijing's sincerity in managing the inevitable tensions of one country, two systems.

Recently, a small but noisy independence movement has arisen, and an overlapping violent youth protest rebellion has emerged. Why has this happened?

Peaceful mass protests are an inevitable result of Beijing's un-generous interpretation of the Basic Law, exemplified by its 2014 decision to continue to use a small committee of obedient dignitaries to choose the Chief Executive. China has been more concerned about control than it has been about preserving and consolidating the goodwill that was almost universal at the time of the handover. For instance, the Basic Law refers to "universal suffrage," which just means that everyone gets to vote. This could mean very open elections to determine the legislature and chief executive, or it could mean voting in cramped elections for narrowly defined functional constituencies and voting for a Chief Executive candidates predetermined by a tiny Beijing-controlled selection committee. Beijing chose the most highly constrained version and has not opened it up significantly. That maximizes control but also popular uneasiness.

Nonetheless a situation that seemed uneasily manageable has spun out of control. Why?

Thoughtful Chinese social scientists have pointed to the horrific inequality and lack of job prospects, together with Hong Kong's high property prices. As numerous mainlanders move to Hong Kong, property prices shoot up. Mainland people buy from local shops, making the shopkeeper prosperous and raising rents, but the shop staff often make little more than they did many years ago. Therefore people are squeezed and resentful of mainlanders. That resentment has resurrected old Cantonese nationalism. When I moved to Hong Kong in 1985, Hong Kong shopkeepers treated Japanese shoppers with charm but were often quite rude to Putonghua speakers. Then the Japanese faded and Hong Kong shopkeepers started learning Putonghua to sell to rich mainlanders. Now, driven by cramped, overpriced housing and helped

by swarms of mainlanders who cause traffic jams and buy up all the milk powder, old Cantonese resentments have resurfaced.

These social stresses are real, but they are not the core. It is important to listen to what people, including protestors, say. Their grievances are political; the economic issues magnify the political protests but are not the core motivations. Originally, this time, they were about the extradition bill, so why has not the tabling of the extradition bill muted them?

The extradition bill provided an outlet for frustrations that were building up. For nearly two decades China had honored the Joint Declaration and the Basic Law, but suddenly that changed. In 2015 China arrested Hong Kongers who published embarrassing books, initially for smuggling books over the border, but made clear that it was shutting down the Hong Kong publishers of such books. Quickly the industry was gone. Then, at the beginning of 2017, Public Security Bureau officers showed up at Hong Kong's Four Seasons Hotel and took multi-billionaire Xiao Jianhua across the mainland border. In November 2018 a Financial Times editor was refused a new visa and turned away from reentering Hong Kong because he chaired a Foreign Correspondents Club meeting where activist Joshua Wong spoke.

Suddenly Hong Kong didn't have freedom of the press, didn't have freedom of speech, and didn't have the rule of law. For the first time Beijing had definitively broken its promises to Hong Kong. But these things happened quickly and irreversibly. Popular frustration and fear built up, but there was nothing people could do. Hong Kong officials did not speak out. A Shanghai leader would have defended his city's core interests. Even though Hong Kong's leaders were from Hong Kong, they were now acting primarily as plenipotentiaries from Beijing.

Mainlanders in Hong Kong minimize these things as unimportant, usually insisting that Beijing is not changing Hong Kong's autonomous status. People who know him say Xiao was definitely guilty of a wide range of financial crimes. But rule of law doesn't mean rule of law except when Beijing feels an urgent need to arrest someone. Freedom of the press and speech don't mean freedom except when political leaders find it embarrassing. These are not small things; they break the core promises Beijing made to Hong Kong. People accustomed to freedoms feel deeply betrayed.

The Xiao Jianhua case is hugely embarrassing to me personally because in debates I ridiculed Martin Lee for saying that this kind of thing would happen. In my assessment of Chinese leaders' intentions I was right at the time, but current Chinese practice is more like Lee's prediction.

Whereas the previous issues had all been finished before anyone could act, the extradition bill provided the first situation where people could do something. Moreover, the extradition bill united broad parts of the community in protest. In addition to human rights activists, businessmen were terrified that, if they had a business dispute in China, Chinese politicians could reach into Hong Kong and get them, forcing their businesses to shut down. While Hong Kong officials said that any extradition requests would be filtered by Hong Kong leaders, nobody believed that Carrie Lam would reject a demand from a powerful Chinese leader. So the majority of the business community, other than the tycoons, supported protests, joined by groups like teachers. Because the ultimate cause of the protests was China's breaking of its most fundamental promises to Hong Kong, shelving the extradition law did not quiet the protests.

Facing repeated demonstrations by a million or more citizens of a city whose total population is only 7 million, China has two fundamental choices. It can address the grievances or it can repress with force.

So far, it has chosen repression by force. To justify that, it has relied heavily on two pretenses. First, it presents the small minority of protestors who are violent, and the overlapping small minority who advocate Hong Kong independence, as the core reality of the protests. Between one million and two million peaceful, mostly educated middle class, people marching in the rain believe that. If the demonstrations had leaders, they would authoritatively denounce the violent minority, but since the government will jail any leaders there is nobody who can authoritatively denounce these vicious vandals. The violent belong in jail, and Hong Kong independence activists are asking Hong Kong to commit suicide; they have little support. Chinese propagandists have produced highly professional videos, in Chinese and English, to characterize the demonstrations as basically violent attempts to destroy Hong Kong, but the world watches the reality of mostly peaceful marchers.

The other pretense is that the protests have happened only because of a few evil leaders or, most prominently, that they are the result of U.S. and Taiwan organization and money. China has produced extraordinarily detailed research videos on U.S. involvement in the Arab Spring, in the Color Revolutions, and much else, with the implication that the U.S. (or possibly Taiwan) must be the true organizer of the protests. Everywhere one hears whispers that the demonstrators are really doing it for U.S. money.

As someone who has been involved in political organization, I find it hard to believe any intelligent person would accept such a fantasy. A few Americans, however smart, can't motivate millions to turn out. Nor can U.S. money. Those who spread the fantasy are expressing contempt for Hong Kong people.

If China wants to negotiate a peaceful settlement, it needs somebody to negotiate with—an authoritative interlocutor. Because the experience of 2014 was that anyone identified as a leader got arrested, the current movement eschews formal leadership. That means nobody in the peaceful majority can authoritatively isolate the violent minority. It also means there is nobody for the government to negotiate with. Peaceful settlement requires the Hong Kong government to assure that peaceful leadership will not be prosecuted. This is Governance 101.

So far, China has doubled down on earlier mistakes. Telling businesses they will suffer if their employees speak out in favor of the demonstrations is a grievous breach of China's Basic Law/Joint Declaration promises of free speech. Moreover, some repressive tactics of the Hong Kong police, for instance shooting tear gas in enclosed spaces like subway stations, are prohibited in all civilized societies. They and the violent demonstrators both belong in jail.

If China successfully represses the demonstrations by force, the frustrations will just rise and protests will recur. Businesses vulnerable to being threatened based on the free speech of their employees will depart, or if they can't move their most dynamic employees will depart. That would be the end of Hong Kong as we know it.

If China wants to solve the Hong Kong problem, it will acknowledge that mistakes have been made, blame the mistakes on decision makers below the top, and re-commit to the promises made in the Joint

Declaration and the Basic Law. More fundamentally, it will reflect on 22 years of experience and realize that Hong Kong is not a business entity to be run like a business by a Chief Executive with a business or civil service background. It is one of the world's most important cities and has to be run as a political unit by a Mayor or Governor who is empowered to speak up for the city's interests. Beijing can still insist on loyalty—loyalty oaths are required, and loyalty to the nation expected, in all major capitals including Washington DC, not just Hong Kong--but the leader will only regain the confidence of the people of this great city if the people have more influence over the choice of that leader and if that leader has the same authority to defend her city's interests that any Shanghai mayor would have.

If China does this, it will split the peaceful majority away from the tiny violent minority. It can then put those who burn buildings and throw firebombs where they belong—in jail.

I am conscious that speaking out about these things can earn me powerful enemies. Well, I spoke out when it was Western politicians who were getting Hong Kong wrong. I got denounced by very important people, who called me a panda hugger and sometimes even suggested that I was treasonous. This was extraordinarily painful, but I spoke out anyway. I have the same attitude when I believe Chinese politicians are getting it wrong. I love Hong Kong.