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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

December 19, 2022

The Honorable Antony J. Blinken
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable Janet L. Yellen
Secretary of Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Blinken and Secretary Yellen,

We write today about the need for increased accountability for the People's Republic of China (PRC) in its destruction of democracy and the rule of law in Hong Kong.

Nowhere is the deterioration of Hong Kong's autonomy more evident than with the case of Jimmy Lai, the founder of Apple Daily who was recently sentenced to six years in prison for fraud and is being targeted with further politically-motivated National Security Law charges. Mr. Lai has been in jail for almost two years since he was charged with unauthorized assembly for vigils commemorating the 1989 Tiananmen Square Massacre. Since then, the Hong Kong Justice Secretary and its prosecutors have revoked Mr. Lai's opportunity to post bail, denied him the right to a jury of his peers and replaced them with a three-judge panel handpicked by the government, and repeatedly tried to block his access to the legal representation of his choosing. The spurious charges against Mr. Lai should be dropped and he should be freed immediately. This case is a clear political signal that there is no future for a free press or for an independent judiciary – two elements of Hong Kong's special status that made it a vibrant international city and commercial hub – as long as the National Security Law is in place.

When the British handed over Hong Kong in 1997, the PRC promised to uphold the “one country, two systems” guarantee that would allow Hong Kong to develop into a thriving democracy and an international economic hub. The strength of the judiciary and rule of law gave Hong Kong credibility around the world, including to multinational corporations and U.S. firms looking to tap into the region’s business potential. However, given that the Hong Kong government intends to fully implement the National Security Law at the direction of Beijing, the United States should no longer treat Hong Kong differently than mainland China.

The fall of Hong Kong and the U.S. response, along with our coordination with like-minded partners, has ramifications for the future of the liberal international order – including with regard to the future of Taiwan. While we applauded the U.S. government’s action in March 2021 sanctioning twenty-four PRC officials for undermining Hong Kong’s autonomy, and for issuing a business advisory in July 2021, we believe these actions have not gone far enough. More needs to be done to ensure that the PRC understands the consequences of usurping democracy and sovereignty.

At a House Financial Services Committee hearing earlier this year, representatives from large U.S. banks indicated that they would follow the U.S. government's lead when it comes to Chinese investments. J.P. Morgan Chief Executive Officer Jamie Dimon stated the company would "absolutely salute and follow whatever the American government said...what you want us to do." However, just last month, the Hong Kong Monetary Authority (HKMA) hosted an investment summit welcoming top executives from Wall Street, including firms like J.P. Morgan, Blackstone, Morgan Stanley, BlackRock, and Goldman Sachs. The HKMA's goal was to convince global economic leaders that Hong Kong remains a critical and attractive international financial center, but the reality is far different. We must increase our outreach to the U.S. business community to ensure they understand that their participation in such events is legitimizing Beijing's takeover of Hong Kong and bolstering the reputation and credibility of a government sanctioned by the United States for human rights abuses. The U.S. government – both at executive agencies here as well as the U.S. Consulate in Hong Kong – should not be operating as if it is business as usual. That is the most important signal we can send to the U.S. private sector.

Further, Hong Kong still maintains its own separate voting share from the PRC at many multilateral organizations – including the Asia Pacific Economic Cooperation forum and the World Trade Organization – effectively doubling the PRC's voting power at these critical institutions. There is no longer a meaningful distinction between the PRC and Hong Kong. The United States should push for Hong Kong's reduction in voting share, and urge our allies and partners to join us in those efforts.

As we recognize the third anniversary of the enactment of the Hong Kong Human Rights and Democracy Act, we urge you to use all available tools authorized by that legislation and other acts of Congress to hold the PRC accountable for its actions in Hong Kong. If further tools are needed, we stand ready to work with you in finding new avenues to support the people of Hong Kong.

Sincerely,



Robert Menendez
Chairman



James E. Risch
Ranking Member