

Opening Statement by Senator Chuck Hagel

Hearing to Consider

Hong Kong After the Elections: The Future of "One Country, Two Systems"

Congressional-Executive Commission on China

September 23, 2004

A majority of the Hong Kong population supports the development of democratic institutions and a local government that fully represents their interests. This aspiration is within reach but has not yet been realized despite the commitment to universal suffrage in Hong Kong's Beijing-promulgated Basic Law. We meet today to examine the road ahead to a popularly elected Hong Kong government.

Mr. Chairman, I congratulate you for holding today's hearing. The United States has important interests in Hong Kong. There are over 1,000 U.S. businesses in Hong Kong and more than 50,000 American citizens reside there. The international business community is attracted to Hong Kong by its strategic location and international status, its open and transparent economy, and its strong tradition of rule of law. These are impressive achievements. Hong Kong's economic attractiveness is further strengthened by its steady progress toward democratic governance, a process set in place by the British in 1991 and carried forward by the Chinese government after 1997. Despite continued steps forward in the recent Hong Kong Legislative Council election, I am concerned that recent actions by Beijing toward Hong Kong were driven by backward looking policies designed to dampen Hong Kong's continued enthusiasm for democracy.

China's central government continues to state its support for eventual universal suffrage in Hong Kong as laid out in the Basic Law. However, the continuing process is no longer clear, and lack of clarity breeds uncertainty. Hong Kong stands as a successful model for all China, but uncertainty will stifle the prospects for Hong Kong's future prosperity and development. Beijing is both challenged and charged with developing China in a positive way. Mr. Chairman, as you have astutely pointed out, "Hong Kong will only become a threat if China makes it so."

The United States has a vested interest in Hong Kong's continued autonomy and the success of the "one country, two systems" model as laid out in the 1984 Sino-UK Joint Declaration and the Basic Law. Hong Kong's political and economic development has much to offer by example to China's leaders as they experiment with reforms elsewhere in the county. The United States wants to work with China to build a more open and participatory society. The United States and China will not always agree, and the United States should not shy away from voicing its concerns about human rights and the rule of law. Political change is complex and multidimensional, and it should be up to the Chinese people to decide where their country goes and how it gets there. But Beijing must listen to the voices of all China's citizens and take the first steps, and the United States must be ready to assist.

Thank you.