

**US Consul General Donovan: Hong Kong's Success is  
Important to the United States**

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**Chinese University of Hong Kong**

**(As Prepared for Delivery)**

Vice Chancellor Lau, honored guests, colleagues, faculty, and students: It's a great honor to speak at the Chinese University of Hong Kong's 'Diplomat Series,' given your institution's distinguished forty-plus year mission of bringing together China and the West. You have certainly helped to bring Hong Kong and the United States together. Over the years, your bilingual and bi-cultural programs have educated more than 3,000 American students and sent at least 500 Hong Kong students to the United States to supplement their education. I congratulate you on your many accomplishments.

But there is more to be done.

And your mission is more important today than ever before.

We face today a global financial crisis of unprecedented proportions. The British historian Arnold Toynbee once wrote that the measure of a civilization is its ability to overcome major challenges. The biggest challenge of our time may well be to restore the health of the world economy. Failure to do so will diminish our ability to deal with a host of other pressing issues, including climate change, global terrorism, poverty alleviation and pandemic disease. For our part, the United States has undertaken extraordinary steps to provide liquidity, strengthen financial institutions, protect depositors, and enforce investor protections.

Now faced with this daunting challenge, as well as conflicts in Iraq and Afghanistan, people often ask me if Hong Kong still matters to the United States.

My answer is yes.

What makes Hong Kong important to the United States? It's a combination of factors. And these factors are also the key to Hong Kong's well-deserved reputation as a vibrant

and dynamic, open society. Hong Kong's commitment to free markets, its free press, its independent judiciary, and its respect for individual and human rights, make Hong Kong's continued success important to the United States.

Let me use the financial crisis as one example of the critical role Hong Kong plays in the region and in our thinking about Asia:

As the crisis unfolded, the U.S. Government recognized that we needed to explain to Asian audiences what steps the U.S. had taken and why. Hong Kong was the logical venue to do so.

As the second largest financial market in Asia, Hong Kong has an important stake in restoring global financial and economic stability. During a short visit here, Treasury Under Secretary David McCormick was able to make a major public address, conduct a series of television and print interviews with media representatives who asked tough, informed questions and whose stories were quickly and accurately disseminated throughout the region. In addition, Under Secretary McCormick consulted with the Hong Kong government's world-class financial experts, who were already playing an important role in the crisis through Hong Kong's membership in the Financial Stability Forum. If you are not acquainted with it, the Forum is a group of major national financial authorities whose purpose is to promote international financial stability.

But Hong Kong is not only important in times of crisis. Hong Kong is also a great place for Americans to live and to do business.

Actions speak louder than words, so let me cite a few statistics:

- 60,000 U.S. citizens currently call Hong Kong home, and we estimate that one million more Americans visit here each year.
- Hong Kong is the United States' 14th largest export market for goods and services.
- This year Hong Kong will import some 1.2 billion U.S. dollars worth of U.S. food products, making Hong Kong our 7th largest food products market and our third fastest growing market.

- U.S. investments in Hong Kong total about 47 billion U.S dollars. Some 1,100 U.S. firms are registered here, and they employ approximately 10% of Hong Kong's total workforce.
- In turn, Hong Kong companies currently hold 3.2 billion U.S. dollars of investments in the U.S.

So, Hong Kong's continued economic success means jobs for Americans, thus contributing to America's economic prosperity. And that continued economic success hinges on a reliance on a market economy, combined with fair and transparent government regulation and respect for individual rights.

In another area, Hong Kong's independent judiciary and its reliance on rule of law, facilitates U.S. cooperation with Hong Kong to combat global terrorism and transnational crime.

In the fight against terrorism, the Hong Kong Police worked closely with the U.S. Consulate General's staff during the 2008 Beijing Olympics and Paralympics to ensure the safety of visitors to the Hong Kong-hosted Equestrian Events and the visiting U.S. Equestrian delegation. Our Department of Homeland Security works closely with the Hong Kong Customs and Excise Department to ensure the safety of shipping containers bound for the United States.

We also work together to combat international drug trafficking. The Consulate General's Drug Enforcement Attaché recently worked with the Hong Kong Customs and Excise Department to arrest two Hong Kong-based Colombians responsible for laundering millions of U.S. dollars in drug money.

In other areas of law enforcement, Hong Kong's Immigration Department recently provided our Customs and Border Protection office with information that led to the arrest of child smugglers in the U.S. And in another case, the FBI and the Hong Kong Police investigated and convicted members of a financial crime enterprise in the U.S. with the help of large volumes of critical evidence supplied by the Hong Kong Police. And our

Internal Revenue Service attaché provided a sworn statement for a Hong Kong court in support of a Hong Kong Police money-laundering investigation.

So Hong Kong's law enforcement agencies help protect Americans and keep them safe.

Law Enforcement isn't the only area where we have important cooperation with our Hong Kong counterparts. Our cooperation extends to public health issues like pandemic disease prevention and treatment, and increasingly, environmental protection, including air quality. The U.S. Centers for Disease Control highly value Hong Kong's extensive experience and technical expertise in pandemic disease research and emergency response. And right now, experts from Hong Kong's Environmental Protection Department are working with our Environmental Protection Agency on a collaborative research project on air pollution. Once again, our mutual interest in these matters and close collaboration on ongoing projects helps protect both Hong Kong and the United States from terrorists, drug dealers and other criminals, pernicious bugs, and a toxic environment.

In the area of education, there is a close relationship between the U.S. and Hong Kong. There are about 8,000 Hong Kong undergraduate and graduate students now studying in American colleges and universities, making this city of 7 million the fifteenth largest worldwide source of international students to the U.S. Americans have a large presence among Hong Kong's university faculties and administrations, among them 29 American Fulbright professors and English teaching assistants in Hong Kong this year alone, as well as 11 Hong Kong students and scholars going to the U.S. on Fulbright awards. Every year there are about 1000 American students studying at Hong Kong's various universities.

Underpinning this all is Hong Kong's status as a Special Administrative Region of the People's Republic of China, with a high degree of autonomy, as stipulated by the Basic Law. We are strong supporters of one country, two systems and the Basic Law because it allows Hong Kong to maintain a legal system which binds citizens and governments alike, which is administered by an independent judiciary. We value our ties to Hong Kong because it fosters a free flow of information, provided by a free press committed to giving citizens the information they need to participate in public life. We value our ties to Hong Kong because it respects individual rights, including those of protest and dissent, or just to be different

from the crowd. We value our ties to Hong Kong because it advocates free markets run by fair and open rules, in which any legitimate businessperson can pursue his or her dream. We remain committed not only to continuing this relationship, but also to expanding and deepening areas of cooperation.

Freedom, competition, and individual choice are part of what makes Hong Kong such a vibrant and dynamic place and that is why the United States needs a successful Hong Kong. Although later than many in Hong Kong hoped, Hong Kong now has the opportunity to grant universal suffrage for the election of the Chief Executive in 2017 and the Legco in 2020. We hope that all parties will work together to find an effective path to universal suffrage that can be supported by the broad majority of people in Hong Kong.

Like your university, Hong Kong has long been a bridge between China and the West. We value our ties to a Hong Kong that is part of a prosperous, stable, and confident China, and which contributes to its country and the world by continuing to be a leading light in economic freedoms, civil liberties and respect for human rights. We value our ties to a Hong Kong that continues to adapt and respond to changes, a Hong Kong whose government is based on freely elected representatives.

While we wait for the new U.S. administration to take office on January 20, rest assured that there is a broad, longstanding, bipartisan consensus in Washington on the value of our relationship with Hong Kong. Make no mistake: your continued success is important to the United States of America.

Thank you.

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