



# CNN - Quest Means Business "Joke" - J.P. Morgan and the CPC

Robert Lawrence Kuhn, November 24, 2021





**CNN Host Richard Quest:** J.P. Morgan's chief executive is walking back comments he made about his company outliving the ruling Chinese Communist Party. Jamie Dimon told an audience in Boston about a story he told during a recent trip to Hong Kong.

**Jamie Dimon, J.P. Morgan CEO:** I made a joke the other day. I was just in Hong Kong and I made a joke that the Communist Party is celebrating its 100th year. So is J. P. Morgan. And I'll make you a bet that we last longer. I can't say that in China — they probably are listening anyway.





## CNN Host Richard Quest:

Apparently, you can't say it anywhere. Today, he said, "I regret and should not have made that comment. I was trying to emphasize the strength and longevity of our company."

Robert Lawrence Kuhn is the author of "How China's Leaders Think" and an advisor to corporations on "All Things China." He joins me. What was he afraid of? Jamie Dimon is CEO of one of the most powerful banks in the world? What was he afraid of?





**Robert Lawrence Kuhn:**  
He was afraid of the reaction in China — he has seen precedents in the past. This joke may sound like a trivial matter — one we can all smile at — but really it is deeply probative of at least three points. One, the common assumption that the Chinese people do not like the Communist Party-led government, which is not true. The large majority support the Party. Granted, they recognize the problems.



**KUHN:** But they've seen a 50-fold increase of GDP per capita; 800-plus million people brought out of poverty; more high speed rail than the rest of the world put together; China is respected in the world. So they [the Chinese people] are very pleased with the government, even though there are problems.

Secondly, China does need to relax in response to every perceived or even real criticisms. It only makes things worse. China needs to do that.



**KUHN: The third point, though, is how individual corporations work in China. There are many examples, and there are constraints. China will be the biggest market in the world. To some companies, it's extremely important. To other companies, less. But there are constraints, and they [each corporate situation] need to be judged on an individual basis.**





**CNN Host Richard**

**Quest:** Okay. But I think of all those airlines that then groveled after they put Taiwan on a map or something like that.

**Robert Lawrence**

**Kuhn:** Wrong color.

**CNN Host Richard**

**Quest:** Right. I sort of then think of a network like ours, where we will be censored, and our signal is taken down, arguably, possibly even as we, you and I, are discussing this.

**Kuhn:** Correct.

**Quest:** There's a crudeness that I won't say on air, but where's the backbone or other part of the anatomy from some of these companies?





**Robert Lawrence Kuhn:**

**It's a judgment call for each company. You can't argue with the individual decisions; they need to make decisions in their own best interests. China will become the world's largest market. In many cases, it's critical for the companies; obviously, for J.P. Morgan, they're determining it's critical for them. For Apple Computer, they're doing what, \$60 billion a year annualized, more than 15% of their global revenues. They have to make certain compromises. Other companies, like Google; they decided that they wouldn't be able to tolerate the constraints with the censorships. LinkedIn tolerated, for a while — not anymore.**





## **CNN Host**

### **Richard Quest:**

**As we discuss this, then, I want to focus on the hypocrisy, the seeming hypocrisy, of companies that will happily take a stance where, say, Texas abortion law or gender bathrooms, where they can do it in the safety of a democratic environment, and then become pusillanimous when faced with China, which, yes, may have economic consequences against the company.**





**Robert Lawrence Kuhn:**

**You're absolutely correct. That is the case. That is one of the trade offs that we have in a democratic society. Look at the difference between the NBA and the Women's Tennis Association. A very vast difference. Money was on the line in both cases, and they made different decisions under similar kinds of circumstances. It's a hard call for these companies. They have a responsibility to their shareholders to do the best they can. They're not in the political business. They try to negotiate the world as they best see it.**

**But there are constraints for working in China. China has said that if you're going to do business and make money in our country, you can't insult us. That's their view. Companies have to deal with that.**





**CNN Host**

**Richard Quest:**

Now, if you were advising the Quest Corporation, QMB ["Quest Means Business"] Incorporated, what would you tell us that we needed? So, we're in this sticky position, like the Jamie Dimon or whatever. So, we're in a sticky position. What factors do I need to take into account before I decide whether I'm going to grovel or go forward?





**Robert Lawrence Kuhn:**

Look, that's a great question. My first question to you: Can you afford my rate?

No, that's just a joke — I would do it pro bono for you, Richard. Anytime, pro bono.





**Robert Lawrence Kuhn:** Look, I think one question is, how important is this to our future business? That's a mercantilistic decision, but it is a decision that you have to do. Second, is what is our industry and what will be the constraints that we will have to undergo. With electronic companies and Internet business, there are very significant issues with data and censorship. Apple is not a network, so it doesn't have to censor. But there are some apps on Apple that are not appropriate.





## **Robert Lawrence**

**Kuhn**: So, you have to be able to discern the economic impact, and in my industry, what will be the constraint. If it's just speaking out on generic issues, whether it's South China Sea or Taiwan or Xinjiang or anything else similar, companies can hide behind a view that says we're not involved in politics. We don't get involved in that. The problem is, as you well point out, that some of those same companies will get involved in politics within the United States because of the safety of the democracy. That is hypocritical. And you're right for calling them out.





**CNN Host**  
**Richard**  
**Quest:**  
Robert, that wonderful American phrase translates beautifully both across the Pacific and across the Atlantic. "The checks in the mail." Thank you, Sir.

