



CNBC – Closing Bell

Trump/China – National Security Law

Robert Lawrence Kuhn - May 29, 2020



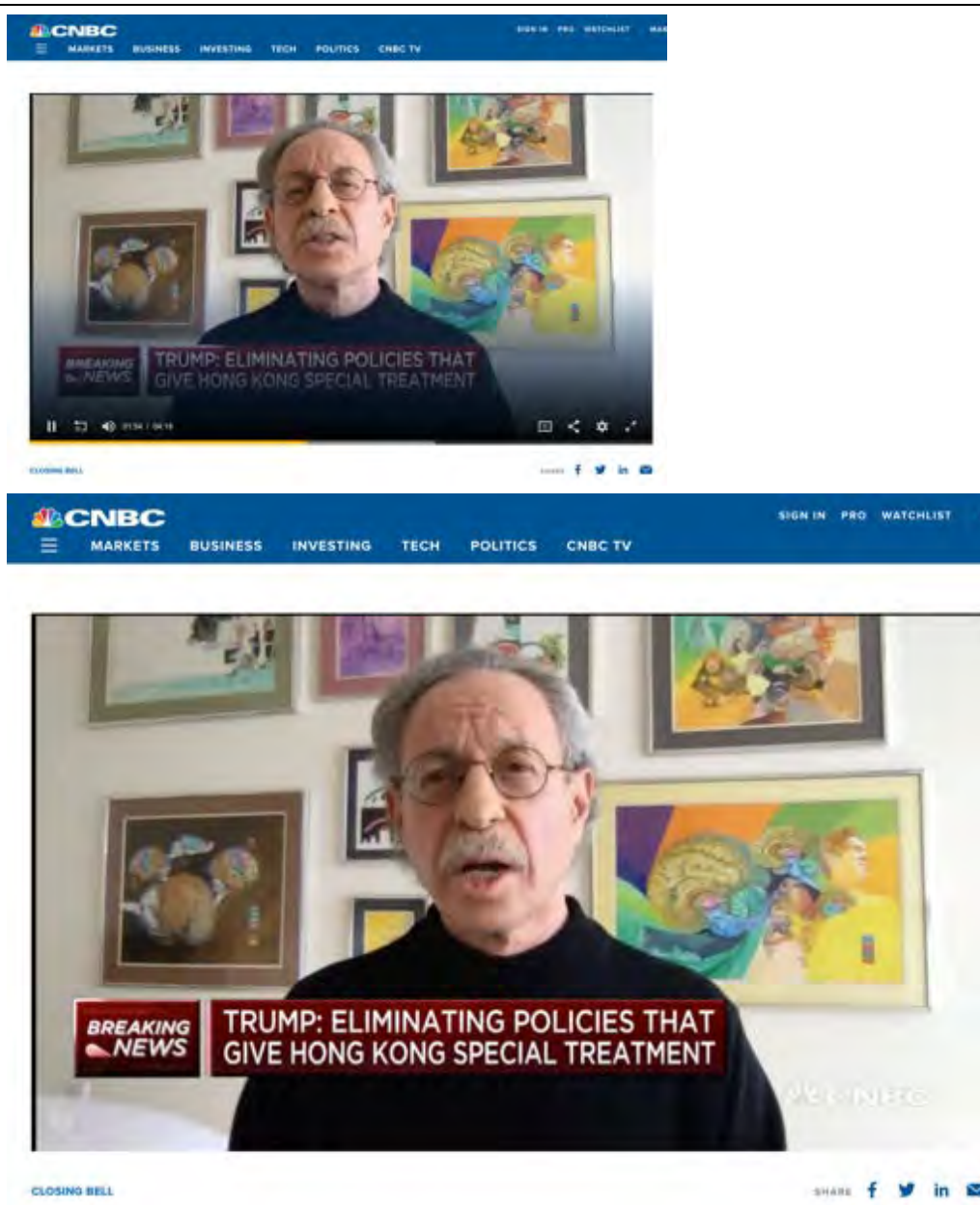
ROBERT LAWRENCE KUHN: China will obviously make some critical comments, but I think everyone is pretty pleased to let things go as they are.

President Trump had his Mission — and that was to talk tough on China and yet not to tank the stock market. These two things, tough on China and the stock market, go in opposite directions, potentially, and both are critical for his re-election. I think he did a pretty good job of “threading the needle”. Mission accomplished — if we look at the markets and what he said.



The screenshot shows a CNBC news article. At the top is the CNBC logo and navigation links: SIGN IN, PRO, WATCHLIST, MA. Below the navigation is a menu with categories: MARKETS, BUSINESS, INVESTING, TECH, POLITICS, CNBC TV. The main content is a video interview with Robert Kuhn. The video frame shows Kuhn speaking, with a red banner at the bottom that reads "BREAKING NEWS" and "ROBERT KUHN LONG-TIME ADVISOR TO CHINA'S LEADERS". Below the video is the text "CLOSING BELL" and social media share icons. The article title is "Long-time China advisor Robert Kuhn on Trump's move to eliminate special treatment for Hong Kong".

KUHN: From China's point of view, one needs to understand the context. This year, 2020, is a critical year for China. It's called the year for the "moderately prosperous society". What that is — it's the first step in China's "Great Rejuvenation", as President Xi Jinping has said — The Chinese Dream. And this moderately prosperous society.....



HOST: Oh, wait...
Maybe we played
the wrong thing...
if we can stop
maybe playing
that. Is Robert still
with us? Can you
hear me, Robert?

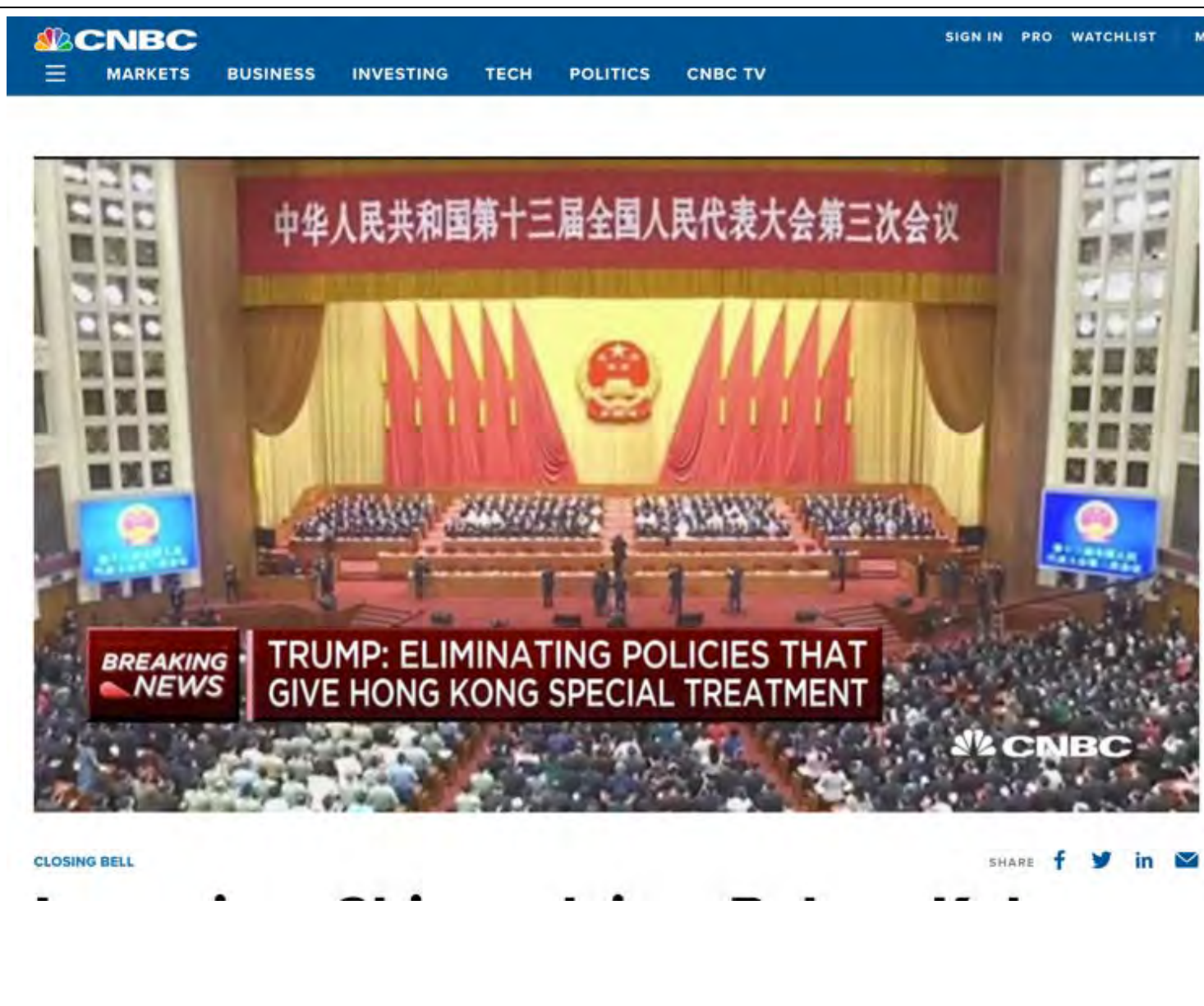
KUHN: Yes, I can.

HOST: Oh, please
continue. Please
continue.

KUHN: Okay. I was
saying that the
moderate
prosperous
society....

HOST: We've got
Communist Party
music instead...

KUHN: OK, I guess
I got preempted
by the pomp and
ceremony!



CLOSING BELL

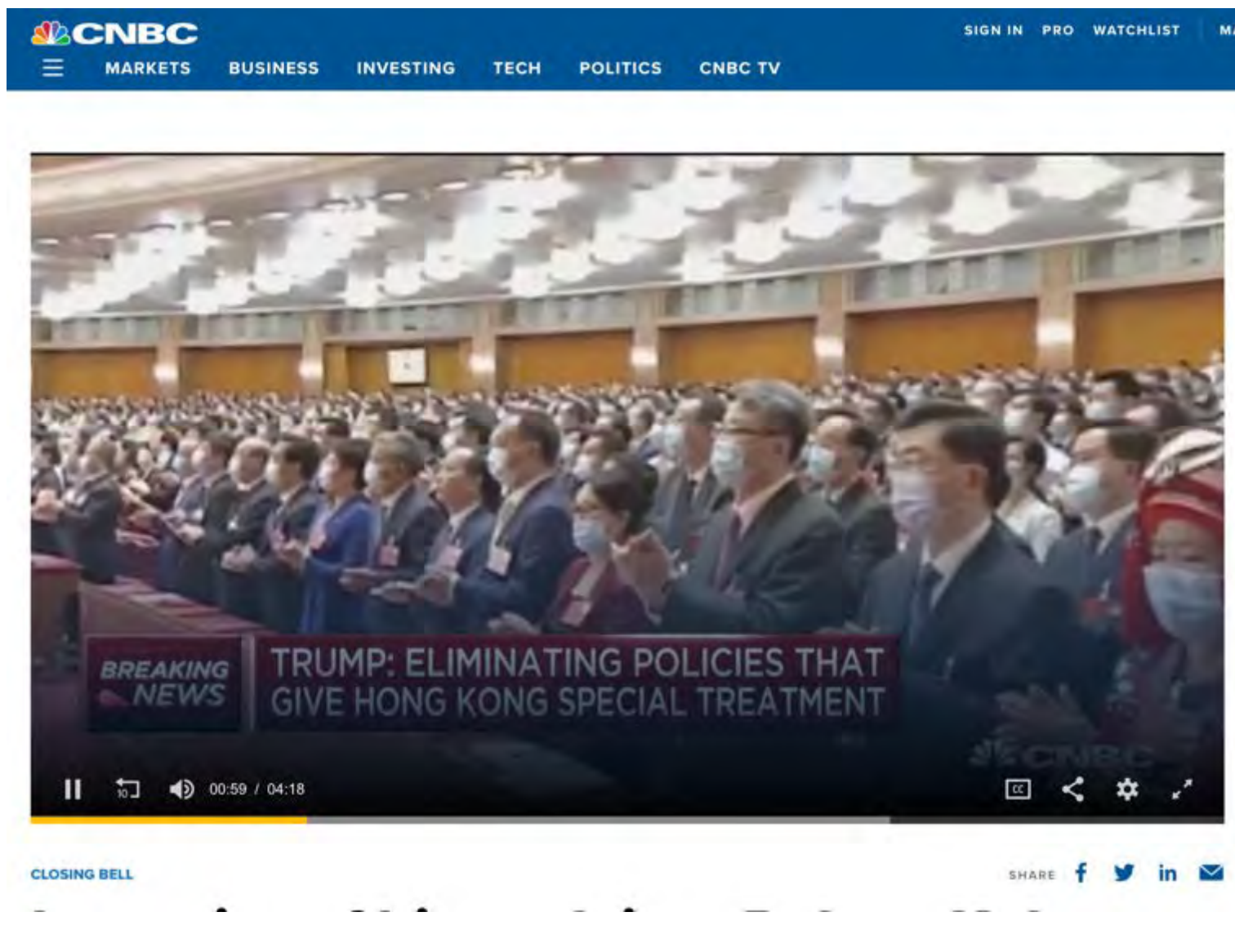
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KUHN: But look, it's really important to understand the “moderately prosperous society” because there are two major pillars to it. Number one is economic development, lifting the standards of living of the Chinese people, which this year is exemplified by the commitment and the accomplishment of eradicating all extreme poverty in China.

That's roughly 900 million people, 100 million of the most intractable in the last eight or nine years since President Xi has been senior leader.



KUHN: The second pillar is national sovereignty, national pride. And this has been deeply affected by Hong Kong. Hong Kong has been a sore in the side of this pillar of national sovereignty and national pride. And so, as a result, that's why China has moved now in Hong Kong because of this critical year.



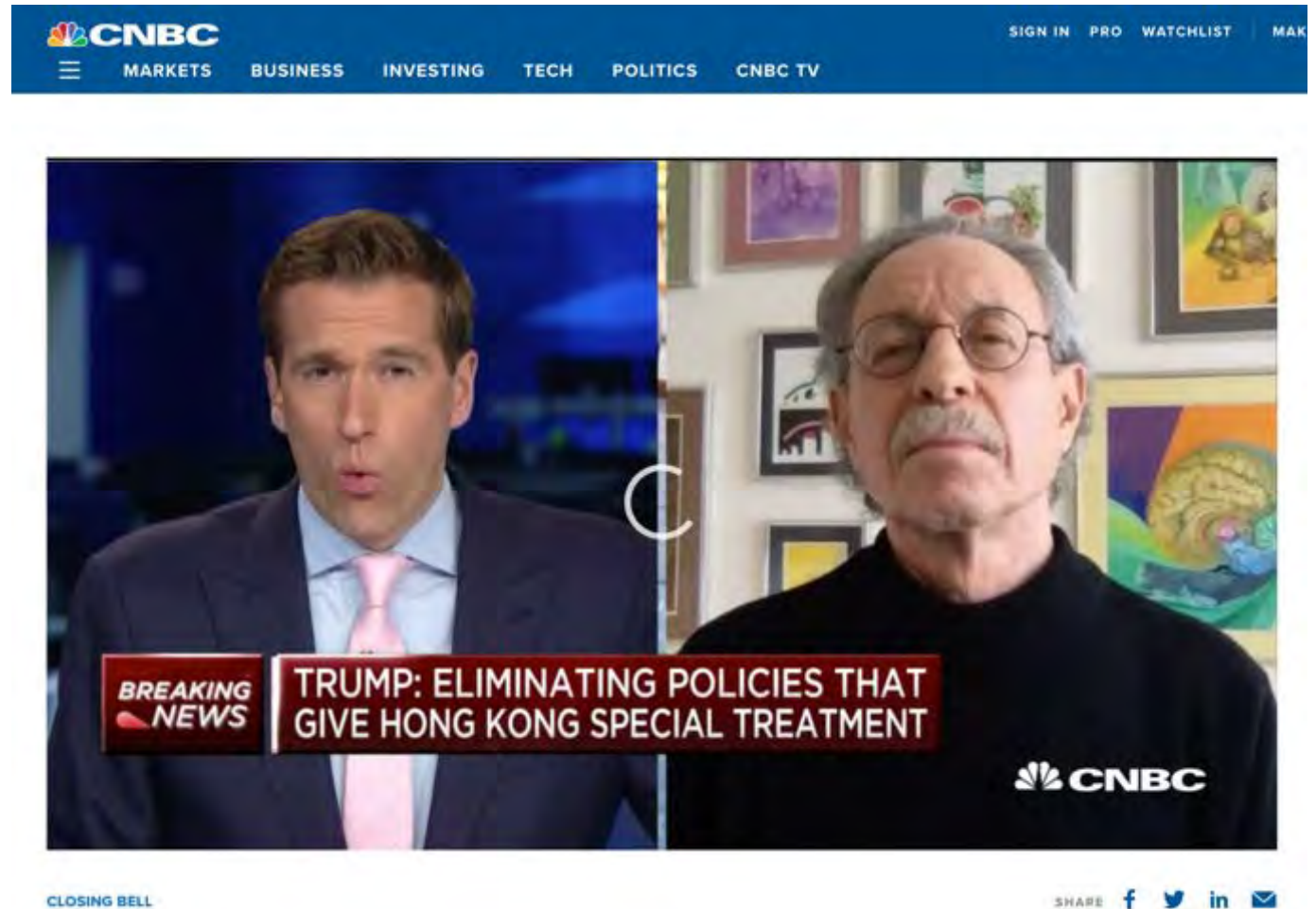
The image shows a screenshot of a CNBC video player. At the top, the CNBC logo is on the left, and navigation links for 'MARKETS', 'BUSINESS', 'INVESTING', 'TECH', 'POLITICS', and 'CNBC TV' are in the center. On the right, there are links for 'SIGN IN', 'PRO', 'WATCHLIST', and 'MA'. The video content shows a large crowd of people in a hall, many wearing face masks. A 'BREAKING NEWS' banner is overlaid on the video with the text: 'TRUMP: ELIMINATING POLICIES THAT GIVE HONG KONG SPECIAL TREATMENT'. Below the video, there are playback controls (play/pause, full screen, volume, and a progress bar showing 00:59 / 04:18). At the bottom left, it says 'CLOSING BELL', and at the bottom right, there are social media share icons for Facebook, Twitter, LinkedIn, and Email.

KUHN: But China wants to build Hong Kong, not constrain it. We'll have to see what happens with judicial independence and with media freedoms. But China wants Hong Kong to be a core of what they call the Greater Bay Area, Guangdong-Hong Kong-Macao coordinated economic zone, which they want to become a world center for commerce, science and technology, education, etc.



The screenshot shows the CNBC website header with navigation links: SIGN IN, PRO, WATCHLIST, and MAK. Below the header is a video player with the title "WHITE HOUSE ACTIONS ON CHINA" in yellow text. The video content lists four bullet points: "Terminating relationship with WHO", "Suspending entry of certain students, researchers", "Studying Chinese firms' accounting practices", and "Eliminating special economic status for Hong Kong". A "BREAKING NEWS" banner is visible at the bottom of the video frame with the text "TRUMP: ELIMINATING POLICIES THAT GIVE HONG KONG SPECIAL TREATMENT". The video player includes standard controls like play/pause, volume, and a progress bar showing 01:58 / 04:18. Below the video player, there is a "CLOSING BELL" label and social media sharing options for Facebook, Twitter, LinkedIn, and Email.

HOST: Robert, obviously we all hope that things dissipate in terms of this clash around Hong Kong, without any elevation. One wonders, though, what could be next, I guess, with Hong Kong. That was a clock ticking down any way for when China would have full control. I mean, 2047, it's a long way off, but it was at least going to happen one day. Do you fear that China is going to try and do something similar towards Taiwan? And if they did, where could that escalate to?



KUHN: Hong Kong is very different than Taiwan in terms of the implementation of what will happen. Conceptually, in terms of national sovereignty and national pride, there's a great deal of similarity to it. But Hong Kong is very key now and it will be something that everybody is watching. The jury's out. So, everybody be looking to see what China will do.

The Vice Premier, Han Zheng, said after the National Security Law was announced that it will only affect a very limited number of people. We'll have to see.



KUHN: But what China wants to do was to keep calm there and to have Hong Kong be the part of this Greater Bay economic zone in southern China. That's their big ambition.

KUHN: But they have three red lines in Hong Kong. We shouldn't misunderstand.

Number One is any move towards independence or quasi independence like universal suffrage.

Red line Number Two is if Hong Kong is seen as a base for undermining China's political system and the Communist Party.

And Number Three is unending chaos, which undermines the economy.



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KUHN: So, if those three things can be prevented, China, I believe, will allow Hong Kong most of the freedoms that it's had in the past.

HOST: Robert Kuhn, thank you very much for joining us. Appreciate your reaction.

KUHN: Thank you.



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<https://www.cnbc.com/video/2020/05/29/china-advisor-on-trumps-move-to-eliminate-special-treatment-for-hong-kong.html?&qsearchterm=kuhn>