

CHINA

Hong Kong Leader Offers Billions in Handouts in Bid to Calm Unrest

Chief Executive Carrie Lam was forced to give policy address by video after speech was disrupted

By Mike Cherney, Joyu Wang and Natasha Khan

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HONG KONG—Pro-democracy lawmakers shouted down Hong Kong leader Carrie Lam and forced her to deliver an address by video in which she promised billions of dollars in social-welfare initiatives but resisted the political demands of antigovernment protesters who have disrupted the city for more than four months.

Twice Mrs. Lam went to the podium of the Legislative Council to deliver her annual policy speech, only to be interrupted by opposition lawmakers' chant of "five demands, not one less," a popular protest slogan. The same message was projected onto walls in the chamber.

When Mrs. Lam left for the second time, some lawmakers threw signs in her direction. They later called on her to resign, saying she has no mandate. When Mrs. Lam finally delivered the speech via video, she slammed protesters, who she said were "spreading chaos and fear in Hong Kong and seriously disrupting people's daily lives."

Instead, Mrs. Lam focused on economic and social-welfare issues, such as a shortage of housing that she called a source of public grievances. She pledged more low-cost homes and easier access to mortgages for first-time home buyers in a city where property prices are among the world's highest. The cost of the various programs, which include handouts for students and poorer families, could exceed \$2 billion, according to Wall Street Journal calculations.

"I hereby set a clear objective that every Hong Kong citizen and his family will no longer have to be troubled by or preoccupied with the housing problem, and that they will be able to have their own home in Hong Kong, a city in which we all have a share," Mrs. Lam said.

The measures are aimed at boosting people's livelihoods as Mrs. Lam seeks to sap momentum from the protest movement without offering any more concessions. Last month, she pledged to withdraw the extradition bill that first triggered the protests, but protesters' demands have

widened. They now call for an independent inquiry into alleged police brutality in handling the protests, an amnesty for arrested protesters and greater democratic rights.

One major protest group rejected Mrs. Lam's initiatives on Wednesday, suggesting her annual policy address—similar to the State of the Union —would do little to ease tensions in the global finance hub.

“We believe that it is highly unrealistic for her to quell public grievances towards police brutality by only pushing out minor repairs to society,” said the Civil Human Rights Front, which organized some of the year's biggest antigovernment rallies.

The protests, which at times have brought the city to a standstill, have threatened Hong Kong's position as a business hub and complicated President Trump's trade negotiations with China. Mrs. Lam said more than 1,100 people have been injured and more than 2,200 arrested.

Some mass rallies have drawn hundreds of thousands of peaceful demonstrators, but Mrs. Lam focused on the increasing number of smaller and more violent protests.



Pro-democracy lawmakers heckled Mrs. Lam off the podium. PHOTO: JOYU WANG/THE WALL STREET JOURNAL

“A handful of rioters initiated attacks and sabotage in an organized and planned manner,” she said on

Wednesday. “Hong Kong is now facing the most formidable challenge since our return to the Motherland.”

She declared her commitment to the “one country, two systems” principle that has governed Hong Kong's autonomy and individual liberties since its return to China. Advocating independence for Hong Kong or threatening China's sovereignty or security won't be tolerated, she said.

Ms. Lam also said the government would raise subsidies for mass-transit fares, invest in ferry routes and waive tolls on new highways. Hong Kong's high cost of living has long been a concern for some residents. But protesters at events in recent days have said they care more about protecting their rights and freedoms—which are greater than those in mainland China—than the economy.

“These are big and bold measures, but it looks like she’s trying to buy time,” said Edmund Cheng, associate professor of comparative politics at City University of Hong Kong. Mrs. Lam’s focus on livelihood measures reflects what she sees as the root causes of the unrest, he said.

In a supplement to her policy address, Mrs. Lam dismissed the immediate prospect of democratic reform, specifically direct elections for Hong Kong’s leader.

“It is irresponsible to restart political reform hastily as it will intensify the rift in society,” the document said, reiterating recent policy. Currently, the chief executive is elected by an election committee of 1,200 mostly pro-Beijing members.

Mrs. Lam said that the protests have damaged Hong Kong’s image abroad and that there has been a sharp reduction in visitor arrivals and retail sales, a decline in exports and a deterioration of business sentiment. She said the city is currently in a “technical recession.” To boost business fortunes, she said, the government would work with Chinese authorities to get tax concessions for Hong Kong businesses that want to focus more on the Chinese market and less on exports.

During a press conference later Wednesday, Mrs. Lam was asked how she hoped to heal divisions in Hong Kong when her speech didn’t address the protesters’ demands. She said a single speech couldn’t resolve all the problems reflected in the social unrest but rejected concerns from protesters that free speech is under threat from Chinese rule.

“I do not agree or submit to the view that Hong Kong’s rights and liberties and freedoms have been eroded in whatsoever way,” she said. “Hong Kong is still a very free society. We have freedom of speech, freedom of journalism, and so on.”

Earlier, when Mrs. Lam attempted to deliver her speech in the legislative chamber, pro-democracy lawmakers—some wearing masks of Chinese President Xi Jinping’s face—played sounds of crying.

“The sounds represent the cries of the people,” said Tanya Chan, a pro-democracy lawmaker, with colleagues holding up placards portraying Mrs. Lam with blood on her hands. “Mrs. Lam has lost all ability to govern the city and should step down.”

Pro-establishment lawmakers condemned the antics.

“Society is so broken right now that different opinions are to be expected,” said Priscilla Leung, drawing a parallel between opposition tactics and protester violence. “How can we resolve anything if the Legislative Council can’t even meet?”

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