

Demetri Kofinas: 00:00:00 Today's episode of Hidden Forces is made possible by listeners like you. For more information about this week's episode or for easy access to related programming, visit our website at HiddenForces.io and subscribe to our free email list. If you listen to the show on your Apple Podcast app, remember, you can give us a review. Each review helps more people find the show and join our amazing community. And with that, please enjoy this week's episode.

Demetri Kofinas: 00:00:48 What's up, everybody? Today's episode follows our recent coverage on Hong Kong, specifically our episodes with Ho-Fung Hung as well as with pro-democracy activist Joshua Wong. Our guest on this episode is David Webb, a famous Hong Kong investor, longtime resident of the city, and founder and editor of the nonprofit platform website.com, which advocates for improved corporate and economic governance of companies listed in the coastal territory. So far, protests in Hong Kong are entering their eleventh consecutive week. The airport was recently shut down, protests there got violent. In general, the protests seem to have gotten more violent in recent weeks, both on the side of the protesters, but also on the side of police. We've seen a lot of videos and images to that effect.

Demetri Kofinas: 00:01:38 We've also seen satellite images leaked by presumably China of what appear to be armed personnel carriers of the PLA, or belonging to a paramilitary faction of the PLA stationed at a sports complex across the border in Shenzhen. We've also seen video of military exercises as well. How much of that is China preparing for a possible incursion into Hong Kong, and how much of it is actually propaganda meant to intimidate more moderate members of Hong Kong's community into withdrawing their support for the protesters is not clear. But it's certainly worrisome, and so is the fact that there still doesn't seem to be any clear resolution to the unrest. In fact, as I said, it's only gotten more violent as the weeks have gone on.

Demetri Kofinas: 00:02:27 So, in order to get a better sense of the state of political unrest in the territory after the latest protests and escalations. But also, for a perspective on markets including a conversation about the Hong Kong dollar and the conditions of Hong Kong's economy, their exposure to the ongoing trade talks with the United States, and how the protests themselves are impacting the country's status as a commercial and financial hub for mainland China. I thought, who better to bring on than one of the city's most well-known investors? So, without further ado, here is my conversation with David Webb. David Webb, welcome to hidden forces.

David Webb: 00:03:11 Thanks for having me.

Demetri Kofinas: 00:03:13 It is now what time? 9:00 P.M. in Hong Kong?

David Webb: 00:03:15 It is, yes.

Demetri Kofinas: 00:03:16 Yeah.

David Webb: 00:03:16 On a Friday evening.

Demetri Kofinas: 00:03:18 I appreciate you taking the time to speak with us this evening.

David Webb: 00:03:21 No problem at all.

Demetri Kofinas: 00:03:21 So, maybe we could start with what's going on in Hong Kong. We see a lot here in the media, we've read a lot of articles. We've seen a lot of videos, some of them rather scary, some of the protests violent, turning violent with police assaults on protesters. In other cases, protestors assaulting police. I don't want to take my understanding of the situation for granted, so I thought maybe it would be best for you to give us an update on where things stand right now.

David Webb: 00:03:50 Well, the last couple of days have been relatively quiet compared to some of the other days we've had. I actually got stranded on holiday in Binang, Malaysia on Tuesday when my flight back here was canceled because of the airport shutdown, which has been caused by protests there. And so, I got re-booked onto a morning flight on Wednesday. When we got back though, the airport authority had obtained a court injunction against the protesters, which basically means that if they turn up now, then they'll be in contempt of court and subject to possible jail time. So, for the time being, they've pulled back from there and perhaps they'll find other targets or revisit that one.

David Webb: 00:04:32 The situation is still serious, and it's entirely of the government's own making. But in the broader picture, I think something like this was going to happen sooner or later anyway, because Hong Kong exists in a very unstable equilibrium. We combine several liberties that were left behind by the British with a complete lack of effective democratic accountability in the government. And there aren't too many places on earth that have survived very long with that combination. You get democracies with civil liberties and you get authoritarian regimes with very few civil liberties, but you don't normally get that combination in that corner of the grid. Just like you don't get democracies that

constrict civil liberties like freedom of speech and assembly and publication.

David Webb: 00:05:17 So it had to tip one way or the other, and I wrote a piece on website.com in 2014, during the Occupy movement when the streets were occupied by student protesters, basically saying it's either going to tip towards open and accountable government and democracy, or it's going to tip towards authoritarianism. And unfortunately, it's become fairly clear since then that the Beijing government, under Xi Jinping, has been tightening control and is more inclined to go with the authoritarian outcome.

David Webb: 00:05:50 However, we were content for the last few years to leave that issue to one side. 2014 was about the proposals for democratic reforms, which were fake basically. It was an Iranian style democracy where a closely controlled committee would pick two candidates that we could all choose from, and that wasn't going to fly, but they've... What's triggered the latest round of confrontation has been the government's proposal to pass this extradition bill, which would allow people to be sent to the mainland for trial in an unfair system. And it would basically breach the judicial firewall between the two legal systems of Hong Kong and the mainland, which is fundamental to Hong Kong's mini constitution after 1997, that we have a separation of systems. And that people are tried in what are highly respected courts in Hong Kong, rather than in the mainland.

David Webb: 00:06:47 And the Hong Kong government reportedly came up with this idea without really thinking it through, and then Beijing, once they realized the opportunity it provided to them to extradite people from Hong Kong, jumped on it with gusto and mobilized their support for it. And what triggered all of that in the Hong Kong government was a murder case in Taiwan where the suspect managed to return to Hong Kong, and there's no extradition treaty between Hong Kong and Taiwan.

David Webb: 00:07:14 So we're deviating somewhat to your original question which is, what are things like right now? I think that the probability of the mainland government intervening in Hong Kong at a purported request of the Hong Kong government under the basic law, which they can do, that probability has gone up, maybe is around 40% now. Because it's hard to see how this situation or one very like it can end in any other way. The people of Hong Kong in huge numbers, including myself, maybe two million people on the 16th of June and a million people the weekend before that, stood up and stood in between a very bad piece of legislation and that happening. Even though the chief executive

proposed it, and the Hong Kong legislature is now basically a rubber stamp parliament and could've approved it. The people were not going to let it do so, and the government was preparing, after the first march of nearly a million people on the ninth of June, to go ahead with this legislation on the 12th of June.

David Webb: 00:08:16 It was only when there were violent clashes between protesters and the police on the 12th of June that the government then suspended the proposals. And they refuse to admit that there's anything wrong with the proposals, they just said that people didn't understand it because they hadn't explained it properly. And that's still their position, and nobody accepted that, or very few people did. And so that resulted in the biggest march on the 16th of June, after they have said that, on the day before, that they would suspend the bill. And since then, everything has followed from that. More and more street protests, teargassing, rubber bullets, injuries on both sides of the protesters, the more radical ones and the police, and increasing disruption. And at some point, I think the mainland government would decide that they need to step in and crack down. Hopefully not in a Tiananmen Square kind of way, but it's very unpredictable what would happen if they were to go down that road.

Demetri Kofinas: 00:09:15 So, you brought up so many things that I want to talk about. I'm going to throw a few of them out and then we'll try to separate them and explore them each individually. One is just the general question of, how many of Hong Kong's citizens relate to the protesters on some level, and to what degree is that? That's something I want to discuss, but let me just ask you a kind of larger question here. The way that I've described what I feel is happening in Hong Kong is that this one country two systems model is sort of like tectonic forces pushing up against one another. It seems to me that the reaction by Hongkongers is a political imperative of the economic prosperity that free market capitalism creates in a country. And that that seems somehow incompatible with the model in mainland China, and that this in a sense was inevitable, and that that tension is what's causing the unrest in Hong Kong. Is that accurate at all?

David Webb: 00:10:17 Yes, it's close. I don't entirely follow the metaphor, but as I said earlier, you can't really have civil liberties in their full form without a democratically accountable government. And trying to combine the two is an unstable combination. So, China's system, of course, is authoritarianism, no civil liberties to speak of. They monitor everything people say, they censor the internet, they block overseas websites like The New York Times and Bloomberg and so on, and BBC. And they try to run the

country though central control, and that's actually the issue at the crux of the so-called trade war as well. A clash of ideologies between the free market system that has been so successful wherever it's been tried, in terms of generating wealth and prosperity for the countries that have pursued that, and most of them have now. And the socialism or Marxism with Chinese characteristics, as they put it, call it in their constitution, where the party knows best.

- David Webb:** 00:11:15 The party leads the country and controls large chunks of the economy, and even private sector companies are being enforced to have communist party committees guiding their progress. And that's what is at the root of China's foot dragging and basic refusal to behave properly in terms of foreign competition in the mainland, a level playing field. There was a time when they could argue that they were a developing country and they needed to nurture their automotive industries, or whatever it was they needed to prevent a sort of overwhelmingly powerful competition coming in and wiping the floor with their, against their domestic competition. But those days have passed, they do know how to run banks and car makers and so on, and they're exploiting a lot of their products to the West. But they're not willing to allow full market access, because that goes against their whole doctrine of planned economy.
- Demetri Kofinas:** 00:12:11 So is it just an issue of doctrine, or would the ruling members of the CCP stand to lose in the event of reform? I mean, why is Beijing so resistant to reform?
- David Webb:** 00:12:24 Because they think they know best, and they have built up a sort of...
- Demetri Kofinas:** 00:12:29 They don't understand a free market system.
- David Webb:** 00:12:32 ... almost a religious belief that if they had been going for 70 years, then they must be onto something good, and it's the West that doesn't get it.
- Demetri Kofinas:** 00:12:38 That's interesting.
- David Webb:** 00:12:39 And I think there are probably people, a range of different opinions inside the politburo and beyond. There must be internal debate about these things, but there's no sign of any real reformists coming up who perhaps have benefited from a Chicago MBA or some other overseas experience, and began to realize that perhaps they should embrace free markets more

vigorously. And they're failing to recognize that they could on their own reform and open up, even to the extent of experimenting with democratic elections at lower levels. The cities and townships, and then the provinces, and then eventually the whole government. And yet still, in a rejuvenated form, maintain power if they'd like of still calling it a communist party. It's obviously not communist anymore, but nor is it capitalist.

- David Webb:** 00:13:31 And if there were some enlightened leadership at the top that would take them down that road, I'd be delighted because that would be the beginning of a true economic powerhouse rather than the current levels of GDP per capita, which are around a quarter of OECD levels. I mean, they say there's been enormous progress, and some foreign commentators talk about an economic miracle. But there's nothing miraculous about driving your economy into the ground with outright communism for 30 years from 1949, and then releasing some of those controls to generate moderate levels of prosperity from that ground level.
- Demetri Kofinas:** 00:14:05 You're saying that the growth that they've experienced over the last 30 years is actually a recovery.
- David Webb:** 00:14:09 It's a recovery for the first 30 years after 1979 also, to 2009. And most of that was done in the first 25 probably. The last 15 years have been rather stagnant with the illusion of growth, but largely created by massive infrastructure spending on projects with increasingly marginal rates or negative rates of return. Once you've built your first airport in a reasonably sized city, you don't necessarily need another one, or an exhibition center, or another road that goes to the same place, or bridges between places that don't have enough traffic. So, there's been a certain amount of overspend in that area.
- Demetri Kofinas:** 00:14:45 So let me try and tie in some thoughts here to explain the metaphor I was trying to develop earlier. After Tiananmen, the Chinese communist party basically cut a deal with mainlanders, which was that we can't give you democracy, but we'll give you consumption, right? We'll grow the economy. And what I'm trying to suggest is perhaps that it's not possible to have prosperity without demands for more freedom. Is that not correct?
- David Webb:** 00:15:13 Right, yes.
- Demetri Kofinas:** 00:15:13 That was my point about the political imperative of the economic prosperity of a free market capitalist society, and that Hong Kong is a free market society. They also have certain

rights, but they don't have democracy. And so, are those things compatible? And that's what I was trying to get it.

- David Webb:** 00:15:28 Yeah, and on a small scale, you can deliver prosperity without providing much freedom. Look at Saudi Arabia, for example.
- Demetri Kofinas:** 00:15:34 Or Singapore.
- David Webb:** 00:15:34 Throw the money around if they've got lots of oil, other mineral resources. Or if you are a parasitical economy like Singapore, and there's nothing wrong with that, you can only be a parasite on a large animal. You can't be a parasite when you're the elephant. So, there are examples of fairly authoritarian places that have delivered prosperity for those reasons, but you can't do it as a large country. And eventually you do get to middle class emerging that once more, and starts to question the government if things slow down.
- David Webb:** 00:16:04 Now, so far, China has been able to maintain that gradual improvement in living standards. And it's perhaps partly because of their one child policy as well, but I think those days are rapidly passing by and people are starting to question that. And if there's an economic crisis of some sort, that probably would be the catalyst for ground up revolution rather than top down reform, and thinking of perhaps the wealth management products. There're trillions of RMB of off-balance sheet products sold by banks to individuals, which are basically packaged up loans. And it would be of a comparable scale to the financial subprime crisis that happened in the States or worse if that thing was to play out without the government suddenly deciding to guarantee the whole lot. So, there's one case.
- Demetri Kofinas:** 00:16:55 You're saying a banking crisis in mainland China could drive bottom up reform in the country?
- David Webb:** 00:17:00 Any number of possibilities, and I can't foresee them all, but I'm just saying that that's one of them. That if the middle classes find their savings suddenly vanish or get destroyed in some economic crisis like that, then they will not be happy. And increasingly, they're able to travel and see other models of government around the world with varying levels of success. Not all democracies are designed the same way, and sometimes they have social or religious elements that are holding back reform, or high levels of corruption because they're not paying their civil servants properly, and so on. But they are seeing examples of prosperous and open societies as well, and so as they return home and if there are problems in the mainland

economy in the future, they will have some benchmarks to references.

- David Webb:** 00:17:49 And that's probably what scares Beijing the most, that if they allowed democracy in Hong Kong, it would be successful. We would be peaceful, we would elect a leader of our own choice and carry on with our middleman role as an entrepot in China. And cities elsewhere in China might start saying, "Well, that looks rather good. Can't we have it too?" And at the same time, if we see protests in Hong Kong leading to any kind of resulting reforms or resignations, again, they might say, "Well, maybe we should try that at home." So, they're worried either way of either a successful democracy or successful protests, which is why they're not budging one inch on reasonable requests from protestors such as having a commission of inquiry, and such as restarting their democratic process or fully withdrawing this extradition bill.
- Demetri Kofinas:** 00:18:36 It sounds like what you're also saying though is that the situation in Hong Kong is a harbinger of things to come in mainland China if they don't reform internally.
- David Webb:** 00:18:45 Yes.
- Demetri Kofinas:** 00:18:45 In other words, even if they were to clamp down and send in let's say the PLA, which is something you alluded to, and I'd like to ask you a bit more about that. Because we've seen some very frightening photos, including some satellite pictures of what looked like paramilitary vehicles in a sports stadium, a sports complex in Shenzhen right across the border.
- David Webb:** 00:19:02 I think maybe we were supposed to see those picture. I mean, that's certainly not [crosstalk 00:19:06]
- Demetri Kofinas:** 00:19:06 Right, well that's another question about the propaganda war, and I'm also curious about that. And that leads to another question also, which is I sort of alluded to one half of it, which had to do with the perspective of people let's say who don't fully support the protesters in Hong Kong, and how does that break down? And then, what is the perspective of mainlanders in China, and how do they view what's going on in Hong Kong? So, I kind of threw out a bunch there, but let's see if we can tackle them.
- David Webb:** 00:19:32 Well, I don't know, going in reverse, how the mainlanders perceive what's going there, because I can imagine that they get a very filtered and biased view of it because of the control of

the mainland media. So there have been some videos, sort of dramatic videos, featuring a local film star. One I saw the other day that depicted the protesters here as gun wielding terrorists basically.

Demetri Kofinas: 00:19:52 What's her name? What's her name again?

David Webb: 00:19:54 It was a male film star.

Demetri Kofinas: 00:19:56 Oh.

David Webb: 00:19:56 Aaron Kwok I think.

Demetri Kofinas: 00:19:57 Because I saw something this morning.

David Webb: 00:19:58 Playing a cop.

Demetri Kofinas: 00:19:59 We're recording this on Friday, August 16th.

David Webb: 00:20:02 The 16th.

Demetri Kofinas: 00:20:03 I saw something in the news before we came. I also saw that the CEO of Cathay resigned...

David Webb: 00:20:07 Yes, just this evening.

Demetri Kofinas: 00:20:09 ... as well.

David Webb: 00:20:09 And I have actually posted a comment on that on my website. So, they get a propaganda version of what's happening here, which is carefully managed of course, because they don't want to inspire protest in the mainland over other issues. And they want to make the protesters here look like a small group of violent thugs rather than too many young people that actually came out on the streets on a swelteringly hot day to stand up for their rights. And because that's a subset of people who would've gone if they weren't working or disabled, or elderly, or had other reasons for not being there. So, I'd say the vast majority of people in Hong Kong understand what's at stake. Don't forget that if you go back two generations to any Hongkonger, nearly all of them had a relative in mainland China or came from mainland China. Now, the population of Hong Kong after World War II was down to about half a million, and now it's 7.3 million. And many of them fled the communist takeover of China, and came here and...

Demetri Kofinas: 00:21:07 That's right.

David Webb: 00:21:07 ... established their lives and their businesses, and their children got a good education and built on that. And so, there's opinion surveys that you can access through the public opinion polling system that Hong Kong used to run. The man who runs that, Robert Chong, has retired and set up his own polling firm. But they ask about, do people here identify as Hongkongers or as Chinese people? And a very strong proportion and rising identifies as a Hongkonger, not as a Chinese person.

Demetri Kofinas: 00:21:35 Well, that's something that Joshua Wong brought up repeatedly in our conversation. He went out of his way to refer to the citizens of Hong Kong as somewhat separate. They're still Chinese ethnically, but he really made a point to emphasize that they were Hongkongers. You know, just a follow on the point about the mainland perspective and the propaganda battle. Is there a perspective on the part of the Chinese citizens of China that the U.S. is involved in trying to destabilize Hong Kong? Because we see some reports of that here in the U.S.

David Webb: 00:22:08 Sure, there is propaganda to that effect, and it doesn't terribly help when Donald Trump tweets out that he's offering to meet Xi Jinping to discuss the Hong Kong problem.

Demetri Kofinas: 00:22:18 Yeah.

David Webb: 00:22:18 Because of course the Chinese regard that as an internal affairs matter, even though they do have international treaty obligations under the joint declaration with the British in 1984. So, they are actually bound, if not on any particular penalty, they are bound morally to conform with that treaty until 2047. But I think that is the propaganda message they're being given, and those who don't look for other sources of information or don't have access to it in the mainland start to believe that kind of thing.

David Webb: 00:22:52 It's almost just a cultish situation when you have such a message and no other competing messages. But it's not just America, there's a tendency of any authoritarian regime to blame foreign forces when its people start questioning the regime. It happened in 2014 here during Occupy Central, and there's a suggestion, a rather insulting one, that the brightest and best students who come out on the streets are too stupid to have done this on their own. But if you look forward, you know that some of these people are going to be senior managers and politicians, and successful business people in the future. Of course, they're capable of understanding what's at stake here, and-

Demetri Kofinas: 00:23:33 But also this traces back. This traces back. We've gone as far back as I believe the Article 23 protest in the summer of 2003, but this didn't come out of anywhere. We had the umbrella movement in 2014, correct?

David Webb: 00:23:45 Yeah, and I think it's entirely fair game for foreign governments to fund entities like the National Endowment for Democracy in the U.S., that then try to support pro-democracy movements with advice and so on in other countries. It's also entirely fair game if China wants to promote the idea of authoritarian Marxism and socialism with Chinese characteristics as a model for other countries to follow, if they want to promote that. I don't think they'd get a lot of subscribers to it, but they're welcome to try and persuade us all that Karl Marx was right that America should become a communist nation. That's all part of the rough and tumble of international politics. It doesn't mean that they're somehow coordinating these protests or inciting people to violence. And in fact, they have very little at their disposal in terms of violence.

David Webb: 00:24:36 They've been picking up bricks off the streets, and I certainly don't condone that. That's never a solution, but it's not as if they've got guns and rockets at their disposal. They're not terrorists in that sense. There was one, I think, attempt to build some petrol bombs that was discovered in a warehouse somewhere. An alleged attempt I should say, because the people involved have not yet been given their day in court. But by and large, what you're saying is just bodies and voices on the streets in large numbers, peacefully protesting in Central and Chetar Garden here, which is right in the middle of the central business district. And we often have gatherings in Victoria Park, in Causeway Bay at the Eastern end of Hong Kong Island, and then marching through the streets.

David Webb: 00:25:25 And it's only the sort of headline grabbing parts of that that the foreign media tend to pick up, when teargas starts flying around and there's a few hundred protesters remaining. And even then, I think the use of teargas has been overdone. When there's been no real threat to the police, they've used it simply as a dispersal mechanism rather than letting people sit down and wait it out. And particularly in residential districts, that can have knock on effects to bystanders, and they've even fired some teargas into the public transit system, the MTR or metro.

Demetri Kofinas: 00:25:57 So can we draw any lessons from the past from, let's say Article 23 in December of 2003 or the umbrella protests, the umbrella movement, to give us a sense of where things might be going or what it will take to resolve this crisis?

David Webb: 00:26:11 They've got, in that sequence, and there was another one in 2012 when they tried to introduce a national curriculum in the schools to make the students love the country. Brainwashing exercise that was quickly-

Demetri Kofinas: 00:26:22 I believe that was where Joshua Wong came from originally.

David Webb: 00:26:24 He first appeared in that as a young 15 year old I think at the time, and then two years later in Occupy. But one thing it does show, and I was explaining that to a journalist, an American journalist this afternoon, is that it completely negates the facile argument of pro-government people who say, "This is all about economics and wealth gap, or income gap, or some kind of an issue that can be dealt with by spraying money around." It isn't. We have unemployment now at 2.8%. It's structurally as low as it can go, accounting for people between jobs. And we have a strong economy until the recent protests, and until the latest round of tariffs were announced, which is impacting the economy far more than the protests are probably. Except in small pockets like retailing where the protests causing disruption.

David Webb: 00:27:17 And so it's not an economic issue, it's not a question of housing or anything else. Even though housing is very expensive here, you have to understand that it's basically part of the taxation system because a lot of people don't pay any income tax. And they pay basically premiums to the government for land on which their flats are built, and money is collected that way. And there isn't a huge gap between the number of households and the number of housing units that we have here either. There is a shortage, but it's not huge.

David Webb: 00:27:47 So the fact that these protests have happened only on really big issues, national security in 2003, national education in 2012, universal suffrage in 2014, and now the firewall between the two legal systems in 2019, shows that it's not related to the economy at all. Which does go up and down in cycles, we've had market booms and busts in that period of 16 years. It's all about people protecting what they regard as their important freedoms and identifying as Hongkongers, but really as people who value those freedoms. I think many, many societies value those freedoms as well and any democratic government that tried to restrict them heavily would face a lot of opposition.

Demetri Kofinas: 00:28:33 So, let's actually stick on this point about the economy. You're saying it's not a driver of the protests, but could it be an accelerant of further unrest in the country if, for example, the Trump administration were to change this recognition of Hong

Kong as a separate customs, tax and legal territory within China? Because you mentioned 1984 and the joint declaration.

- David Webb:** 00:28:58 Yeah.
- Demetri Kofinas:** 00:28:58 I believe the policy act, the U.S., U.K. policy act was 1992. What if the U.S. rescinded that? Is that possible?
- David Webb:** 00:29:05 Right, U.S. Hong Kong policy act.
- Demetri Kofinas:** 00:29:07 And what impact would that have, for example, on this crisis?
- David Webb:** 00:29:09 Yeah, well obviously the U.S. is probably the biggest trading partner with Hong Kong, and then the EU after that if you count them all together. And of course, the EU is breaking up as we speak. And so, if the U.S. was to withdraw recognition after a crackdown, then other countries would likely follow. They might even call on them to do that through the United Nations Security Council. You can imagine what could happen. The economies of China and the U.S. are more integrated now than they were in 1989. It wasn't so much of a loss for America to withdraw some of its diplomats and have a ban on officials visiting Peking for two or three years after 1989. They still wanted to reengage, but they weren't so heavily engaged on trade as they are now where so much of the products in Walmart and other stores, and Amazon, is made in China.
- David Webb:** 00:30:00 And so I suspect after a period of condemnation for public opinion, reasons, under political pressure, Western governments would condemn what was happening in Hong Kong. They would eventually get back to the trade table and say, "Okay, so you've taken over Hong Kong. That was kind of like Russia and Crimea, and we're moving on." And they wouldn't forever make that an issue of a very small part of China, over their bigger interests in trading with China.
- David Webb:** 00:30:29 I think that if there is a crackdown, Beijing will claim to be doing it within the framework of the one country two systems model. They will say... they will point to clauses in the basic law that say that the Hong Kong government, in emergencies, can ask for assistance, and the assistance was asked for, and it was given. And then the laws were strengthened and tightened, and big jails were built, and those who are willing to be locked up for protesting would go there, and the others would stop protesting. And you said much earlier in the show that there was a bargain or agreement between the people of China and the government after 1989. I don't think there was.

Demetri Kofinas: 00:31:05 An implicit. Implicit, no?

David Webb: 00:31:08 Yeah, I don't think that was implicit. It was an iron fist approach. It was quite clear that if you protest, you ran the risk of being shot. That was well enough understood that the people leading those protests, and it was students not surprisingly, as usual. They have the most to lose in any country because they've got [crosstalk 00:31:24]

Demetri Kofinas: 00:31:24 Your point is, it was a carrot and stick approach.

David Webb: 00:31:26 There wasn't really-

Demetri Kofinas: 00:31:27 The carrot was the consumption and the stick was the repression.

David Webb: 00:31:29 Well, the reforms had already been underway for 10 years and there was much more to come. The stock exchange opened in late 1990 I think, in Shanghai and then Shenzhen, or the other way around. And so, prosperity was a work in progress, or at least improvement in livelihoods. And it is true to say that they govern with the implicit consent of the people, which is granted because of their improvement over that period in livelihoods. And that's why, of course, that if they don't keep delivering, that people would withdraw that consent. But at the time, I think it was just ruled by fear.

David Webb: 00:32:05 There was such a strong crackdown, and I'm afraid that that could happen in Hong Kong and blood will have to be spilled in that situation. It won't be enough to just threaten people with being locked up for a few months for causing a public nuisance, which one of our academics was locked up for just yesterday, released on bail pending his appeal. That won't be enough, they'll need to go much further to oppress dissent here.

Demetri Kofinas: 00:32:30 Can you describe your fear? How would that materialize? What is a realistic scenario that would generate that type of oppression on the part of the CCP and the PLA?

David Webb: 00:32:42 Well, it's got to be Beijing's call in the end. They know that there will be international opprobrium and condemnation if they do it, and also that any future agreements they make will be taken with a huge pinch of salt if they're not going to honor the joint declaration. But...

Demetri Kofinas: 00:32:58 Well just to ask you there, just to clarify something, are the two major costs for Beijing its reputation globally? And also, the

independence of Hong Kong, which plays an important role for companies based out of China, and as an on and off ramp to Western capital markets?

David Webb: 00:33:17 Well you see, the Hong Kong government naturally promotes itself in that way. But the reality, I'm afraid, is that we're not as important to the mainlanders as we were in 1997 or earlier. At that point, we were 20% of China's GDP, now we're 2% or 3%. Per capita, it's still four or five times, but in population it's a half a percent of the country. So, when people say, "Well, what about finance? Companies come here on the Hong Kong stock exchange, and they raise money." Well yes, but they can also go to New York. They can list in New York or London. Alibaba, for example, is a New York listed company. It doesn't have a listing in Hong Kong yet.

David Webb: 00:33:51 They can still raise money, they can still engage in their so called stock connect schemes with different places. And if recognition were withdrawn after Beijing had pretended to do all of this within the framework of two systems, but it had been so violent that countries were forced to condemn it and revoke their recognition of Hong Kong as a separate place. Then I think at that point Beijing would say, "Well, we've lost all the benefits in terms of separate free trade agreements, WTO membership for Hong Kong and so on, and recognition of a separate customs regime. So, we'll just give up and tear up the basic law, and integrate fully into the so-called Greater Bay Area."

Demetri Kofinas: 00:34:31 Right.

David Webb: 00:34:32 Because it is then there'd be no boundaries between Hong Kong Macau and Guangdong profits.

Demetri Kofinas: 00:34:36 And that's sort of where I was going. Also, is it significant at all that Hong Kong plays a role as a steam valve for capital flight for Chinese elite? Is that important in any way?

David Webb: 00:34:48 The valves have been tightened significantly in the last couple of years. It's harder for mainlanders to get their money out through things like buying life insurance products here. That was shut down, they were using credit cards to buy life insurance, and then cashing them in later. There are other ways through the trade account, by producing up into company transfers and trade, in imports and exports, or through the casinos in Macau. Which is probably as big a financial center as Hong Kong in that sense, even though it doesn't have the stock exchange. But I don't think the mainlanders rely on Hong Kong for that purpose.

David Webb: 00:35:25 What is true to say is that a number of very wealthy mainlanders have established their residency here and spend less than 180 days per year in the mainland, and thereby avoid mainland personal taxation. And that's quite an attractive place, so we are the Monaco of China effectively. You can live in Hong Kong, run your business remotely, visit fairly often, nearly a half of the year in the mainland, and still avoid much higher levels of tax in the mainland than in Hong Kong. So that status would go away, but they could still go and live in Singapore or other places if they really want to avoid mainland tax.

Demetri Kofinas: 00:36:03 So to bring it back to this point about the PLA and a Chinese led crackdown in Hong Kong, are they basically just trying to wait this out for now? And is there an amount of time that they're willing to wait beyond which they're no longer going to continue to wait, and they would...

David Webb: 00:36:21 Well-

Demetri Kofinas: 00:36:21 ... move in? Or, is there a threshold of violence that could be surpassed in the city that would initiate a crackdown?

David Webb: 00:36:29 The short answer is, I don't know. If I did, I could buy the appropriate put options.

Demetri Kofinas: 00:36:32 You actually have a great quote that I have where you said, if Carrie Lam was a stock, you'd short her, which we can get into later.

David Webb: 00:36:39 With a target price of \$0, yes.

Demetri Kofinas: 00:36:40 That's right.

David Webb: 00:36:41 She won't see the end of her term I think, and certainly not a second term. And she's still got three years nearly to run on that first term, but-

Demetri Kofinas: 00:36:48 But that's what we're all... that's what many of us here in the West are looking at. We're looking at these pictures, like you said, of course...

David Webb: 00:36:53 Right.

Demetri Kofinas: 00:36:53 ... these were also for public consumption, to be sure. But we don't have the background or the context to have any sense of...

David Webb: 00:37:01 Yeah.

Demetri Kofinas: 00:37:01 ... what the likelihood is of a crackdown.

David Webb: 00:37:03 Well, I think we're closer to the brink than we've ever been before. I mean, if this was a nuclear doomsday clock, it's one minute until midnight. I don't know how often you calibrate that, but the rhetoric has been stepped up. The chief executive here, Carrie Lam, has spoken about Hong Kong being crushed to bits and being at a point of no return, and not wanting to go down that road. And the rhetoric from Beijing likewise, but it will be ultimately Xi Jinping's call as to whether he wants to push that button. And we've had some pretty major disruption at the airport, which has now calmed down. And there have been very big street protests, but there hasn't been one on the scale of the 16th of June since then. There have been a few hundred thousand rather than 2 million people. And perhaps they're just hoping she'll say to wait it out at least for this time around.

David Webb: 00:37:57 But there is a notable escalation in the sequence of 2003 to now, and each time an issue like this comes up, it's probably going to create more larger scale unrest. People were shocked in 2014 when teargas was first used against crowds. Now it's used nearly every day without much remark, it's almost normal now, and you have to sort of plan your day to make sure you're not near an event that might lead to that. Not today, but several times in the last week. So, there's a sort of new normal of enforcement measures that's happening there, but it's a huge step to take.

Demetri Kofinas: 00:38:37 Based on-

David Webb: 00:38:37 And China is in the middle of a trade war with America, and maybe they don't want to go down that road either for that reason as well. That's one more difficulty to negotiate around.

Demetri Kofinas: 00:38:47 Based on the turnout though, the extent of the support in Hong Kong, it seems that the crackdown and the, not to mention the fact that Hongkongers are used to much higher levels of personal freedom. It's not the same thing as Tiananmen in 1989. I would imagine that the extent of the crackdown would have to be extraordinarily large. This is not something to take lightly, in other words. Do you think Beijing has a sense of that? Is there a sense that they understand how difficult that challenge would be in Hong Kong? What that would-

David Webb: 00:39:19 Well, yes.

Demetri Kofinas: 00:39:20 And the extent to which that would cause a turn inward for China, that would really... that would be a Rubicon, crossing a Rubicon for the international system as well, would it not?

David Webb: 00:39:28 The leaders in Beijing are old enough to remember 1989 quite clearly, and they must internally know roughly how many people they killed that night. Estimates still vary internationally between a few hundred and a few thousand, but something along even a few tens would be seen extremely negatively globally. And if you're into the hundreds in Hong Kong, I can imagine that it would be politically impossible for any elected leader in the West not to impose severe sanctions. Certainly, you can say goodbye to the trade talks, and that's something that there won't be... Even though Donald Trump likes to play footsie with Kim Jong-un and so on, he's not quite so stupid as to try and proceed with a trade deal if that event has happened. So that's a deterrent to Beijing because they know if they don't get a trade deal done, then things could economically get much worse for them. It's already slowing down there.

David Webb: 00:40:26 So, there's a number of reasons why they might not intervene, but there's also the domestic stability reason. The primary concern of the mainland government of ensuring that the country stays united and doesn't have other imitating protests in the rest of the country. And they have to be seen to be strong and firm on this, and so their patience is being tested. And we'll have to see how that plays out, but as I said earlier, I think that they would try to claim it was all being done within that one country two systems framework. And that any deaths were entirely caused by the protesters' resistance and not by the guns of the people's armed police or ELA.

David Webb: 00:41:15 They brought it upon themselves, and there will be that kind of messaging that goes out in the aftermath. And that of course will be contradicted by the huge amount of social media that we have now following everything, there's-

Demetri Kofinas: 00:41:27 Right, exactly.

David Webb: 00:41:28 Every second person in these protests is a reporter now, streaming on Periscope or YouTube or something. And so there will probably be video of every incident.

Demetri Kofinas: 00:41:39 So I would like to explore now a bit the international political as well as the financial dimensions of the conflict in Hong Kong.

And I want to begin actually with asking you about some speculation around the value of the Hong Kong dollar and the peg in Hong Kong. I believe you've commented on this as well. You're familiar with some of these theses that we could see an unpegging of the Hong Kong dollar and destabilization of its financial markets. What's your view on that?

- David Webb:** 00:42:09 As long as the basic law was being upheld, and China wasn't tearing it up and imposing capital controls, then I think the peg would hold. It has very substantial backing, it is well managed, and I still have large amount of Hong Kong dollar deposits. I'm not engaging in any kind of bailing out of the currency just because of these recent events. Not to mention, of course, that most of my assets are in Hong Kong stocks. So, I'm rare to be sanguine about that, and some of the... a lot of the commentary, in fact, has come from one person in America who is a somewhat smalltime hedge fund manager with not billions, but hundreds of millions perhaps under management. And it looks like a desperate sort of cry for attention in what he's doing. He is-
- Demetri Kofinas:** 00:42:58 So you think there's nothing to his claims?
- David Webb:** 00:43:00 Well, he may-
- Demetri Kofinas:** 00:43:01 I mean, his assertions, I believe, are that they've already spent 80% of their reserves defending the peg.
- David Webb:** 00:43:05 And that is a complete misunderstanding of the way the peg works. What he's actually talking about is the aggregate balance of the banking system with the Hong Kong manager authority, that the sum of all of their deposits with the hedge committee, that's a tiny amount relative to the reserves that the exchange fund has at its disposal. So, he's looking at the wrong figure and saying, "That number shrank." What happened was, that number massively inflated during the zero-interest rate period. It went up by a very large factor and has now shrunk back as interest rates have started to equalize between the U.S. and Hong Kong.
- David Webb:** 00:43:42 That's just part of a normal mechanism of a currency board. They have not touched their reserves. In fact, they've gradually been adding to them over the years because the government here had been running a fiscal surplus and then converting the Hong Kong dollar surpluses into foreign reserves. So, it's a very, very robust mechanism, and it's slightly irritating that they allow it to fluctuate either side at 7.8.

David Webb: 00:44:08 They have an official band of 7.75 to 7.85, and when they introduced that, they said it was in order to provide so called constructive ambiguity, which is nonsense. What it was really for was to allow foreign exchange traders to gain the system, make a little money, and even down at the street level, the bureau's de change to claim that there was risk involved in converting your currency, and therefore they must impose a big spread on it. But there's no reason in principle why they couldn't make it 7.8000 and run it on that basis, in which point all of the conversion would be done directly with the exchange fund.

Demetri Kofinas: 00:44:46 And I think he's also commented on the leverage in the Hong Kong banking system. I believe he's put that number at 850% of GDP. We've also discussed, though we haven't discussed-

David Webb: 00:44:57 True.

Demetri Kofinas: 00:44:57 Go ahead.

David Webb: 00:44:57 That's a truth. It's a true figure, but that's irrelevant really. What matters is whether there's capital adequacy, whether the capital ratio is as strong, which they are. And the reason that figure is so high is because a lot of the loans are to Chinese borrowers funding parts of the mainland economy as well, and elsewhere. Shipping, for example, we've got great fleets of tankers on the world's oceans that are financed out of banks in Hong Kong. So, I wouldn't be too concerned about that.

Demetri Kofinas: 00:45:27 So that's a great transition to get us into the mainland economy, because we've done a number of episodes on China's banking system and economy. The renminbi recently broke above seven against the U.S. dollar for the first time since 2008. What is your view on China's financial system?

David Webb: 00:45:43 Well, they can't bring themselves to trust the free markets. The fact that they were criticized by Trump and others for allowing the currency to depreciate obviously points to the fact that they manage it. They don't just let it float and find its own level. Maybe if they did, it wouldn't be too far from where it is now. But it has been in the past maintained at... it was pegged at 8.3 for many, many years before they allowed it to start wiggling a bit. And it was no secret though that they still manage it, and they allocate capital by state policy. State control banks are required to make loans to state control companies, not much to the private sector developers in Hong Kong.

David Webb: 00:46:25 Chinese property developers with projects in the mainland issuing bonds in Hong Kong are currently paying over 10% to your money in U.S. dollars. So, what does that tell you? They have to make pretty substantial returns on their projects to have a realistic chance of paying back on those. They are quite desperate, and...

Demetri Kofinas: 00:46:43 Well, how important is it that some of these companies have access to Western markets and capital markets for funding?

David Webb: 00:46:49 Yeah. The big issue is the failure to pursue free market policies after the initial experiments. If you go back and look at the development of the mainland and Hong Kong stock markets, and we basically list a lot of the mainland companies here and they're also listed in Shanghai. What you can see is that they first of all said, "We must impose market discipline on these firms, so we will list them." But that doesn't create market discipline unless they are completely owned by independent investors, and not controlled with majority shareholdings by the government. What eventually got instead is that they stopped after they had done the listings, and they had sold 25% of 30%, never more than 49% they sold. And things like PetroChina, China Mobile, Air China, China Telecom, the four big banks and others, they're all still controlled by the state.

David Webb: 00:47:36 Basically, if you buy into those shares, you're buying a minority share, ordering a subsidiary of a giant conglomerate run by SASAC, the state administration of China, that controls all these companies even to the point of setting the pay levels of the executives and appointing the executives. And they have to be all good party officials to be executives, and reallocating them to take them off the board and run a province or shuffle them around between competing companies so that they're not really competing. Sometimes they shuffle the airline chiefs or they shuffle the bank chiefs.

David Webb: 00:48:09 And so all of that is a great shame because I grew up in the U.K. in the 1970s, and I'm just old enough to remember Margaret Thatcher coming to power and the run up to that was Labour's government at a point where they controlled all the electricity companies. Gas, water, airlines, BOAC, which became British Airways. Car making, British steel, vast chunks of the economy were nationalized enterprises. It was a very socialist economy then. She let loose the reins of capitalism and started initially, because the markets couldn't absorb it, by simply selling minority shareholdings in things like BP and other companies, BT, and creating competition, and allowing new entrance. And then when the markets could absorb it, selling off the whole

thing and eventually releasing golden shares against foreign takeovers, which were imposed for a short while for political reasons.

- David Webb:** 00:49:03 And that accounts for the huge revival in the British economy from 1980 through to the 2000s. So, China did the first bit of that and then stopped. And today, you've still got all these companies, and you get the Premier, Li Keqiang, standing up at the annual meeting of the parliament. They only meet once a year, the National People's Congress. And announcing that mobile phone tariffs are going to be reduced because it's the government that decides that, not the phone companies by competition.
- Demetri Kofinas:** 00:49:33 Right, and it seems to me in the coverage that we've done and my attempt to understand China's economy from the outside, first of all, there is a barrier. There's a bit of a cultural educational barrier to understanding how it works. It seems like a maze, and it seems that trying to reform the economy, because of all those different interests and practices, is an enormously difficult task. Certainly, much more difficult than the reforms that Margaret Thatcher pushed through in the U.K. in the 1980s. Is that a fair observation to make? And also, of course Beijing's willingness to make those reforms is not there, and that's part and parcel of the problem.
- David Webb:** 00:50:11 Well, it comes... I don't know how difficult it really is. I mean, they've set up all the basic infrastructure. It is not like Russia in the USSR onto Gorbachev, where there was no... they didn't have a stock exchange, they didn't have the internet, hadn't put any infrastructure in place. They ended up with voucher privatization schemes where they literally handed out vouchers to every member of the population, which were then purchased by oligarchs, who ended up controlling big oil companies and so on.
- David Webb:** 00:50:36 China has a very advanced and developed infrastructure financially, and they do have the ability if they want to flip those levers, commence big selloffs of the controlling shareholdings at attractive discounts to get the public to become share owners directly of them, and to feel like... which is what Thatcher did. I mean, all of those were priced to go with nice first aid gain so that people could feel that this was generating prosperity directly for them. And they could do that, but it's inconsistent with the idea that the party knows best and they need to stay in control over everything rather than have open competition.
- Demetri Kofinas:** 00:51:14 That's an interesting point.

David Webb: 00:51:15 And they were brought up, the 70 year old's that are running, the 60 something year old's that are running the place now were trained in the Soviet Union as engineers and never really introduced to the benefits of true capitalism. Which you could all be equally poor, and can have a Gini coefficient of zero if you want to live in North Korea. But you must have some inequality and opportunity and incentive. That's what the capitalism produces to the overall benefit of society, and then you can afford to help the needy that didn't benefit from that.

Demetri Kofinas: 00:51:47 So, I mentioned I wanted to discuss the financial dimensions but also the international geopolitical dimensions. Of course, we have this ongoing trade war, and the relationship between the United States and China is at its worst place it's been in I think probably a generation. How do you see that unfolding? What is the perspective from someone living in Hong Kong? Is China going to come back to the negotiating table? Do you see that, even that framing, is even that framing a correct framing? How do you see this developing?

David Webb: 00:52:20 Well, they are gently talking to each other, aren't they? By phone calls and things at the moment, and Trump has decided to defer the latest round of tariffs on some products. Notably some of the biggest corporations benefit from that, like Apple for example, because they've exempted until December probably most of their products.

Demetri Kofinas: 00:52:40 Well, it seems that the perspective of the Trump administration is that China has more to lose and the U.S. has longer to wait. And that just sort of seems to be the perspective from this side of the Pacific.

David Webb: 00:52:52 Yes. Look, there's all sorts of reasons that... and policies that I would disagree with Trump on. But he is right to call out China for its foot dragging against WTO commitments, market access, and stepping up to become a full player in the global economy. And they can't have it both ways, they have an ideological difference. China, as I said earlier, is pursuing still socialism with Marxism with Chinese characteristics. And to them, that means control, control, control, gentle access. Allowing minority shareholdings in mainland joint ventures, understanding that all of the know-how will be transferred in.

David Webb: 00:53:32 And that's what the U.S. calls technology theft. It's not actually theft, it's coercion, but it's... there has been quite a lot of that going on. And only just saying to Tesla, okay, Tesla is the big showpiece for this that okay, we're going to let them have their

wholly owned factory in China. But I'm not sure that's a huge stretch of the Chinese automotive sector just yet.

Demetri Kofinas: 00:53:53 Is this notion of tech cold war, or a silicone curtain that we've heard in the U.S. and of course the emblematic case is Huawei. Is this something that you're seeing as well from your end? That this is something where we could go from not just a trade war, not just a potentially financial war, but a situation where increasingly the technology within the Chinese fear begins to sort of partition off from the rest of the world?

David Webb: 00:54:21 They do want to have this technological independence. I don't think they're entirely going to get it. Some things are quite hard to break into. Chip designs can be knocked down I believe at the silicone level, and it's hard to sort of unscramble what circuits you're being when you buy them even if you can buy them for your products. I think foreign players, including American companies, still have that going for them. And of course, the other thing is, which we didn't cover earlier, was the fact that smart and innovative people generally don't like living in authoritarian regimes. And so, there's a brain drain out of China and out of Hong Kong now as well.

David Webb: 00:55:00 I think students here are thinking, well, if things are going to be like this for the next 10 or 20 years and we're going to eventually have all of the promises and the basic law expire rather than be extended in 2047, when I'll be in my forties if I'm in my early twenties now. Then I'd be better off trying to get a second degree in America or U.K. or Germany, wherever, and settling down, making my life overseas. And that's probably the biggest threat to Hong Kong because we are a service-based economy. We don't make very much stuff here, we just do services. And so, if talented people are deterred from coming here and if Hong Kong people are trying to get out, then we face a new brain drain of the kind we haven't seen since the mid '80s.

Demetri Kofinas: 00:55:41 Well, that's what I wanted to actually ask you because when the handover happened in 1997, the time horizon for people making their lives in Hong Kong was very different than it is today in 2019. Are we at a time now where people are beginning to take this into account?

David Webb: 00:55:57 Yeah.

Demetri Kofinas: 00:55:57 They're looking forward, they're looking currently at what's happening, the protests, and they're making material decisions? If they're, let's say getting out of law school, do they want to try

and practice in Hong Kong, or do they want to leave? Are they willing to take that risk?

David Webb: 00:56:10

Well, it would help if they knew which law they would be practicing in 28 years' time.

Demetri Kofinas: 00:56:14

Exactly.

David Webb: 00:56:16

If they're going to be appearing in the Guangzhou People's Intermediate Court rather than the Court of Final Appeal as a senior barrister, then that would be an entirely different legal system to learn. So that's the specialized case, lawyers. But generally, I spoke to a large haul of students at Hong Kong University in October. And afterwards, we had coffee and a number of them came up and said, "You're right. We are thinking about our future, and it's not clear why we should commit to Hong Kong at the moment." And that was before all of the current protests, and before all this blew up. But they're starting to wonder whether there will be an extension, and perhaps people optimistically would have said, "Yeah, sure. The Chinese government will recognize that the short lease in the basic law is running down." And they need to now start talking and maybe in 10 years' time give a promise that you can have another 50 years.

David Webb: 00:57:07

My guess is that the, as an optimist in this, I'll be 82 in 2047, is that by then China will be a prosperous, open, democratic economy, strongly capitalist and financially successful and peaceful. I hope it will turn out that way. The path to get there is either going to be through a revolution or top down reform, and one way or the other. By 2047, we'll say, "What was all the concern about?" But people making their decisions now about their futures and where to start their families, and whether to seek another passport and so on, they can't make that bet I think. They can't bet that things will turn out great in China, and so more and more of them will go overseas and at least try to get the security of a foreign passport even if they do bring their skills back here.

Demetri Kofinas: 00:57:55

Well, I believe we did start this interview with the two paths that you laid forward in that article. I do recommend people read that, and I believe the bottom up reform, you called that a Chinese spring. It sounds like you are optimistic. What message would you want to send to those who are listening? What is the important message that you want them to hear?

David Webb: 00:58:18

It'll all work out in the end, and don't focus too much on the sensational video that you see in your evening news of

protestors and police battling it out, because that's a very small subset of the overall situation. I've had emails and calls from relatives worried about my safety. I don't worry about my safety here. One way or the other, even if there is a crackdown, and I hope there isn't a violent one but it's possible, I think that we'll get through this.

- David Webb:** 00:58:48 And I think in the 28 years' time when the initial prices of the basic law expire, it won't matter. Because we'll be part of a free and open, on China economy, and we'll be driving freely between parts of it that are currently separated by fences and immigration controls. Hong Kong to Macau, Hong Kong to Shenzhen, and so on. So, I'm an optimist about that, but I do feel for younger people who are having to make tough decisions now about where they plan their futures.
- Demetri Kofinas:** 00:59:23 Well, let's hope your optimism isn't misplaced. David, it was great having you on the program. Thank you so much for taking the time to speak with me today.
- David Webb:** 00:59:31 Thanks for having me, Demetri.
- Demetri Kofinas:** 00:59:34 Today's episode of Hidden Forces was recorded at Creative Media Design studio in New York City. For more information about this week's episode, or if you want easy access to related programming, visit our website at HiddenForces.io and subscribe to our free email list. If you want access to overtime segments, episode transcripts, and show rundowns full of links and detailed information related to each and every episode, check out our premium subscription, available through the Hidden Forces website or through our Patreon page at Patreon.com/HiddenForces.
- Demetri Kofinas:** 01:00:13 Today's episode was produced by me and edited by Stylianos Nicolaou. For more episodes, you can check out our website at HiddenForces.io. Join the conversation at Facebook, Twitter, and Instagram at HiddenForcesPod, or send me an email. As always, thanks for listening. We'll see you next week.