The Suffocation Of Hong Kong

Decline of Press Freedom Since the 1997 Handover

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INTRODUCTION

After the July 1, 1997 handover of Hong Kong by Britain to China, it was expected by many that any attack on press freedom would come directly from Beijing.

As it has turned out, noted after one year and confirmed now after one-and-a-half years, the pressure was more insidious.

Self-censorship, pressure from "upstairs," ultimatums to and from advertisers, non-cooperation with Hong Kong journalists going into China, increased prosecution of journalists in China, were among the elements.

I had decided on a book title "The Suffocation of Hong Kong: Decline of Press Freedom Since the 1997 Handover" as supported by my research. Nevertheless I had some trepidation as I arrived in Hong Kong recently on one of my frequent visits, thinking some might feel it was too bold.

My hesitancy was unfounded.

"That's perfect. That's the real story," said Kin-min Liu, President of the Hong Kong Journalists' Association, when I told him the working title. "The situation is getting worse and may explode in a few months. Your timing is perfect."

Others whose opinions I respected were likewise supportive and even congratulatory. My hesitation meant that even I had succumbed, however momentarily, in a way to the odious self-censorship; I had the facts before me after long months of research but I had shown some hesitation at the last moment, thinking some would feel I had gone too far.

That is an example of the deceptive nature of the phenomenon of decline of press freedom in Hong Kong after the 1997 handover.

What is freedom of the press, anyway?

Should we allow for difference between Western definition of press freedom and Asian values?

Does "freedom of the press in Hong Kong since the 1997 handover" really matter?

Haven't internationally-known think tanks like Heritage Foundation rated Hong Kong as the most free in the world economic terms?

So what? It was expected that self-censorship might increase and it did even before the handover. Why all the fuss? Didn't China state there would be "one country, two systems" and that Hong Kong's lifestyle would carry forward for 50 years?

Hong Kong was successful as a business center before July 1997. Won't that continue despite a press that even with changes is less restrictive than, say, Singapore's?

What does the status of freedom of the press have to do with democracy in Hong Kong? With increasing restrictions on the press and quashing of each hint of a "Beijing Spring" in China? With the confident moves toward more and more press freedom in Taiwan?

How you answer these questions depends on who you are and where you are.

If you are Milton Friedman, your position is that "one country, two systems" won't work and you have told Deng Xiaoping as much in your last meeting before he died. Particularly won't work when it comes to freedom of expression and freedom of the press.

If you are Chris Patten, former Governor of Hong Kong, you feel pretty much the same way, with the added caveat that the West should not kowtow to China on human rights, including freedom of the press, just because it is thought that China will someday be a great power.

If you are Kofi Annan, Secretary-General of the United Nations, you are unequivocal in your support of the Universal Declaration of Human Rights, particularly its Article 19 on press freedom:

> "ARTICLE 19: Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."

And you endorse the Charter for a Free Press which sets out 10 principles for free, independent news media.

"The only test that matters (is) the choice of every people to know more or less, to be heard or to be silenced, to stand up or kneel down," the UN leader said in an October 1998 London speech.

If you are James H. Ottaway, World Press Freedom Committee Chairman, or a member of the Freedom Forum or numerous other organizations fighting for press freedom you know that the lack of knowledge is more detrimental among nations never the opposite.

This book would be a lot easier to write if there were unanimity on the question of

Hong Kong's decline in press freedom specifically and the greater question of universal press freedom.

But alas, there are respectable voices like that of the distinguished Singapore senior statesman Lee Kuan Yew who believe that the phenomenon of "Asian values" can render press freedom relative rather than absolute and universal.

He claims that special situations in countries make it allowable for authoritarian administrations to restrict freedoms.

The trouble is that allowed to go forward, his argument melds with that of China's President Jiang Zeming, who insists that all journalists and journalism must follow the edicts of the Chinese Communist Party. The exception—temporarily—is Hong Kong, under "one country, two systems." Hong Kong's supposed example is already being used to woo Taiwan.

Taiwan says it won't change from democracy and that the mainland must change to democracy and a free press. Can Beijing's offer be refused? Its latest offer says Taiwan can keep its army--more than Hong Kong had been allowed--keep its democratic lifestyle and free press. In return for sovereignty and flying the red-starred flag, Taiwan can join international bodies as it had always wanted. I doubt if the leaders of Taiwan will fall for the Beijing ploy anytime soon and the internal pressure on Jiang Zemin for some results on the Taiwan question means he will keep talking with Taipei, at least for the time being.

Meanwhile, a dilemma is faced in Hong Kong where self-censorship is eroding press freedom. Never mind, we're making money, the leaders say; press freedom is not important in their position.

Wrong. I see Hong Kong, based on the evidence gathered for this book, as the battleground and the time and place where the fight should be joined.

But this is not a one-sided tract; herein are the arguments for Asian values as well as those for a controlled press and what the author believes is the danger of such courses.

It is no less than a battle for the minds and future of Asia!

Satisfy yourself on the merits of the respective arguments. The bibliography and notes have most of the current literature on the subject for further reading. The Conclusion and Recommendations (Chapter 11) are one journalist's views on how freedom of the press can and should be perpetuated in Hong Kong.

Meanwhile, Hong Kong Journalist Association President Liu says recent surveys by his group find newsmen want more community involvement in the debate over press

ethics. The concept of a press council and new laws on media ethics were rejected recently as part of a fine side of the wedge of government control.

Authorities have criticized Liu, who is editor of the opinion page of the Hong Kong Economic Times, for pushing objectivity and criticizing Mainland China.

"The specter of self-censorship is increasing." Liu told me in his tiny Wanchai office.

On the Website of the *South China Morning Post*, the archive listing of "special reports" fails to mention the issue of self-censorship as something the paper has looked into, although there are glowing chronicles of the late Deng Xiaoping and new Chief Executive Tung Chee-hwa.

Briton George Adams, whose satirical "NOT the *South China Morning Post*" Website has been a cyberworld thorn in the side of the *SCMP* since the handover says self-censorship is blatant.

In the December 9, 1998 edition of his online report, Adams wrote under the headline "The Sin of Omission".

"What's this? A report in the *South China Morning Post*, prominent position of page four basement on a new Chinese-language Website devoted to human rights to celebrate fifty years of the Universal Declaration! But hang on. No mention of where the Website actually is."

Adams goes on "Obviously Mr. Feng Xiliang, former *China Daily* editor and *SCMP*'s 'editorial consultant' is becoming something of a crossover artist and his influence now extends into local news. Whenever (*SCMP* Editor) Jonathan Fenby opens his mouth to deny censorship and disinformation, examples like the above, frequently on a daily basis, spring to mind and must be explained. Of course, they never are."

In fairness to Fenby and the *SCMP*, the *Post* carried reports on the rash of arrests of dissidents in China over the Christmas holidays. But editorial comments on the incidents did not have the rapier sting one might have read in the pre-handover *SCMP*.

The *SCMP*, which is arguably Asia's best English-language newspaper, took a hit in 1998 when it announced a big decline in profits. As part of the fallout, Hong Kong rumors say, editor Fenby has been asked by the management to stop jousting Adams in public.

A new face and byline on the scene is that of Robert Keatley, formerly with the *Wall Street Journal*. His solid commentaries give the *SCMP* editorial page an added dimension and an American rather than British tilt. There is talk that as Deputy Editor, he may soon ease into the editor's chair.

A sure sign that Hong Kong is feeling the pinch is the organization of the Better Hong Kong Foundation, loaded with "old Hong Kong money" and headed by Chief Executive George Yuen, a former government information officer under the British Special Administrative Region's (SAR's) image.

Yuen is concerned with drop-offs in Japanese tourist numbers and continued reports of rip-offs of visitors from Tokyo an elsewhere by Hong Kong merchants.

"In the old (pre-handover) days," said a longtime businessman-resident; "Hong Kong was the last place in the world that needed a public relations agency to hide its warts."

Then there is the question of context. Press freedom in Hong Kong is not evaporating in a vacuum. Besides the various internal and external pressures, there is the matter of place; under the British Hong Kong had a certain arrogance that went beyond ambiance; there was always something special about Hong Kong.

The thought had never before crossed my mind to write that Hong Kong is becoming "just another Chinese city."

But day-by-day, at a pace we couldn't have imagined at the time of the July 1, 1997, handover, the image of the fabulous port city is being eroded by subtle change that is making it more like "another Tianjin" than the "pearl of the orient" that it used to be.

Putting Hong Kong under the microscope has become instantly fashionable with the announcement by Washington's Heritage Foundation that Singapore would soon become No. 1 in terms of economic freedom, replacing Hong Kong which had previously held that ranking.

Newsweek magazine, in its Asian edition, recently headlined "Singapore vs. Hong Kong" on its cover. Leading newspapers in Hong Kong (Population: 6.2 million; per capita wealth: US$23,000) and Singapore (Population: 3 million; per capita wealth: US$27,000) picked up the lead and presented several features and series on the competition.

Asiaweek magazine, owned by *Time* Inc., culminated a two-part series on the Singapore-Hong Kong rivalry by identifying Asia's 40 most-livable cities. Three Japanese cities led the list--Tokyo, Fukuoka, Osaka--followed by (4) Singapore, (5) Taipei, Taiwan (6) Georgetown, Malaysia, and (7) Hong Kong. The next-rated "Chinese" cities were (10) Beijing, (11) Macao, and (12) Shanghai.

The Hong Kong's government's controversial intervention in the market was partly responsible for its toppling from the "most free" category. Other moves include a tightening self-censorship of the press, notable effort to reduce expatriate salaries and

even presence, and a distinct switch of preference from the English language to Mandarin and Cantonese in education.

The overall change is not directly on the orders of Communist Beijing, which was once feared. But rather it is a looking-over-the-shoulder sense; the Big-Brother-is-watching-syndrome. This is different from the government's "parental" image in Singapore. .

When I told old friend Neville de Silva, columnist of the *Hong Kong Standard*, that I had just come from a week in Singapore, he bellowed "what are you, some kind of masochist?"

But de Silva remains skeptical of the furor over press freedom which he describes as "fashionable," a sort of "flavor of the month" syndrome. "Many of these young journalists never lived through the struggles for independence from colonial rule. They will play the 'free press' game and then head off to some fellowship funded by an American foundation. This is not a fad, it's about Hong Kong's survival."

And writer Nick Walker, who has lived in both places, said "There's more buzz in Hong Kong than Singapore." He says after the Asian financial crisis, things will be back in perspective. "Hong Kong's depth and legacy will override the short-term kowtowing to China and all the hand-wringing that goes with it."

Such spirited competitiveness doesn't hide some selected stark facts pointing to Hong Kong's relative decline.

Hong Kong's English-language, *South China Morning Post* for years the most profitable newspaper in the world, last year saw a 48.8 percent or US$53 million decline in profits. The other English-language paper, the *Hong Kong Standard,* is on the ropes and up for sale. By contrast the *Straits Times* and its sister papers *Business Times* and *New Paper* are booming in Singapore.

While Hong Kong is officially downgrading the English language in education, Singapore is stressing English.

Vilay Menon, Secretary-General of the region's premier communications organization, Asian Media Information and Communication Centre (AMIC), located on an idyllic green campus in Singapore, told me "The future of the press, and internet, in this multi-racial society is definitely tied to the English language."

The remaining expatriates in the Hong Kong civil service are being pressured to take pay cuts. This includes professors at Hong Kong University, whose academic salaries are no longer the world's highest. British young people, who didn't need visas under British rule, are finding renewal difficult. Fewer and fewer upscale waiter jobs are going to expatriate. Next to go may be the 140,000 Filipino maids whose jobs could

be handled by Chinese from the mainland. In Singapore, expatriates are welcomed in the drive for technological excellence.

The outflow of expatriates is taking its toll on the trendy new Soho area (South of Hollywood Road) where the Bistro Manchu (run by a lady from Harbin in China's Heiloongjiang province), and a few Nepalese eateries run by discharged Gurkhas from Britain's departed garrison) may survive. The temporarily popular Yelts-Inn, a Russian pub. has a thinning clientele as do a couple of Cuban restaurants.

Hong Kong's drift is toward being a service center for interior China. It is behind Taiwan and Singapore in high tech manufacturing. The latter accounts for nearly 25 percent of Singapore's gross domestic product (GDP) and only 9.9 percent of Hong Kong's.

It is not necessarily negative but just a fact: the outward identities of Hong Kong and Shanghai will merge and become more and more alike in the coming years.

John Yue and T.K. Ann were two of the first gentlemen I met in Hong Kong. I met Yue first, on a visit introduced by Robert Hill of British Overseas Airways (BOAC)-- "better on a camel," the joke went-- in 1957. Hill was on loan from BOAC to Hong Kong Airways, the forerunner of Cathay Pacific, which flew nifty Viscount aircraft around Asia.

John Yue had tailored at least a dozen suits for me by the time I moved from Tokyo to Hong Kong in 1962, to stay seven years as a China Watcher and covering the Vietnam War.

I will never forget Yue standing in the middle of my living room on McDonnell Road directing a Cantonese wallpaper hanger in mounting a 6-ft. x 12-ft. map of the world, with teak frame, on my wall. They both thought I was crazy but the huge colored map made a hell of a conversation piece.

Yue had fled Shanghai in 1949 when the communists came. In Hong Kong he opened a modest shop on Kimberley Road in Kowloon and soon prospered from his old customers and referrals. A Methodist, he arranged the christening for my daughter Carolyn. Yue was an adamant anti-Communist, not pro-Taiwan but anti-Communist. His property had been seized by the invaders, his brother beheaded, and he didn't like it one bit.

Ann had been a successful, Shanghai textile manufacturer. When the communists came, he fled to Hong Kong and showed up there penniless.

Within a few years, Ann was on top of the textile world again, serving Hong Kong's capitalism and becoming a millionaire several times over.

Ann became part of the Hong Kong establishment and an adviser to the forming *Far Eastern Economic Review.* He always commented on my regional articles in the *Review,* like my piece in the 1960s "Tug-of-War on The Korean Peninsula." Re-reading that article, I should have stopped right there. Not so much has changed in obdurate Korea.

Over the years, Ann did his best to salvage the situation between China and Britain. He was after all, Chinese and wanted the best outcome. If he had been 20 years younger he would have been Hong Kong's first CEO instead of Tung Chee-hwa. Ann was known for treating his workers well.

Ann attended my wedding banquet in the Ambassador Hotel--now torn down--which was located behind the present Sheraton Towers. I attended his son Rupert's wedding, one of the most lavish parties ever staged at the Miramar Hotel. John Yue was there, beaming because the tuxedo he tailored for me fit so well.

Ann did his best for Hong Kong and served on the Basic Law drafting committee.

In helping to shape the *Review* into what in those days (1960s) was Asia's most prestigious and intellectual business-economic journal, Ann made his contribution to a free press.

The point is, in giving glimpses of just two of my old friends in Hong Kong, there are several ways to address the problem. John Yue and T.K. Ann came out of Shanghai as capitalists. Both believed in an emerging great China.

So do I; but if China becomes great, it won't be under the leadership of the Chinese Communist Party as we know it today. The party will have to reform radically and lean toward the type of democracy, which is seen on Taiwan.

One of the ways to do this will be in the realm of press freedoms; development in a straight line from the old *Review* which was Ann's pride and joy instead of a straight line from Xinhua News Agency and the *People's Daily,* which are burdens to the intellectual equanimity of Ann and a lot of other Hong Kongers.

There used to be a saying on the China Coast: "You'll never get anywhere betting against Shanghai." In the 1930s and 1940s Shanghai was the greatest city in Asia and clearly the elder brother to Hong Kong. It was also, by the way, the founding city of the Communist Party but also a key base for Chiang Kai-shek's Nationalists. In short, quite a place.

The Communists took over in 1949 and made Shanghai into a great gray glob from which status it has only begun to recover in the 1980s. On my first visit to Shanghai in 1973 I was dismayed at the "disappearance of greatness."

Meanwhile, Hong Kong--spurred by men of dreams like T.K Ann and John Yue--

prospered. By the 1960s Hong Kong had inherited the mantle of the city with the most moxie on the China Coast.

The saying changed to "You'll never get anywhere betting against Hong Kong."

The purpose of this book is not to "bet against Hong Kong."

It is to bet for freedom of the press in Hong Kong as a catalyst to getting Hong Kong back on the road to prosperity, creativity and to fulfilling its promise as China's greatest international city.

While there are plenty of threats to press freedom in Hong Kong, this book covers at least two phenomena that could be said to be encouraging, that is working toward freedom of the press in Hong Kong.

One of these is the example of the rambunctious quest for democracy shown by Taiwan. Press freedom and the demand for freedom of expression shown in the growth of cable television are part of this syndrome.

Hong Kongers once were haughty and disdainful of "rough" Taiwan residents and their nouveau riche ways. The tables have turned; See Chapter Six as Professor Lo Ven-hwei guides us through "Hong Kong as Perceived from Taiwan."

The other force working toward openness, not only in Hong Kong but across vast China, is the Internet. Imagine my surprise in 1997 when I received a comment on one of my columns from a teacher on Hainan Island. Nowadays, such exchanges are commonplace and seem to be allowed as long as there is no criticism of the Communist Party detected. See Chapter Nine "Internet, Books & Dissidents."

The Suffocation of Hong Kong, after all, is reversible if enough people take an active position toward press freedom. And see Chapter 11, "Conclusion & Recommendations."

There was bound to be some slippage in Hong Kong's fine-tuning after the handover. As Jimmy McGregor, 72, a Scot who has lived in Hong Kong since the 1950s said, "A Rolex watch is being taken over by a garage mechanic." (1)

CHAPTER ONE It's Not Like It Was

Steve Vines, onetime editor of the now-defunct *Eastern Express,* now correspondent in Hong Kong for *The Independent,* was unequivocal:

"Self-censorship is a misnomer. There is no self-censorship in Hong Kong media, there is censorship. The censorship is exercised by the people who own the bulk of the media in Hong Kong. It's not editors, its not journalists working at their desks.

"It is the fear that the proprietors will stop them and if they do go beyond the limits, there will be repercussions.

"The great problem for the media is the very high degree of ownership of the media by what are essentially non-media companies with business interests in China."

Vines was speaking at the Foreign Correspondents Club, Hong Kong, and quoted in the September 1998, edition of the club's magazine. (1)

He told a luncheon gathering:

"All China wanted in Hong Kong was a colonial system, administered by a pro-consul, in which the people of Hong Kong would have less political rights than the people of Ethiopia," he said, "in which the dream of the Chinese leadership was that economic freedom could exist and flourish and political freedom and civil liberties wouldn't be allowed to flourish.

"Poor old Karl Marx must be really stirring in his grave when he hears people who call themselves communists thinking they can detach political and economic systems.

"They obviously don't read Marx anymore. If they did they would find this is an illusion. An illusion that the Chinese leadership would like for China: a non-ideological system, oppressively controlled politically, but with a free market operating around the fringes."

Vines is worth listening to at length because he has been a journalist in the front line trenches in Hong Kong. Under the "colonial system" Hong Kong now has, it doesn't necessarily involve having buttons pressed from Beijing. "The important thing for them was to get the man in charge right.

"With Tung Chee-Hwa they got it right. He doesn't be controlled because he is already on the same wavelength as China's leadership.

"Power has been concentrated into the hands of this man in a way that leaves very little scope for challenge. Just as it was in the former colonial system."

"So it was crucial in how it changed China's attitude towards Hong Kong.

"It was also crucial in demolishing the many myths about Hong Kong: People here

are only interested in money and aren't prepared to go out on the street and fight for things they believe in.

"Yet, what happened? There was a fifth of the population out on the streets. I have never been anywhere in the world where this has happened for any reason. As well, it was in such a controlled, orderly manner where there was absolutely no need for policing during those momentous days."

Vines' book *Hong Kong: China's New Colony* pulls no punches, Hong Kong Foreign Correspondents' Club President Diane Stormont said in a review of his book, "The title lays out the central thesis which is cogently argued throughout the book. I have no problem with his view. Like Steve, I believe that it was China's intention all along to inherit a docile colony and continue to run Hong Kong as such. Indeed Hong Kong was a docile colony when the Joint Declaration was signed in 1984. Ideally, Beijing would have liked to freeze-dry the place and its people for the next 13 years. Hence all the dismay over any plan to introduce more representative government even before the Tiananmen massacre overturned so many cozy assumptions and sent the future leaders back to the drawing board to draft herder-nosed plans for assuming the reins of power."

The reviewer said the nub of the argument is contained in Chapter Seven, titled "The Shameless Elite". The chapter heading sums it up rather neatly:

"When it comes to colonies, probably the most important lever of power for the rulers lies in picking and shaping the comprador class—members of the elite section of the community who serve at the conduit between rulers and the ruled. The British were masters at this. And as Steve details, Beijing has shown itself to be just as adroit."

Not that it had much persuading to do in terms of winning hearts and minds. "The most assiduously pro-British members of the old establishment were the most active in making their obeisance to the new masters," he wrote.

He calls them Rice Communists and spares no blushes, singling out individuals by name. He weighs up Hong Kong's elite and finds them wanting. "The members of the elite, who are genuinely prepared to stand up for the interests of the Hong Kong people can be counted on the fingers of a single hand," he states. Later on, returning to theme, he muses: "The average person expects little from the elite and is rarely disappointed."

Reviewer Stormont said, "The first person style of the book makes for a comfortable read. It is also enables him to paint a picture of living in Hong Kong through anecdotes.

"There is already a more Chinese feel to Hong Kong," she quotes Vines although he goes on to admit this is hard to pin down. He gives a glimpse of a brush with triads and a very tiny glimpse into his time as Editor of the *Eastern Express* which ended in

acrimony." (2)

Hong Kong has been back under Peoples Republic China rule—under the "one country two systems"—for more than a year and a half now. Overall, even the British say that have been pleased, adding that things have been going even better than hoped. But is this really so? Only Chinese living in Hong Kong are qualified to comment." One writer, Chu Chun-Hung said:

"Recently the mainland's Central Ballet Company performed *The Red Detachment of Women* in Hong Kong. The political orientation of this ballet is already incompatible with life in Mainland China itself, much less with Hong Kong. Officials in charge of broadcasting in Special Administrative Region have not kept careful watch over the gate of ideology. To allow this kind propaganda to be shown in Hong Kong is really a failure to fulfill their responsibilities, since it goes against Hong Kong's political traditions and against Beijing's own policies.

"It will be remembered that, less than six months after taking over Hong Kong, Beijing and its agencies in Hong Kong were touting the slogan 'prevent Hong Kong from being transformed into just another Chinese interior city,' so as to remove doubts about their sincerity to implement 'one country two systems.' 'This was admirable. But in this past year there have already been miscarriages of justice. It is a profound challenge to maintain Hong Kong 'unchanged for 50 years' (as the Basic Law promises). In only one year, much has already changed, enough to make those who are aware of the situation worried about the future." (3)

The other was *Hong Kong China: The Red Dawn,* edited by Chris Yeung, Political Editor of the *South China Morning Post,* Hong Kong's leading English-language daily.

I met Vines early during his tenure as editor of the *Eastern Express.*

"We like your pieces on Japan," Vines said. "Keep giving us your best. We want the *Express* to make a mark in the region".

I had been writing political commentaries for the *Express* from Tokyo, having followed Foreign Editor Karl Wilson when he left the *Sunday Standard.* In May, June and July 1989, although my hands were full with Tiananmen Square crackdown and aftermath articles for my paper, *The Washington Times,* I managed to recycle some features, eyewitness reports and analysis to Wilson at the *Standard.*

This policy of allowing correspondents to write for papers outside our circulation area was one I had started during my term as *Times* Foreign Editor (1982-86), since we

did not have out own news service at the time. Thus, my byline from Tiananamen turned up not only in Washington D.C., but Hong Kong, Tokyo, Seoul, Johannesburg and San Francisco as well.

It is worth noting that during that summer of upheaval in Beijing in which foreign reporters and publications were suspect, there was no interference with the transmission of my news and commentary reports from the Kun Lun Hotel. Nor was there any interruption of delivery to the lobby newsstand of the *International Herald-Tribune*, *Asian Wall Street Journal*, *Hong Kong Standard* and *South China Morning Post*.

A later explanation that the hotel was owned and managed by the State Public Security Bureau made it all the more intriguing.

Vines possessed all the professional and intellectual qualities to make the *Eastern Express* the newspaper that would make a difference in Hong Kong. Alas, it was not to be. Before long, Vines and the *Eastern Express* both fell victim to the syndrome of "pressure from upstairs" and self-censorship that began to characterize indelibly the erosion of press freedom in Hong Kong.

Vines recalls: "having been the founding editor of the *Eastern Express*, a local English-language daily newspaper, I know something about spending time fighting off pressures.

"The proprietors of *Eastern Express* were the publicly listed Oriental Press Group, controlled by the controversial Ma family. Ma Ching-Kwan, the eldest son of one of the group's founders, was chairman at the time. He ran Hong Kong's biggest newspaper publishing company and was keen to expand it by entering the English-language market. He told me that he had been thinking about this for some time. Thought moved to action when the Australian-turned-American media baron Rupert Murdoch decided to sell his controlling stake in the *South China Morning Post*, Hong Kong's leading English-language newspaper. In his often candid way, Mr. Murdoch revealed that he did so because he was worried that some damn fool of a journalist in Hong Kong would publish something in the then colony which would jeopardize his growing business interest in China. (He later, and for exactly the same reasons, threw the BBC off his Star satellite TV station beamed to Mainland China.)"

Vines explained that the buyer of the Murdoch stake was Robert Kuok, a Malaysian Chinese tycoon, who had started dabbling in the media by taking a stake in TVB, the biggest of the local television stations. The Kuok fortune, centered around his Kerry group, was founded on sugar trading, property deals and a established blue-chip connections with the Chinese leadership (his connections with the leaders of his home

country were also impeccable). More a businessman than a politician, Mr. Kuok nevertheless has shrewd political instincts and knows how to make his business flourish through the marriage of political alliances and entrepreneurial skill. A demonstration of his skill and influence was on view in the private party he hosted to mark the handover of power. This proved to be the party of parties, attracting, amidst tough competition, the cream of Hong Kong's new elite and their Mainland Chinese sponsors.

Buying the *SCMP* was widely seen at the time as an act performed by Kuok either on behalf of, or with the blessing of, the Chinese government, which did not want Hong Kong's leading English-language paper, and most internationally accessible publication, to fall into the hands of elements it considered to be hostile. According to Vines' assessment. This public perception was confirmed privately during a meeting in Beijing, shortly after the purchase, between a very senior Chinese official and two local businessmen, who were told that China was pleased to have "got the *Post* in the bag."

Vines said, "It therefore seemed likely that the *Post* would increasingly become a more China-oriented publication. Commercial logic suggested that this would leave a gap in the market for a more independent newspaper which would neither bore nor depress readers by following the party line. As things turned out the launch of *Eastern Express*--loudly proclaiming its independence "pushed the *SCMP* into taking a less than enthusiastic pro-China position."

"Following the launch of our paper, the staid *SCMP* showed signs of life and vigor which it had rarely shown before. Nevertheless, there is little reason to suppose that China is disappointed to have the *SCMP* in Kuok's hands. Occasionally the paper makes forays into controversial territory and occasionally it starts to look like a pro-China rag but on the whole it has been neutral, which is good enough for China's purpose," Vines said in his book.

The *SCMP*'s editor is Jonathan Fenby, a former editor of the *Observer* newspaper in London, and a distinguished journalist of considerable experience.

"I know from personal experience that he is extremely sensitive about any suggestion that his paper was toeing the Chinese line because journalists making suggestions of this kind would be subjected to agitated phone calls and long written rebuttals which he insisted be published, usually at far greater length than the original article. Anyone feeling more secure in his position would not have been this defensive. However, Hong Kong was living through difficult times and, understandably, those on the media front line were liable to get tetchy."

According to Vines, most proprietors are not only averse to upsetting China; they

are only too pleased to align themselves with the incoming sovereign power. Moreover, most of the key owners of the Hong Kong media were signed up in some capacity and advisers to the Chinese government. Sir Run Shaw, the boss of TVB, Robert Kuok, the Chairman of the *South China Morning Post* and a major TVB shareholder, Sally Aw, who runs the *Sing Tao* group, and other media barons were in the front lines of business leaders who turned up in Beijing for appointment to a variety of posts, all of which carried the requirement to support the Chinese government.

It should be mentioned that the close affinity between media barons and governments is hardly unique to Hong Kong. Some of the world's key media players, such as Rupert Murdoch, and nearly all the media bosses in Japan and Korea, are very close to the governments on whose affairs their newspapers and radio stations are supposed to be reporting. In Italy matters were taken a step further with the election of a media baron to the post of Prime Minister. In wartime Britain Lord Beaverbrook, the most influential newspaper proprietor of his day, served in Mr. Churchill's cabinet.

Those who fail to toe the new line coming from Beijing are quick to feel the pressure. Before the handover of power officials from the New China News Agency (Xinhua), which acted as Beijing's control center in the colony, were quick to call up editors and proprietors if they disliked the coverage being carried in their publications. Those seen as unresponsive to persuasion were simply frozen out. Thus the entire staff of Jimmy Lai's *Apple Daily* newspaper are routinely banned from covering meetings of Chinese organizations.

China is also in a position to exercise direct commercial pressure over newspapers by placing a ban on advertising in publications, which fail to measure up. In 1993 the *Ming Pao* newspaper revealed that the Bank of China, one of the largest of Beijing's commercial organizations in the territory, had issued instructions that no advertisements were to be placed in nineteen newspapers and magazines which were listed in a leaked document. Word quickly spreads as to who has become out of favor, and other businesses with strong China links are reluctant to advertise in publications regarded as being non-approved, Vines said.

Xinhua used to classify the media into four categories: 1. China-controlled media, 2. Friendly media. 3. Neutral media and 4. Hostile media. The media organizations falling into categories 2 and 3 could expect to receive a stream of communications from the NCNA, some containing praise for reports favorable to China's point of view, others—never slow in coming—criticizing reports and named journalists seen as not toeing the line.

The cumulative impact of nearly a decade of Chinese pressure on the media has

persuaded some of Hong Kong's best Chinese journalists to quit journalism, Vines said. Others have sought refuge by moving away from political reporting in the hope that covering more "neutral" subjects will offer a modicum of protection. "They know that if they go out on a limb and pursue stories which China finds hard to stomach they will get little backing from their bosses. The reality is that they are caught, not between a rock and a hard place but between a rock and an abyss."

When the *Ming Pao* journalist Xi Yang was arrested in 1993 and subsequently sentenced to twelve years in prison for "stealing state secrets", we know that "Mr. Xi's 'crime' was to publish a story on interest and gold prices which had already appeared in Hong Kong's pro-China papers. Mr. Xi was released six months before the handover but the message of his arrest was well understood and encouraged a number of journalists to vote with their feet and quit their trade."

In theory they have no reason to do so. The Basic Law is quite explicit on the subject of press freedom. Article 27 of the Law states: "Hong Kong residents shall have freedom of speech, of the press and of publication." Three months before the handover further reassurance was given by Zeng Jianhui, the director of the State Council's Information Office in Beijing. He insisted that information and propaganda offices in Hong Kong and China "will not be subordinate to each other and will not interfere with each other'. He added, 'The mainland authorities will not use the media measures adopted in this country to manage the press in Hong Kong."

But Vines said "On the surface, Mr. Zeng's remarks sounded reassuring but, as ever, there was a sting in the tail. He made it clear that China reserved the right to censure and condemn 'irresponsible' or 'false news reports'. What could this mean?"

China was reluctant to spell out ways in which it intended to undermine Article 27 of the Basic Law but it had been sending out some pretty clear signals well before the handover. In August 1995 representatives from the Hong Kong Newspaper Society, a publishers' association, traveled to Beijing to seek assurances of continued press freedom. These were duly delivered but immediately qualified by the Vice-Premier, Qian Qichen, who at the time had overall responsibility for Hong Kong affairs. Mr. Qian said that he wanted the media to observe three guidelines: first, to promote a 'loving China and Hong Kong spirit', second, to confine news reporting to a basis of 'fact', and third, to handle news in an ethical and responsible way.

What this meant had been unwittingly spelled out five months earlier by Wu Gaofu, the director of the Taiwan, Hong Kong and Macao News Research Center, based at the University of Wuhan in central China. 'There must be some form of control over the Hong Kong media after 1997,' he said. 'It is impossible for there not to be. Just like

here in China, where we have both central and local control over every locality.'

Vines said although what is generally described as self-censorship really means the creation of an atmosphere, in which news reporting is biased towards Chinese interests, it is still possible to cite specific instances where news reporting was twisted or views were suppressed. The wholesale sacking of commentators critical of China from the *Ming Pao* newspaper was one example; another is the scrapping by the *South China Morning Post* of the caustic and supposedly 'anti-China' cartoon strip, ' The World of Lily Wong. '

Most blatant, as we have seen, was the way most of the media reported the so-called election of Tung Chee-Hwa as Chief Executive. Everyone knew that only 400 people were involved in this process, yet public opinion polls were trotted out as if to reflect a genuine process, and reports of the so-called 'campaign' were treated as though they were reports of a real election.

There are a host of other specific examples, but the real proof of what is happening is to sit down with local journalists and ask a simple question: do you feel able to report freely on matters which would upset the Chinese government? Vines has done this countless times and on only one occasion, when interviewing the *South China Morning Post*'s Jonathan Fenby, was I categorically given an affirmative answer.

It's hard for Vines to be optimistic about the future of the media in Hong Kong. As matters stand, he says, the situation is not dire. The SAR continues to have a lively media which provides real information. Standards are slipping, elements of propaganda are entering into the equation but, by and large, Hong Kong is not a bad information center.

The question is how long will this continue. The problem is not one for journalists alone but for the future of a territory which aspires to be an international business center, heavily reliant on the free flow of information. Business surveys often highlight the good availability of information in Hong Kong as one of the reasons why multinational companies like operating in the territory

"Some may argue that a few media controls will do no harm, but the inevitable tendency of media control is to start with a few limitations and see them build into a formidable body of obstacles. If Hong Kong is heading in that direction it will surely mean that other rights and freedoms are being eroded. There is no need for special pleading on behalf of journalists. The fate of the media is intrinsically bound up with the fate of Hong Kong. If the media ceases to be free, even in the qualified way that it is free at present, it is more than likely that Hong Kong itself will be far from free."

Vines said "It's unfortunate that the people I spoke to when writing this chapter

declined to be named; however, I think I have managed to piece together a reasonable picture of how the process of giving Hong Kong back to China began. Part of my research into this matter was published in a lengthy article, which appeared in the *Observer* newspaper back in 1991. I had hoped that its publication would flush out more information and was pleasantly surprised to find that it did. One of the key participants in the negotiations, to whom I had talked previously, contacted me to say he was unhappy with the thrust of the article, which alleged that Britain had bungled the start of the negotiations with China and this had forced the Chinese government into a position where it had little alternative but to demand the return of sovereignty over Hong Kong. I now feel that the position I adopted in the article was somewhat simplistic and took insufficient account of China's almost obsessive desire to secure that it say as the reunification of the Motherland. My previous views also underestimated China's desire to expunge the humiliation of ceding parts of Chinese territory to foreigners. Therefore I now tend towards the view that China may well have intended to take Hong Kong back but had no very clear plan for doing so until Britain obligingly provided an opening."

We can only hope that Vines and others like him with similar sensitivity and perspective will remain in Hong Kong for a long time and continue to make their views known. His main contribution now is as a correspondent for London's *The Independent.* I would hope that Steve doesn't spend too much time on his China business ventures. We have all tried at one time or another to get rich in Hong Kong; the place has that effect on you.

But I have never met anyone who tried to become a communist in Hong Kong. (4)

There is a little red sticker affixed to the cover of *Hong Kong China: The Red Dawn,"* edited by Chris Yeung. The sticker says "A must read for anyone doing business in Hong Kong or China."

Business. There it is again, the B-word; business not only sells books but it is still Hong Kong's strongest selling point and favorite topic of conversation.

One of the many "Doing Business in China" books is bound to out-sell "A Many Splendored Thing" every time.

I strongly recommend this book for the generalist who wants to catch up fast on Hong Kong-across-the-board since the handover.

Former Hong Kong Journalists Association Chairperson Carol Lai and media analyst Andy Ho, a *South China Morning Post* columnist, get right to the point in their

chapter "How Free Is The Press?":

Editors have pointed to their vigorous coverage of the Chinese dissidents, for instance, as evidence that they have remained critical of Beijing. Unlike what some prophets of doom have predicted, the news media in the SAR have remained dynamic and aggressive, they assert.

Academic survey results, on the other hand, indicate that the public is still skeptical that the news media have refrained from confronting the Chinese authorities on sensitive issues. News organizations accused of suppressing bad news about China have defended their reputation emphatically.

The general public has clearly sided with the media whenever freedom of the press is perceived to be under threat. Individual Chinese officials' and office bearers' threatening remarks on the operation of the Hong Kong media have provoked strong local reactions.

Meanwhile, despite Hong Kong's new political identity, little has been done to relax the rules and regulations imposed on front-line reporters from Hong Kong working in Mainland China. The SAR government is also poised to introduce new laws that will have a significant impact on the operation of the media. These include new privacy provisions and an enactment against subversion and other crimes against the state.

While the surface may appear calm and smooth, there is a strong undercurrent of uncertainty that may undermine the role of the Hong Kong news media as a vigilant watchdog.

"Self-censorship among the news media has been a major concern both before and after the transfer of sovereignty" they said. "By nature, it is difficult to ascertain. Whether the Hong Kong media have lost their independent voice in criticizing the Chinese authorities has become a matter of public concern. Some are worried that those in a position to make editorial policies have bowed to their new sovereign masters for either political or financial considerations."

Liberal activists, such as former Hong Kong Journalists Association chairperson Lau Wai-Hing, and leaders of the Democratic Party have persistently complained that news coverage of the pro-democracy movement both in Hong Kong and in Mainland China has dwindled.

Others pointed out that media proprietors have been looking at the huge Chinese market. The most popular daily in Hong Kong has a circulation of about half a million. In contrast, the biggest newspaper in the neighboring provincial capital of Guangzhou

boasts a circulation of close to 1.5 million. Although there is no sign of the Chinese authorities allowing Hong Kong publications to be circulated freely on the mainland, many are convinced that news organizations are eager to appease Beijing last they would lose out to their competitors once the Chinese gateway is open.

According to an opinion poll conducted in early September 1997, 68 percent of the respondents thought that the news media preferred not to criticize the Chinese government. Only 22 percent thought otherwise. More than 44 percent also said they believed the Hong Kong media had been practicing undue self-censorship. The survey was part of a series of regular polls conducted by the University of Hong Kong's Social Sciences Research Center.

The findings reinforce concerns about self-censorship in China coverage. The latest figures tally with findings of a pre-1997 survey on front-line journalists conducted by the Journalism and Communication Department of the Chinese University of Hong Kong. About half of the respondents stated that their colleagues had been censoring themselves.

Margaret Harris, an Australian journalist, in her "Eyewitness Account," gives an expatriate's view (but misses one group: the Japanese, truly important expatriates):

"Despite Hong Kong's international-city status, many people, especially the elderly, have had minimal contact with non-Chinese people. This is partly to do with the fact that Hong Kong's non-Chinese people. This is partly to do with the fact that Hong Kong's non-Chinese population make up only 3 percent of the six mission people living there. But it has a lot more to do with the history and culture of the territory. A tacit apartheid has long existed, accepted by both sides because neither wishes to have a lot to do with the other" Harris wrote.

Many Europeans, the British, American, Canadian and Australian expats, never learn or need to use any Cantonese and move between expat ghetto flats, expat schools, offices run by expats and clubs catering to expats. This has changed over the past few years, but slowly enough for those used to this way of life to feel no real pressure.

Immigration figures show the big expat communities—the British, the Americans, the Canadians, the Australians—have all dropped by a thousand or two, but these drops are not nearly as great as the numbers who departed just before and after the handover. The trickle back has almost compensated for the handover-inspired departures.

"There are still around 30,000 Australians here, an equal number of Britons, and even more Americans and Canadians" Harris said.

Many of those who thought they had left Hong Kong forever found they could not settle down in countries they no longer called home. Or they simply found themselves so

used to Hong Kong salaries, the earnings they could achieve in their new countries left them in penury.

"So good were, and still are, the deals, that many of those expat lecturers, attracted by the thought of a couple of years in the exotic East found they had adapted too well to their high incomes, superior social status and managed housing. Jobs back home, even ones with significant academic status, just no longer looked attractive. In the kind of neat inverse relationship some of them taught in mathematics and science, the longer the expat lecturers stayed, the harder it became for them to go anywhere else: But, just as outside forces alter neat sociological/mathematical models, outside social change arrived to destroy the bonds keeping the expat academics clinging to Hong Kong" Harris said.

The first really telling sign was the arrival of a new Vice-Chancellor at the University of Hong Kong, Professor Y.C. Cheng. Professor Cheng was not the first ethnic Chinese Vice-Chancellor at the University of Hong Kong, but his predecessor, Wang Gung-Wu, a historian from the Australian National University, was an urbane internationalist with no particular loyalty to any one sector.

"Professor Cheng, an engineer who had been Vice-Chancellor at City University, one of Hong Kong's newly established universities (set up in part to break Hong Kong University's hold on tertiary education), arrived with a sense of mission. He was determined to trim the territory's oldest university of its thick layer of expat fat. So clear was his dislike of the privilege enjoyed by the expats, known as *gweilos* (ghost people) in Cantonese slang, Professor Cheng soon became known as 'the Ghostbuster' behind his back."

Some expats took the hint and applied for jobs overseas. Farewells became increasingly common in the three years leading up to June 1997, and the international schools struggled to deal with constantly shifting student populations. But for hundreds of expat academics still at Hong Kong University, the benefits of staying were so great they developed a kind of blinkered vision of the future, believing, because they had to, that all would stay the same.

"It was not until another 'Ghostbuster'—someone far closer to the real thing—appeared on the scene, that serious alarm spread through the expatriate academic community at the University of Hong Kong. This "Ghostbuster', better known as Professor Ray Smallman, an engineer turned academic management consultant from Birmingham University in Britain, arrive, symbolically enough, in June 1997 just before Hong Kong returned to China. And his job, although officially to conduct a review of the university's academic activities with a view to improving the quality of its

teaching and research, soon looked more like a brief to clean out the less productive expatriates" Harris wrote.

By early July, it emerged that there was a list, with more than 50 names, of people feet to be doing very little in return for their comfortable packages. They were called into Professor Smallman's temporary office, one by one, to discuss how they saw their future at the University of Hong Kong. For those who could not see a future involving a lot more research and publication than they had been doing in the past, packages were offered to ease the pain of departure. So good were the packages, one Australian academic who resigned just before Professor Smallman's arrival asked if he could 'unresign' and take forcible retirement complete with package instead. However, others—especially those too young to see themselves gliding comfortably into retirement on packages worth, in some cases, millions of Hong Kong dollars—decided to stick it out.

"Why do you think I'm still in my office after five in the middle of the summer break?" asked a history lecturer when I called, who was on the list but had decided to tough it out. "I'm finishing a paper."

However, the change affected more than those who had been coasting along. Professor Branicki, who by any standards tops the ratings, found on his return that the best he could expect was a two-year contract. Two years ago, that didn't seem to matter. Most such contracts were almost automatically extended in the past. But now, one year after the handover, a two-year contract for a foreign worker is exactly what is says.
So for Professor Branicki, it is a choice of either packing up his family and moving on, or trying to make it in Hong Kong's private sector.

Others too, although offered extra years on their contract, have found that the brills have been trimmed. No housing, no school deals, no plane trips home, have made the expatriates long again for the greener, less crowded, less relentless cities they came from.

Many in the civil service, the utility companies and the large public companies, once automatically looking at head of department or general manager's jobs after a few years, know they will stay where they are, doing quite well, but not well enough. Even the most talented and hardworking expatriates cannot hope to reach the top in civil service departments, because nationality and ethnicity rules mean only Hong Kong Chinese considered Chinese nationals can now take these jobs. So the jobs once reserved exclusively for expats are now equally exclusively reserved for people considered 'locals'.

This situation, which is part of Britain's agreed decolonization of Hong Kong, seemed fair enough when the agreements were hammered out in the 1980s, Harris said.

But as the handover approached, many expats who had worked in the civil service for decades, married locals and had children whose loyalties and culture are much more a part of Hong Kong than their expat parent's home country, found they wanted to stay. Some, especially those who left the civil service in the boom years leading up to the handover, found jobs in the private sector.

Harris noted that Rowan Callick, The *Australian Financial Review's* correspondent in Hong Kong, spent months trying to convince the Immigration Department to allow him to continue working in Hong Kong. "Although employed by one of Australia's largest media organizations, he had to ask me to act as his official sponsor in order to satisfy the exacting requirements laid out by the Immigration Department."

Willy Wo-lap Lam alone is worth the price of admission to any anthology in which he appears and this one is no exception. Lam is probably the most readable and well-informed China Watcher writing in the English-language. He is Associate Editor and China Editor of the *South China Morning Post* and his *China after Deng Xiaoping: The Power Struggle in Beijing Since Tiananmen*, (John Wiley & Sons, Singapore, 1995) is a classic. His *The Era of Zao Ziyang (1989)* is likewise an excellent work. Lam is an up-front type of gentlemen. I once sent a note to him in Hong Kong from Taipei, where I was on a teaching fellowship at National Chengchi University. On receiving the note, Lam picked up the telephone and called me right away in Taipei so we could talk while the issue was still hot.

That was my personal introduction to Lam, after reading his China-watching pieces for years.

A Hong Kong native and graduate of the University of Minnesota, Lam tells about the Xinhua News Agency role in Hong Kong in his chapter "Beijing's Hong Kong Policy in the First Year of Transition."

In the political arena, the policy of qualified non-interference could be better understood in the context of the strategy of *zhuada fangxiao* (taking a firm grip of the major things and letting the minor ones to free). This game plan, which was originally conceived for the reform of the country's intractable state-owned enterprises (SOEs), was confirmed at the pivotal 15th Party Congress of September 1997.

Zhuada fangxiao has applications galore for Chinese –and particularly SAR— politics. The bottom line is control. It is no accident that while to the casual visitor nothing has changed in Hong Kong, deep-seated alterations have taken place in the power structure. The façade of tranquillity has been achieved thanks to the fact that,

contrary to some doomsday scenarios, Chinese organs in Hong Kong such as the Hong Kong and Macao Work Committee (HKMWC) and Xinhua--respectively the underground CCP master-cell and Beijing's mission in Hong Kong—have assumed a generally low profile since July 1, 1997. Yet there is little doubt that a new elite is running the show. And Beijing will remain reassured—and its interventionist instincts diluted--so long as this new power structure remains in the hands of politicians trusted to toe Beijing's line.

"If the Hong Kong Macao Affairs Office wears the proverbial red-colored mask of Beijing Opera, Xinhua (the Hong Kong branch of the New China News Agency, or NCNA) dons the black mask—and brandishes a big stick. Xinhua Apparatchiki have always been the embodiment of the hard-line, interventionist impulses of the Zhongyang. It is no secret that well before the transition, senior HKMAO cadres led by Lu Ping waged a ferocious battle with the NCNA, which was headed by superhawk Zhou Nan from 1990 to July 1997. Part of the conflict was a classic bureaucratic turf war because the two had overlapping functions. Yet a major reason was the fact that, particularly under Zhou, Xinhua espoused a line that was much more inflexible and intolerant than that of the HKMAO."

Just prior to the handover, a big debate raged in Beijing's Hong Kong policy establishment on the role of Xinhua. Both Lu and Tung were of the opinion that it should be shrunken to the skeleton; otherwise, they argued in internal discussions, both Hong Kong residents and foreign diplomats would suspect Xinhua—and the HKMWC for which it fronts—of being the SAR government's *taisbang huang* (power behind the throne). This view was expressed publicly by Tung's special adviser, Paul Yip Kwok-Wah. Jiang and Qian Qichen ruled in favor of Lu and Tung even though they also decided that the NCNA should be scaled down gradually.

The new policy was conveyed by Jiang personally to Jiang Enzhu, the former Vice Foreign Minister who succeeded Zhou Nan weeks after the handover. "Don't lose heart even though one of your goals is a scaled down Xinhua," the President reportedly told Jiang. "Slashing and cutting the bureaucracy is also a major achievement." The Xinhua head was reportedly told that its 600-odd staff should be curtailed by up to 60 percent.

Actually, however, the downsizing of Xinhua has turned out to be a convoluted process. And it has continued to play a substantial role, for two major reasons. One is to fulfil the *zhuada* mission of "regime building and consolidation." The other is to protect its own turf. In October 1997, PRC-related companies in Hong Kong; to promote ties between the SAR and various sectors in the mainland; to handle SAR-Taiwan relations; and to 'broadly' promote links with various sectors in Hong Kong.

Lam says commentators have questioned the second and fourth of these goals. After all, particularly after the expected establishment of the SAR representative office in Beijing in mid-1998, there will be no need for Xinhua to play the role of intermediary between Hong Kong and mainland departments. Jiang Enzhu's new stance, however, has received support from Beijing for two reasons. Maoists and other hard-liners in the *zhongyang* back Xinhua's "interventionist" proclivities. Even moderates among Beijing's Hong Kong establishment think Xinhua is needed to provide support to the HKPA and other patriotic forces.

However, one result, according to a local commentator, is that 'the Hong Long-left-wing establishment and left-wing parties revolve around Xinhua rather than the SAR government'. Xinhua officials played a big role in the election of the 36 Hong Kong-based members of the NPC. Against widespread opposition, Jiang Enzhu himself ran for a NPC seat and his aides made sure that he got the highest number of votes in the balloting. The price that Xinhua pays for its high-profile performance is that it will be even more difficult for left-wing political elements to be accepted by and assimilated into mainstream Hong Kong society.

Some 18 months after the transition, most Hong Kong residents seems to have taken a fatalistic attitude towards the *zhuada fangxiao* policy. Opinion polls have consistently shown that the majority is much more concerned about economic well-being than about a boost in popular representation. Indeed, given the depth of the economic downturn beginning in October 1997, many are hoping that there will be closer mainland-SAR links, at least in the economic area, so that Hong Kong can benefit from more mainland investments, Lam said.

From the broader perspective, however, there are worries about threats to the long-term viability of the 'one country, two systems' formula. First, there is no guarantee how long-Beijing's *zhuada fangxiao* policy will last. Moreover, there are signs that the policy of qualified non-intervention notwithstanding, qualitative changes are taking place on a daily basis in the body politic. There is evidence of a gradual but relentless Sinicization of Hong Kong political life.

Tung was the first politician to stress that more emphasis should be put on the 'one country' part of the 'one country, two systems' formula. An inevitable corollary of this is infiltration of the mainland political culture—or what SAR residents euphemistically call the "mainland way of doing things"--which could be summed up by what the ADPL chairman Frederick Fung Kin-Kee called "the culture of clapping

hands." In the last years of British rule, Hong Kong had experienced elements of "Western-style" democracy such as elections, party politics, and decision-making via the cut-and-thrust of public debate. Tung's critics have charged that he has introduced a kind of decision-making via Chinese-style consultation: major decisions are made behind closed doors, and public views are only sought as a means to project social cohesiveness and to orchestrate support for the powers-that-be.

At times, individual SAR officials seem to have taken on the mind-set and mannerisms of Beijing cadres. Tung started the trend of issuing feel-good, consensus-generating statements even before the transition when he asked public figures and the media to *changhao* (sing the praise of) Hong Kong. Tung, in particular, is given to mounting stock clauses to drum up optimism. One of his favorites is: "If Hong Kong is doing well, it is good for our country"; and "If China is doing well, it is even better for Hong Kong." When asked about the Asian financial woes, his unvarying reply has been: "Hong Kong's fundamentals are very good." When things in the periphery have improved, "Hong Kong will be the first area to gain full recovery." When the financial crisis first struck the SAR in October 1997, Financial Secretary Sir Donald Tsang Yam-kuen asserted that the regional meltdown would not be more serious than the Mexican crisis and that "everything would be okay by Christmas." After Zhu Rongji had proclaimed in December that the yuan would not devalue "while I am still in office", Tsang followed suit by saying that the Hong Kong dollar's peg to the US dollar would be maintained "as long as I am in office."

Lam's assessment of Tung's performance is colorful: "While his authority has been somewhat dented by the SAR government's maladroit handling of the 'bird flu' crisis and the currency crisis, Tung aspires to have the stature of an East-Asiatic strongman the mode of Deng Xiaoping and Lee Kuan Yew, the two politicians he has said he admires most."

When the Chief Executive addresses the provisional legislature, legislators often clap their hands to show their deference. And the three Chinese-run papers in Hong Kong—*Wen Wei Po, Ta Kung Pao* and the *Commercial Daily*--cover Tung along the same lines that mainland media do when 'making propaganda' for CCP leaders.

"Deep-seated changes have already taken place in Hong Kong's cultural and media scene. In theory, the SAR remains a showcase for diversity. Hong Kong cinema houses are exempt from playing the national anthem before screening their products," Lam said. The SAR is still the base of a clutch of "anti-China" journals that have been branded as hostile to Beijing. They include *The Nineties, Cheng Ming, Trend* and *The*

Frontline. No efforts have been made to prevent "anti-China" foreign media, such as Radio Free Asia, from setting up an office in the SAR.

Yet the new signs of the times are obvious. Watershed events such as the Tiananmen Square crackdown have stopped showing up in high school textbooks. Distributors have repeatedly held back the showing of 'anti-China' films such as *Red Corner* and *Seven Years in Tibet.* (After much delay, the latter film was shown in April 1998.) In accordance with the *zhuada fangxiao* principle, Beijing has let minority media such as *Cheng Ming* alone while tightening its grip over the mass media. This is evidenced by the growing intensity of self-censorship on the part of TV and radio stations as well as mass-circulation newspapers.

The taming of the media is all the more remarkable given the fact that the Beijing leadership has defended much of the mainstream media without having to play hardball," in Lam's view. Most of the owners of large TV stations and papers have huge business interests in the mainland-and they seem reluctant to risk losing Beijing's goodwill. Media companies also need advertisements from PRS-affiliated companies in Hong Kong. Moreover, Beijing's method of subtle intimidation, known as "killing the chicken to scare the monkey", is paying off. No media owner wants to suffer the fate of independent publisher Jimmy Lai's *Apple Daily* or *Next* magazine, whose journalists are not allowed into China to cover even routine news stories. (5)

"Freedom of the press" has a different definition in Washington D.C. than in Beijing, China, or in Singapore or in Jakarta or in Kuala Lumpur.

Which is another way of saying Western and Asian values differ sharply on what constitutes "free flow of information," just as they differ on a lot of other concepts.

This is not headline news; the fact has been known for a long time. But after reading the resolution of the recent Ninth General Assembly of the Organization of Asia-Pacific News Agencies (OANA), held in Beijing, it seems obvious that the debate is about to be rekindled with some ferocity.

Hiroshi Eguchi, Managing Director, International Department, of Japan's Kyodo News Service, showed me the resolution without comment. But he seemed relieved that Kyodo was giving up the chairmanship of OANA after 14 years. The new chairman is China's Xinhua News Agency.

No one at Xinhua is ever heard to quote this excerpt from a 1787 letter from former US. President Thomas Jefferson to a friend:

"The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter."

Xinhua could hardly be expected to prefer "newspapers without a government" simply because Xinhua is part of the Chinese government. In the case of the majority of the 30 members of OANA, there is some government link or some channel of government influence.

The dominance of Western news agencies in Asia (another old story) has been further enhanced by their advantage in technological developments. Giants like Reuters, Associated Press, Agence France Presse, Dow-Jones and Well-heeled new comer Bloomberg—helped along by new technologies including revolutionary multimedia twists—are speeding ever faster along the "Asia information highway." Many OANA members, meanwhile, are still traveling "Asia information backroads" that were last paved decades ago.

Besides urging OANA members of find ways to complete, Xinhua used its new role as chairman to try to block any further inroads by these outsiders whom they feel practice a form of "news imperialism" or "news colonialism."

The Xinhua-influenced OANA resolution begins:

"Taking note of the use of some transnational agencies of their tremendous financial and political influence to exploit the technological revolution to grab information markets at the cost of member agencies of the Asia-Pacific region, often using unfair and unethical means. OANA resolves to combat the growing intrusion by these transnational agencies into the financial and other services in areas covered by the member agencies of OANA."

Specific gripes were heard from some members that large Western news agencies had approached them under the guise of cooperation, coaxed them into joint agreements and then dumped the local partner when the business became profitable. Welcome to capitalism!

Press Trust of India reportedly is miffed at Reuters because the latter organization has dominated financial news services and profits in what PTI regards as its "home territory."

Xinhua's heavy hand in OANA proceedings adds another dimension to the press freedom issue in Hong Kong. And who will dominate the news flow out of the Shanghai stock exchange to the future?

One of the facts of life that OANA members have learned as the prosperous "Asia-Pacific Century" approaches is that English is the preferred language of business and financial information in the region and that multinational businessmen are willing to pay handsomely to get accurate news in English.

For all the griping at the latest OANA conference, one Xinhua executive was heard to exclaim about the future. "We want to become the Reuters of Asia." (1)

Hong Kong's last British governor is suing a company controlled by publisher Rupert Murdoch after it canceled publication of a book criticizing China's Communist government, *The Daily Telegraph* reported on February 27, 1998.

The newspaper reported that the recent decision to cancel publication of Chris Patten's "*East and West*" was in response to worries it would damage Murdoch's business interests in China.

Patten, Hong Kong's governor from 1992 to 1997, filed suit on February 26 in London's High Court against HarperCollins Publishers, according to the newspaper. It was unclear what damages he was seeking.

In a statement February 27 evening, Mudoch's News Corp. confirmed Murdoch was dissatisfied about the decision to publish the book as soon as he learned about it.

"Rupert Murdoch at no time tried to change Patten's book, and he did not ask anyone to change it," the statement said. "From the start, however, he expresses dissatisfaction

about the decision to publish it. He made his view clear to HarperCollins when he first learned the book had been commissioned."

Murdoch did not agree with many of Patten's positions on Hong Kong, "which he thought abrogated promises made by the previous government," the statement said.

"It was always clear that if we did not publish it, the book would be snatched up by any number of other publishers".

"As is well known, the editors of News Corp. publications are free to express their opinions and often have been critical of the Chinese as well as other governments where we operate."

The book, which now is to be published in September in the United States and Britain by rival publisher Macmillan, is believed to contain explicit criticism of the Chinese government and its human rights record. It also reportedly makes unflattering comments about other authoritarian Asian regimes.

Patten had a strained relationship with China's leadership for much of his five years as governor. Beijing regularly criticized him.

Apart from extensive business interests in Britain and the United States, Murdoch also controls STAR, a satellite TV station based in Hong Kong.

Murdoch broke off a contract with the British Broadcasting Corp. in 1994 to show the BBC's World News channel on STAR after China's government complained. STAR broadcasts into several southern China cable TV stations.

The Daily Telegraph, a broadsheet rival to Murdoch's *Times* of London, reported that a Jan. 20 internal memo between senior executives of two Murdoch publishing companies confirmed Murdoch's opposition to publishing Patten's book.

"The more I have thought about this, the more concerned I have become. In fact, I am extremely worried.

KRM (Murdoch) has outlined to me the negative aspects of publication, which I fully understand," Edward Bell, the London-based chairman of HarperCollins UK, wrote to Anthea Disney, chairwoman of News America publishing, HarperCollins' parent company.

News America, based in New York, is a subsidiary of Murdoch's News Corp.

Details of the memo came from a legal declaration made by Stuart Proffitt, senior publisher of the main division o f HarperCollins, who is suing the company for unfair dismissal over the affair, *The Daily Telegraph* reported.

Proffitt said he negotiated the US$200,000 contract with Patten to publish his book. (2)

Radio Television Hong Kong is no stranger to controversy. The government-funded station produces some of the territory's most popular media offerings, including boisterous call-in sessions and confrontational talk shows. But in early March the debates stepped off the airwaves and into the hallowed hall of the Chinese People's Political Consultative Conference (CPPCC) in Beijing. There, veteran member Xu Simin lashed out a RTHK as "a remnant of British rule," and called one of its programs "monstrous," Furthermore, he said, Hong Kong Chief Executive Tung Chee-hwa had been "completely helpless" in disciplining the wayward station.

Xu's words at the annual parliamentary meeting in Beijing brewed up a storm down in Hong Kong, one of the few public clashes over the territory's governance since its July 1997 transfer to Chinese sovereignty. Chief Secretary Anson Chan, the special administrative region's highest-ranking bureaucrat, stated emphatically that the criticism voiced in Beijing by Xu, a long-time deputy from Hong Kong, gave "a very wrong impression that there is an attempt to invite the central government to interfere in the affairs of the SAR" For his part, Tung waited to return from Beijing before resolutely reaffirming the station's editorial independence, adding that "we will deal with RTHK, if there's any need, in Hong Kong."

Indeed, the furor wasn't so much over what Xu said, but where he said it. To a Hong Kong hypersensitive to Big Brother's presence across the border, the incident raised questions about China's hands-off policy towards the former British colony. It was perhaps to allay those fears that both Chinese President Jiang Zemin and CPPCC head Li Ruihuan moved quickly after Xu's remarks to warn Hong Kong deputies not to undermine the "one country, two systems" policy by commenting on SAR affairs.

Besides probing the shape of China's rule in Hong Kong, the RTHK controversy also tested Tung's agility in treading the fine line on "one country, two systems." According to Sonny Lio, an associate professor of political science at the University of Hong Kong, Tung's response to the latest dust-up seemed to "to strike a balance between the interests of Hong Kong and the interests of the pro-China elite."

Xu's denunciation of the station also raised the question of whether one country is big enough for two opposing views on public broadcasters. To those used to the tightly controlled state media in China, a government-funded station that provides a forum for opposition voice could seem not only absurd but dangerous.

"The whole thing I believe has been blown every much out of proportion," said Tsang Yok-sing, leader of the Democratic Alliance for Betterment of Hong Kong and a CPPCC member. Tsang, who left the hall before Xu made his now-famous remarks, said he has heard many similar complaints "and not only from the so-called traditional

pro-Beijing elements."

Proponents of RTHK's independence, however, view Xu's remarks as an escalation of the tug-of-war over the station's status, a debate that predates the handover. In 1992, RTHK tries to recast itself to resemble Britain's state-funded British Broadcasting Corporation, a move that would have granted it significant freedom from the government. But the attempt failed, and ever since the station has felt itself targeted by those who prefer to see it as a government mouthpiece.

At the same time, the history of RTHK has been one of "increasing independence" ever since the Joint Declaration of 1984, says Cliff Bale, a reporter for the station and secretary of its Programme Staff Union. The reward for hard-earned independence is a lion's share of credibility—the public has consistently identified RTHK as the SAR's fairest news source, according to surveys. (3)

In a special report "Press Freedom Under the Dragon, Can Hang Kong's Media Still Breathe Fire?" A Lin Neumann said:

It did not take long for the Hong Kong Journalists Association to serve notice on Executive Secretary Tung Chee-Hwa that it would be watching his office closely. On July 10,1997 just days after the handover of Hong Kong to China by the British, the HKJA sent Tung a letter criticizing perceived "favorable treatment" given to official Chinese state news agencies in coverage of the handover.

The group complained that China Central Television was given special access to some of Tung's early official appearances. "If Chinese official media have privileges in reporting, then news and information will very likely be held in the hands of the official media; seriously threatening press freedom, " said the letter, signed by HKJA's chair, Carol Lai.

It was the kind of outspoken approach that has become the hallmark of the HKJA. Currently in its 29th year, with some 500 members, it is the largest press association in the territory and has lobbied consistently for the continuation of Hong Kong's free press under Chinese rule. The group says it will tolerate no backward movement in the battle for free expression. In their letter, the journalists urged Tung to "make efforts to preserve the existing media coverage system, which is based on fairness for all involved." In response, Tung's office called the incident a misunderstanding.

HKJA vice chairman Liu Kin-ming, a frequent and vocal critic of Beijing, said it is the association's responsibility to remain engaged with the new administration of Tung Chee-Hwa and to fight any effort to curb the liberties enjoyed by Hong Kong's reporters and editors. He summed it up this way in an interview with CPJ: "To my colleagues, I

ask them to please say no to the censor. To the publishers, I say, without your support we cannot win this battle. And to the outside world: Keep your eyes on Hong Kong."

What's at stake immediately in Hong Kong is the vibrancy not just of local media but of the vast network of regional and international press operations based in the territory. Hong Kong has long been East Asia's English-language news media capital and more important the principal safe haven for professional, independent Chinese-language reporting about the internal political and economic affairs of the People's Republic. Readers in the vast Chinese Diaspora from Taiwan and Malaysia to British Columbia and California have depended on Hong Kong reporters and publications for decades. If this dynamic journalism culture disappears or is significantly eroded, it will have profound repercussions for all of Asia.

Equally important to the region's future is the inextricable relationship between the free flow of information and the strength of financial markets. Hong Kong's robust economy flourished in a climate of free expression that allowed for the rapid exchange of information necessary for the smooth functioning of the regional economy. Investors will still need Hong Kong's free press if they are to understand the dynamics of the changes that are underway in China and the rest of Asia. Without this continual supply of accurate, uncensored economic information, it is hard to imagine Hong Kong retaining its position as the region's premier financial marketplace.

Leaders of the international financial community have begun to articulate this concern. U.S. Treasury Secretary Robert Rubin raised the issue of press freedom during Tung's first official visit to Washington. In a private session with Tung, Rubin linked freedom of information to Hong Kong's continued financial health. "I think Hong Kong can remain and will remain a major market center, a major financial market center, as long as Hong Kong continues to have the free flow of information and the rule of law," Rubin told CNN following the closed-door meeting. "I think that's something that we can all be hopeful about but also have to watch very closely."

Hong Kong's new leaders contend such concerns are misplaced. And On the surface, little seems to have changed. After the smoke of fireworks and celebration cleared, Hong Kong businesses resumed their usual frenetic pace, and reporters for the former colony's 16 major daily newspapers continued to file their stories as they had before the handover. Even the most critical dailies have continued to publish without overt reprisals. "The government is functioning as normal," Tung said. "The financial market is moving. Demonstrations are continuing arguments everywhere. "What has changed is that Hong Kong is now a part of China. There is a sense of pride here that this has happened, and happened without a hitch."

The resumption of Chinese sovereignty in Hong Kong has enormous geopolitical significance, signaling an end to the last vestiges of the British Empire and the emergence of China as an economic and political superpower. The people of Hong Kong have been anticipating this transition for many years, and few seasoned observers predicted dramatic upheaval in the immediate aftermath of the British withdrawal. China's leaders and supporters steadfastly maintained prior to the transition that no major changes would take place. "One country, two systems," the phrase coined by the late Deng Xiaoping to describe the principle that would allow Hong Kong's quasidemocratic, free-market systems to coexist with the motherland's one-party communist rule, was supposed to work this way. The Special Administration Region, as Beijing calls Hong Kong's territory, is meant to be making money, not trouble.

Beneath the calm, however, much has changed. Hong Kong today is a different place than it was before the turnover and a much different place than it was before the reality of the return began to sink in during the last several years. The climate of free expression in Hong Kong has shifted in subtle but distinct ways: In the vibrant Hong Kong press, self-censorship has become a fact of life. Newspapers owned by powerful business leaders with wide-ranging economic interests in China have become less willing to criticize Beijing.

Given China's history of tolerating little, if any, critical reporting or commentary in its national press, Hong Kong journalists have been left to wonder what might really be in store for them. "We don't know the Chinese bottom line yet," said one veteran reporter as she discussed the handover with colleagues inside the cavernous Hong Kong Convention Center pressroom two days after the fact. "I think Hong Kong journalists will be learning the Chinese bottom line."

Reporter Mak Yin Ting, sitting at the same table, quickly shot back, "Sure, we have to search for a bottom line. But why should there be a bottom line? That is an infringement on freedom. Why is it you can advocate Chinese patriotism but you cannot advocate other ideas?"

"What about you a visitor asked the first journalist, will you challenge the Chinese government's press freedom bottom line once you find it?"

"Unfortunately, there is a point beyond which I cannot go and I will not go. Because I do not want to be locked up", she replied.

Hong Kong is one of the few places in Asia where journalists operate with almost no government control. Indonesia, Singapore, and Malaysia require licenses and special visas for journalists. In Hong Kong, anyone can be a journalist. There are no government-issued press cards or journalists' visas. When press rights are threatened

elsewhere in the region, Hong Kong is the place of refuge, where regional activists can meet journalists with little fear of apprehension or sanction from local authorities.

Hong Kong's role as a media center and a press freedom heaven has continued with little change under the new dispensation. Human rights observer Michael Davis of Chinese University of Hong Kong has said that one important measure of press freedom will be Chinese treatment of dissident publications. "Hong Kong is the one China-language press that regularly confronts Beijing," Davis said. "Watch China Rights Forum and other such publications to see how they fare. That will be a test."

China Rights Forum, a small independent magazine published by the group Human Rights in China, has had no trouble, according to director Sophia Woodman. "As far as how things are going here, nothing seems very different," she said in later August. In addition, according to Woodman, *Beijing Spring*, a Chinese dissident magazine produced in the Untied States, is still on Hong Kong newsstands.

Writing in the *International Herald Tribune* in late August, Philip Bowring, the former editor of the *Far Eastern Economic Review*, said he saw Hong Kong's media little changed after the transition. "Although there was an evident increase in media self-censorship in the months leading up to the handover," Bowring wrote, "the situation has not become worse. Indeed, there are signs of greater determination now to exercise old freedoms and test the new limits. Commentators may be wary of being too rude about leaders in Beijing, but they are familiar enough with many of Mr. Tung's acolytes to feel free to display their views, and some *Times* their contempt." (4)

In a Joint Report, The Hong Kong Journalists Association and ARTICLE 19, June 1998 said: "Yet, we remain skeptical. It has only been one year since the return to China, but in this time we have already seen—as a direct consequence of the handover—that freedom of expression, assembly and association have been restricted by law. National Security—principally the sensitive issue of the advocacy of independence for Taiwan and Tibet—is now legally a consideration in whether demonstrations are permitted, while new laws which criminalise the desecration of flags have already made their impact. The new legal and political framework for freedom of expression is taking shape, as it is being circumscribed. And we have yet to see what the SAR government has in mind for new legislation prohibiting treason, sedition, subversion and secession, as required under Article 23 of the Basic Law. The tone set so far suggests we must prepare for further restrictions.

"11.1 Despite Hong Kong's handover to China, access by Hong Kong journalists to

the mainland remains restricted. Following the crackdown in Beijing on June 4, 1989, a set of seven regulations was introduced to screen and control those media organizations and journalists wishing to report on the mainland. The most important restrictions remain in place. This means, to give one example, that journalists from *Apple Daily* and its sister publication *Next Magazine*, which Beijing considers to be 'unfriendly' media organizations, are denied entry to mainland China. Further, journalists who are permitted to work in China face surveillance from the authorities, at times harassment and even detention.

"11.2 In addition to controlling who and which organizations work in China, the system also provides an effective mechanism for the authorities to penalize journalists or media organizations that are seen as having transgressed in one way or another, or which China regards as unfriendly. The system works in tandem with a blacklist of 'active' local journalists which is kept by Xinhua, and which is used to isolate and punish those in the media deemed 'enemies'.

A joint statement of The Hong Kong Journalists Association in June 1998 said: "For all these welcome signs that freedom of the press retains much of its previous character one year after July 1, 1997, we must once again-as with our broader concerns for the worsened legal and political environment for freedom of expression, introduce a serious note of caution and concern."

To begin with, self-censorship has not miraculously disappeared. It may seem to have abated a little, at least anecdotally, but it remains a serious structural problem. This is particularly—though not exclusively—the case among media organizations owned by those with wide-ranging economic interests in China, as we have noted in previous reports. The manner in which TVB played down an incident, in which one of its news reporters was berated by a senior mainland diplomat for asking "inappropriate" questions of Premier Zhu Rongji, is a notable example. If other journalists had not brought pressure to wear, TVB might well not have reported the incident in its own news (it made the headlines elsewhere) nor have made any official protest to the Chinese authorities.

The past year leaves much to remain vigilant about, despite its positive sides, the statement said. Self-censorship continues to undermine freedom of expression—and it

may get worse. Signs that elements of the media are voluntarily accepting certain boundaries of acceptable expression, notably over questions of secession, is helping to create the climate for other, more restrictive boundaries. China's requirement that there be laws prohibiting subversion and secession, among others, is not simply to have the means to prosecute "offenders" and to provide a legal backstop to protect its interests if the worst were to happen. They are there, like many laws, as a deterrent—to provide an inducement to caution and voluntary compliance. Already, tacitly, these parameters are being accepted and internalized; indeed, this process has been underway for some years. But where does it stop? Freedom of expression is not a divisible concept: to take one step down this road is to accept that others will be that much easier.

One year into the handover, as this statement is made, it is not yet meaningful to judge whether freedom of the press has or has not survived. It is, in our view, a highly ambiguous picture with many evident flaws.

After a month of intense negotiations and speculation, the proposed acquisition of one of Hong Kong's oldest newspaper publishing groups, *Sing Tao* Holdings, by pro-Beijing businessman Cha Chi-Min collapsed on May 20 1998. A thorough investigation into the company's financial affairs and prospects appeared to persuade Mr. Cha that the acquisition would not be a sufficiently going concern. In these difficult economic times, this appeared even to outweigh what otherwise might have been seen as an attractive opportunity by the China camp to gain a stronger voice in Hong Kong's commercial press (China's principal newspapers in the territory—the *Wen We Po* and the *Ta Kung Po*—are not popular and, consequently, are probably heavily subsidized). That opportunity, nevertheless, had been a source of concern to those who wish to see Hong Kong's press retain a strong measure of independence from the influence—or even the perceived influence—of those close to Beijing and the Chinese Communist Party.

The *Sing Tao* newspaper group is managed by its majority shareholder, Sally Aw Sian, who took over the reins from her father in 1954 and turned what was a one paper operation, the *Sing Tao Daily*, into an international publishing concern serving Chinese readers in America, Europe and Australia. Its main market, though, remains Hong Kong through its flagship publication, the *Sing Tao Daily*. As with other medium-sized mainstream newspapers, the *Sing Tao Daily* has been facing growing difficulties over the past two years, particularly as its market share has been eroded by the two mass-market dailies, *the Oriental Daily News* and *Apple Daily* (see below). According to a February 1998 SRG Media Index Report, the *Sing Tao Daily*'s average daily readership

had almost halved from 218,000 at the end of 1996 to 120,000 in February 1998. The current economic crisis has also taken its toll.

These difficulties were compounded in March 1998 with charges being laid against three *Sing Tao* executives for allegedly falsifying circulation data for *the Hong Kong Standard,* the group's English-language daily. Ms. Aw was named as a co-conspirator in the alleged fraud, although she was not charged and has not had to face trial (the decision not to prosecute her was the cause of considerable controversy, as we have reported in Section 1).

But the takeover was not to be. *Sing Tao* announced unexpectedly in May 1998 that the acquisition had fallen through. The group claimed that talks with other potential buyers were still continuing, but with little real promise of an injection of new funds, *Sing Tao's* share price tumbled. A question mark remains, however, over the future of the group: will Ms Aw seek to find another "red capitalist" who, for reasons other than profit, would be willing to invest in a newspaper at this gloomy time?

While *Sing Tao* continues to hang on, the diversified conglomerate South China Strategic Holdings decided it was unable to support the losses on two publications it owned. It announced the closure in January 1998 of *Surprise Weekly,* an entertainment magazine, and followed this shortly afterwards, in March, by shutting down the *Express Daily,* a Chinese-language newspaper. Both publications had recorded heavy losses in 1996 and 1997, explaining perhaps why no buyers could be found. About 380 media workers were dismissed as a result of the closures. *The Express Daily* had experienced closure once before, in late 1995, after a newspaper price war broke out, though it resumed publication in October 1996. This time around, best by the economic downturn and by the two dominant mass-market dailies eating into circulation and revenues, the decision seems final.

March 1998 also brought news of another important closure. The monthly magazine, *The Nineties,* perhaps Hong Kong's best-known analytical forum on China affairs, announced it was folding after 28 years of operations. The magazine had started life (as the Seventies) with a good measure of sympathy for China and the Chinese Communist Party, but over the years had grown apart, evolving into a thorny and consistent critic. Following the 1989 massacre, when Beijing reclassified the Hong Kong media according to whether they were friendly or hostile (or some way in between), *The Nineties* was reliably thought to have fallen into the category of enemy—to be "isolated and attacked".

The decision to close the magazine had nothing to do with politics, according to the chief editor, Lee Yee, a well-known political commentator himself. He blamed instead

the decline in interest in serious magazines, especially among the younger generation. He also accused the Hong Kong media of being overwhelmed by a culture of sensationalism and "shit-digging", which eliminated the living space of publications, devoted to political discussion. This is not an uncommon lament among media workers and observers.

Executive editor Fong So, with mixed emotions, concluded that *The Nineties* had fulfilled its historical mission of arousing concern for China among Chinese people in Hong Kong and overseas. This it had certainly done. But, equally, it could be argued that its historical mission is only just beginning.

Closure has not only been exacerbated by the current financial turbulence. On July 26, 1997, less than four weeks after the handover, the Beijing-controlled *New Evening Post* ceased publication, marking an end to evening newspapers in Hong Kong. The market for evening papers had long become unsustainable a lifestyles and telecommunications and transportation modes had changed: the crowded Mass Transit Railway, now the preferred mode of commuting, was no place to unfold a newspaper, and anyway radio and television had become, by the 1980s, the *Evening Post* had managed to outlive rival papers, straddling the transfer of sovereignty for one reason and one reason only: it was funded by the Chinese government. The logic of subsidizing a paper with little or no future diminished the moment the Chinese flag was raised. Its historical mission was fulfilled, too. (5)

Journalists want more public involvement in the debate over media ethics, according to a Hong Kong Journalists Association survey.

A poll in November of HKJA members showed that 77 percent believed ethics are worse or much worse than 12 months earlier. However, the respondents comprehensively rejected press council and media ethics laws. Only 20 percent supported a press council with the powers to fine media outlets, and just seven percent supported laws on media ethics.

HKJA chair Lim Kin-Ming said: "Although some members support legislation, a far greater number want to try other solutions."

Based on strong support from members, the HKJA said it was attempting to set up a new organization, which could lobby for better ethics, offer education, and handle public complaints. This Media Ethics Forum would have no government involvement at all.

However, participation is invited from any person or individual in society who wants to improve media ethics. Mr. Liu said: "This survey shows that most journalists

welcome readers' pressure. They welcome well-informed criticism and know this helps improve standards."

As a further move towards promoting ethics, the HKJA published an analysis showing worrying trends drawn from past cases dealt with by its ethics committee.

Members of the public are reminded that the HKJA accepts complaints in writing that media organizations have broken the HKJA's code of ethics, and would investigate them to the best of its ability. According to the survey of journalists, sensational or disgusting photographs were the most serious ethics issue, with 47 percent of respondents expressing concern. Too much sex (43 percent) and exaggerated reports (41 percent) were cited as the next most serious areas of concern.

The HKJA conducted a survey in the light of rising concern about media ethics and to find out what measures journalists themselves felt would be most effective. A total of 69 percent of members asked the HKJA to take a higher profile in ethics matters. The HKJA said it would follow its members' wishes in this regard.

The survey was sent to all 660 HKJA members in late October 1998. There were 178 responses. (6)

A debate intensified in 1998 over the media council concept.

Most advocates of a media council agree that, whatever its form and functions may be, the new watchdog would have its inherent limitations and might not be the best way to curb media excesses.

But they said they were not very much concerned about it, even if it would be challenged—for as long as public discussions go on.

Liu Kin-Ming, chairman of the Hong Kong Journalists Association, which is campaigning for the establishment of an independent media ethics forum, said much still had to be done.

"Papers can set up a 'letters to the editor' column, which allows a debate on their own ombudsman to handle complaints, or draw up their own code of practices," he said.

"Our proposal is not mutually exclusive of any of these activities."

The HKJA has put forward the idea of an ethics forum after consulting its members in November 1998.

According to the proposal, the forum would primarily deal with complaints against media reports, and should increase public understanding of the media.

The HKJA has restrained media workers and organizations, including itself, from taking part in the running of the forum, even at the expense of practical concerns such as funding sources and co-operation of the industry.

"Some people said the proposal won't work. I will ask them then: 'what's your alternative?' " Liu said. "Is it because we cannot find an effective way and therefore should keep our hands off and do nothing?"

Kenneth Leung Wai-yin, Associate Professor of Journalism and Communication at the Chinese University, said a watchdog without the participation of the media industry would find it difficult to succeed. He said media involvement should include frontline reporters as well as senior staff who make editorial decisions.

Professor Leung stressed that the watchdog should be given statutory power similar to that enjoyed by the Consumer Council.

"We don't want to go that far (resorting to legislation), but to set a minimum (ethical) requirement amid the diversity."

A statutory media council can be assured of getting the necessary financial support and power needed to handle complaints by carrying out investigations.

"If it is completely toothless, it is likely to fail," he said.

But he stressed that it was equally important to ensure that the watchdog's teeth would not bite off a chunk of press freedom. (7)

Not long ago, the primary concern about the Hong Kong media was whether press freedom would be in jeopardy after the handover.

But after the handover the focus of attention has shifted to whether a watchdog association is needed in view of media excesses.

This led to public dissatisfaction with the media's performance because of the apparent abuse of press freedom through sensationalism. Some say the watchdog idea was aimed at deflecting concern over crimped press freedom.

In turn, this gave rise to a spontaneous campaign launched by the Society for Truth and Light, which called for a boycott of segments of the media, which resorted to unethical coverage. Such was the depth of public disgust that the campaign easily drew the support of more than 2,300 people.

The move to set up a Media Council to curb abuses of press freedom gained some momentum, particularly after Director of Broadcasting Cheung Man-Yee publicly endorsed the idea early in November 1998.

Diverse views, however, have emerged from a series of public discussions, which began with a consensus that government involvement must be prohibited.

For one, the Hong Kong Journalists Association has proposed the establishment of a media ethics forum completely independent from the industry. The HKJA came up with the proposal after an internal survey found that most of its members believed the

media's performance is worse off today than a year ago.

"We do not have the responsibility to ask the media not to do something, but we have the responsibility to make way for the public to complain, to resume justice and exercise their rights," association committee member Carol Lai Pui-Yee said.

The Hong Kong News Executives' Association, which has shown little enthusiasm in the setting up of an external watchdog, said they would not oppose the idea of a media council provided that media representatives were to play a role in it.

"The proposed media council is but only one possible short-term means to redress media excesses," executive committee member Raymond Wong said.

Association Chairman Ronald Chiu Ying-Chun, on the other hand, maintains that self-discipline is more important.

While no decision has been reached, the idea is waxing strong.

As Ms. Cheung has put it: "Even if the idea is rejected at the end of the day, we will be able to have a thorough debate on what's the best way forward." (8)

CHAPTER THREE Asian Values & 'What is Freedom of the Press?'

Many businessmen tend to dismiss the concept of "freedom of the press" as some sort of bothersome distraction that gets in the way of increased sales. The same goes for human rights.

In the past 20 years, a body of thought and literature has grown up around "Asian values" portraying it at its best as a collection of ambiguities and at its worst is a blanket charge against the west for inventing "freedom of the press" as some convoluted concept that restrains Asians.

The position of this book is that freedom of the press is a universal human right as articulated in Article 19 of the Universal Declaration of Human Rights.

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas though any media and regardless of frontiers.

It is the right to own a printing press and to use it.

Hong Kong's case at present is of a relatively free press being eroded by insidious pressures stemming from perceptions that the government of the People's Republic of China, of which Hong Kong is a part but from which it has been granted certain differences, should not be offended.

Press freedom is the leading edge of a larger debate or focus in Hong Kong, projected to all of Northeast Asia and, for that matter all of the regions.

The thesis of this book is that the status of press freedom in a given country or territory is the gauge or index of the country's democracy or total freedom position and condition.

Several surveys have been published recently purporting to be an Economic Freedom Index in which countries are rated on where they stand in terms of economic freedom.

It makes more sense to me to evaluate a country according to how free its press is than to rate it according to how free its economy is.

Still others will say that it absurd to attempt quantification in either case—economy or press freedom—and I would tend to agree, they have a point. But in an effort to shed light on the greater issue as well as on that of press freedom in Hong Kong specifically, I think some debate is appropriate.

Xu Xiaoge, Ph.D. is a candidate at the School of Communication Studies, Nanyang

Technological University, Singapore, *Media Asia,* Asian Media Information Centre, Volume 25 Number 1, 1998.

Asian values have been under debate for more than two decades ever since the argument first started in Singapore by the mid 1970s. It once again became a hot issue in the late 1980s when Singapore's Senior Minister Lee Kuan Yew articulated the idea of Asian values to the Western media. And the debate remains heated and widespread. Among its recent indicators is the "Workshop on Human Rights and Asian Values' held by the Nordic Institute of Asian Studies on 15-16 May, 1997 in Denmark.

"The Asian values debate is widely believed to be a voice of a rising reassertion of traditional values amid dynamic economic growth in some East and Southeast Asian countries," says Xu Xiaoge in *Media Asia.* It is an expression of concerns of some Asian leaders over the invasion and domination of Western cultures and values due to the overwhelming presence of the Western media in the region. It is a call to safeguard national identity and cultural distinctiveness in a battle against the invasion and monopoly of Western cultures and values."

Xu says a quick look at the picture of the international news communication shows that a few news media giants dominate the news flow in the region. "Five news agencies—Agence France Presse, and the Russian International Telegraph Agency (formerly TASS)—control about 96 percent of the world's news flows." The Western news agencies, having a virtual monopoly on global news flow, fail to present a realistic picture of the realities of the developing nations. The Western news media coverage focuses on negative aspects of the Third World such as poverty, illiteracy, riots, and crimes.

"The Western news media domination is only part of their cultural domination over the whole world. The result is that this world is suffering from not only news flow imbalance but also cultural domination and value imposition. Coca-Cola, McDonalds, rock & roll, jeans, and Nike are seen almost everywhere around the world."

The West has exported not only its goods but also its ideas. They impose their ideas of democracy, human rights, press freedom, etc. on peoples and governments in other countries, especially in Asia. The Western cultural domination and value imposition exert "a homogenizing influence over ideas, culture and commerce" on threatening cultural identity and diversity of cultures.

"In this world with a diversity of cultures, no culture may necessarily be better or worse than another. By the same token, no culture may necessarily be superior or inferior to another. Cultures are just different from one another. It is the cultural

differences that make this world move, grow and enrich itself.

"Even since its inception, the concept of Asian values has been controversial. Different arguments and interpretations of the concept or definition of Asian values have been produced during the debate. Most of the arguments or interpretations, however, have been too verbatim or literal. As a political term, Asian values should not be interpreted verbatim. Any argument about the literal meaning of the term is meaningless. It is pointless to argue literally about the concept or definition of Asia or that of Asian values. Instead, Asian values should be interpreted as an idea. It is idea behind it that counts, not the liberal meaning of the term itself. And the idea behind the concept of Asian values is to safeguard national identity and cultural distinctiveness in the face of domination or monopoly by Western media, cultures and values."

Asian values are not only an idea, but also a reality, some says. In some cultures and social systems in Asia, people share languages, religions and political beliefs. The shared languages, religions and political beliefs lead to shared aspects of cultures across borders. It is the shared aspects of cultures across borders in Asia that constitute the foundation for the idea of Asian values.

As part of the shared aspects of cultures, Asian values refer to the values that are more widely shared and more emphasized in much of Asia than in the Western world. Among them are freedom with responsibility, harmony, collectivism, tolerance of others, respect for order and authority, etc. A 1996 "Asian Images" survey by *Far Eastern Economic Review* in 1996 shows that Asian values do exist with numerous variations in the region, differing demonstrably from Western ones.

The Asian value's debate has touched upon many fields, but its focus is largely on two major areas: (1) Asian values and human rights and (2) Asian values in journalism. Xu's paper attempts to deal with the Asian values in journalism or specifically in intercultural news communication. By his definition, intercultural news communication basically refers to home news for overseas service and foreign news for home service or simply news presentation and consumption across cultures.

But the Asian perspectives on what constitutes news differs from the Western, Xu feels. In most Asian countries, it is widely accepted that news is determined by the role a particular society assigns to its media. Consequently, any value judgement of news can be only in relation to such assigned roles.

The reassertion of traditional values seems to be vital at a time when journalists are challenged to subscribe to the values of the boardroom or the newsroom. "And their response will be shaped as much by their cultural attributes as their commitment to journalistic values."

In the Western newsmedia, journalists seem to "search for circulation and profits for their shareholders" at the expense of their commitments to truth and ethics by the pressure to keep bottom lines healthy. Many Asian nations, however, are still fashioning their own democratic systems to fit their cultural, ethical, and moral sensibilities. As a result, most Asian news media exercise 'freedom for the greater good for the nation,' while Western news media tend to exercise freedom at the expense of social accountability.

In intercultural news communication, Xu and others say the idea of Asian values can also be interpreted as a call to challenge or combat against the dominance of Anglo-American cultures, especially the Anglo-American news media dominance in Asia. It is also a call to indigenize communication theories to suit the Asian diversified cultures.

Asia has come to realize that "there is a real need to re-examine Western theories and practices in the light of Asian cultures and tradition," Xu says.

In Asia, where the intercultural news communication is largely dominated by the Western media giants, the communications policies and practices tend to be all oriented to the building and maintenance of the cultural identity of a nation. That provides the rationale for the Advocacy of Asian values in intercultural news communication.

In summary, Xu says, "in upholding Asian values in intercultural news communication", Asia needs to take some Western theories and practices in the light of Asian cultural values and traditions. Asia also needs to maintain its own cultural values and unique principles and practices of communication. Only by maintaining their own distinctive principles and practices of communication can Asian news media win their market shares and maintain their national identity and cultural distinctiveness in intercultural news communications." (1)

In the text of the Charter for a Free Press signed by Kofi Annan and WPFC Chairman James H. Ottaway, Jr. Xu's position is challenged:

"A free press means a free people. To this end, the following principles, basic to an unfettered flow of news and information both within and across national borders, deserve the support of all those pledged to advance and protect democratic institutions."

"1. Censorship, direct or indirect, is unacceptable; thus laws and practices restricting the right of the news media freely to gather and distribute information must be abolished, and government authorities, national or local, must not interfere with the

content of print or broadcast news, or restrict access to any news sources.

"2. Independent news media, both print and broadcast, must be allowed to emerge and operate freely in all countries.

"3. There must be no discrimination by governments in their treatment, economic or otherwise, of the news media within a country. In those countries where government media also exist, the independent media must have the same free access as the official media have to all material and facilities necessary to their publishing or broadcasting operations.

"4. States must not restrict access to newsprint, printing facilities and distribution systems, operation of news agencies, and availability of broadcast frequencies and facilities.

"5. Legal, technical and tariff practices by communications authorities which inhibit the distribution of news and restrict the flow of information are condemned.

"6. Government media must enjoy editorial independence and be open to a diversity of viewpoints. This should be affirmed in both law and practice.

"7. There should be unrestricted access by the print and broadcast media within a country to outside news and information services, and the public should enjoy similar freedom to receive foreign publications and foreign broadcasts without interference.

"8. National frontiers must be open to foreign journalists. Quotas must not apply, and applications for visas, press credentials and other documentation requisite of their work should be approved promptly. Foreign journalists should be allowed to travel freely within a country and have access to both official and unofficial news sources, and be allowed to import and export freely all necessary professional materials and equipment.

"9. Restrictions on the free entry to the field of journalism or over its practice, through licensing or other certification procedures, must be eliminated.

"10.Journalists, like all citizens, must be secured in their persons and be given full protection of law. Journalists working in war zones are recognized as civilians enjoying all rights and immunities accorded to other civilians.

"Let's look at the full meaning and implication of each word in Article 19 of the Universal Declaration of Human Rights:

"Everyone. This first world is radical because it empowers every person to enjoy and commands every government in the world to enforce the following freedoms of expression. It is not qualified. It does not say "only in democracies."

"The world does not limit freedom of expression to government officials, journalists, scholars or experts. Everyone means every person living in any country no matter what

its form of government. That was a radical, even revolutionary, idea in 1948 and it still is 50 years later.

"Has the right. This individual empowerment flows naturally from the Universal Declaration's statement in Article 1 that "all human beings are born free and equal in dignity and rights." Freedom of expression is a universal birthright, not a gift from a government or the UN This idea comes form the American revolution with its Declaration of Independence and the French Revolution with its Declaration of the Rights of Man.

"Freedom of opinion. This is the core operating language of Article 19. It covers freedom of thought and expression of opinion—to one person or a million people, by any means. It is a basic human right not to be forced to agree with your family, your neighbors, your classmates, your professor, your fellow workers, your political party or your government. This guarantees freedom of personal and political opinion.

"Freedom of expression. This very broad language guarantees freedom of expression in any form—not only news reports or political protests, but also the much broader expression of thought and feeling through literature, all forms of fine art, theater, dance and music. These freedoms are often suppressed by authoritarian governments, by powerful groups like religious organizations, or by politically correct thinking.

"Without interference. This important language forbids government or private party efforts to suppress free speech or artistic expression, which of course happens in many countries, even sometimes in mature democracies like the U.S.

"To seek, to receive. This language allows students, scholars, researchers and media reporters to ask questions, dig for information, open government books and public records to receive information important to free inquiry so vital to academic and journalistic work. This is the basic right for any citizen to ask questions of authority and to receive honest, accurate answers.

"To impart information and ideas through any media. This is the operative language that guarantees everyone a free press meaning all forms of publication by newspaper, radio, television, cable, telephone, fax, satellite or World Wide Web.

"Regardless of frontiers. This last phrase of Article 19 is very important in today's global media world. Many authoritarian governments—like Malaysia's, which is calling for a rewriting of the Universal Declaration of Human Rights—are trying to control satellite broadcasting of news, entertainment programs and political ideas across their borders.

"Unfortunately, the ringing provisions or Article 19 are more honored around the world in the breach than in the observance. According to New York-based Freedom House, only about a third of the world's 180-plus nations have a fully free press. The rest are about evenly divided between those with just a partly free press and those with no press freedom.

"We all know the world is a long way from achieving the idealistic promise of universal human rights, but the Universal Declaration for 50 years has been the strongest statement of fundamental freedoms and human rights, a common standard against which all nations are measured.

"Restriction of news and information is an isolationist policy that will be overwhelmed by the march towards freedom exemplified by the fall of the Iron Curtain and the Berlin Wall. More concretely, it is likely to be overwhelmed even sooner by the Internet and direct satellite broadcasting to tiny receiver dishes.

"In this Information Age, no country can participate in the global debate of ideas, in global markets or the global economy without allowing news, information and new ideas to cross its borders. Freedom for ideas and information to travel everywhere is as essential to peace and economic progress for all nations, all people, today as it was 50 years ago.

Mr. Ottaway is chairman of the World Press Freedom Committee, chairman of Ottaway Newspapers Inc. and senior vice president of Dow Jones & Co., which publishes the Journal. (2)

Asad Latif, Senior Leader and Feature Writer, *The Strait Times,* wrestles with the concept of Asian values:

"To me there is a very basic point about Asian values in journalism and it is this: journalistic integrity is a universal value, but authenticity is a local one. Things like the spirit of enquiry, respect for facts, accuracy, an effort to present diverse points of view on an issue to reflect its complexity—these values are universal, no matter how badly they are mauled in practice in the West or in Asia."

He says authenticity is rather different. It involves the effort to situate one's work, to place it in context, and that context is local and cultural. A Western journalist may run around in Asia without fouling any of the principles of the profession. This is because he represents—more accurately "re-presents"—the world to Asians in "a continuing dialectic of information and control whose origins are essentially Occidentalist. He cannot help but represent the world to Asians with a Western perspective. It's not wrong; what else can he do? He cannot re-present the world as an

Asian, even though he may be, and usually is, a person of integrity. Authenticity is a different challenge."

It is against this background that the case for 'an Asian reading of Asia' can be made. As Dr. Yeap Soon Beng wrote last year:

"Asians can no longer accept the roles assigned to them in a play scripted in the centers of power. They must now be able to write their own scripts. This perspective empowers Asians to be responsible for their own image to their own people and the international audience.

"What this entails is no less than a struggle with textuality, an attempt to fashion a new narrative, to chart the Asian terrain against the points of reference which matter most crucially to Asians." (3)

Only one in every five people lives in a country with a truly free press, down slightly from a year ago, according to a report by the nonprofit pro-democracy group Freedom House.

In a survey titled "Press Freedom 1998" and released May 1, 1998 Freedom House partly blamed the East Asian economic crisis on press controls in the region, with Indonesia ranked among the worst.

President Suharto's government effectively decided what stories the media must use and bars the non-governmental press from covering politics independently, the report said.

The report's author, Leonard Sussman, also cited substantial self-censorship among media in Hong Kong, which reverted from British to Chinese sovereignty 10 months ago. (4)

In a "Letter to the Editor" of the Correspondent Keith Ritchberg and Francis Moriarity wrote in May 1998:

"The Foreign Correspondents' Club of Hong Kong wishes to mark World Press Freedom Day by stating our firm commitment to the principles of free press and free expression. The FCC, composed of more than 600 foreign and local journalists, has stood behind these principles since its inception, and we daily commemorate that commitment by permanently displaying on our walls the work of our members whom gave their lives to bring the news to the world.

"We join with the Hong Kong Journalists Associations urging the Government to demonstrate its support of that principle by establishing a legislated right to access government-held information. This local government and Central People's Government operating in SAR.

"The FCC also wishes to express its deep concern that legislation implementing Article 23 of the Basic law might open to the door to the suppression of free expression and free press. Also, we do not wish to see introduced into our laws anything that might resemble the notion of political crime. The government has said such Article 23—related laws would be introduced into the next Legislative Council we hope the Government will give extremely careful thought to the necessity, if any, for such legislation. Further, any Bills should only be introduced after widespread public consultation, and must be given diligent and through scrutiny by the Council.

While we warmly welcome recent statement supportive of the free press made by the President, Jiang Zemin, and the Premier, Zhu Rongji, and sincerely hope that these words augur the start of a larger trend, we nonetheless express our dismay at the number of our colleagues known to be held in custody on the Mainland. We specifically reiterate our long-standing call for the release from prison of prize-winning journalist Gao Yu.

"Since the formation of the SAR, we have carefully monitored the press for indications of any curtailment of our freedoms; we have noted, for example, the threats against the independence of Radio television Hong Kong, as well as the overwhelming vote of the Provisional Legislative Council supportive of RTHK's editorial independence. The response of the PLC and the public to that threat was heartening, and showed how deeply the Hong Kong people cherish their free and independent news media. Still, we do not underestimate the seriousness of such threats and intend to maintain our vigilance. (5)

"The press in Singapore has long labored under the charge that it is controlled by the government, and hence unfree. 'Probably the most unindependent newspaper in the world outside Romania,' columnist Bernard Levin of *The Times* charged at Singapore's main newspaper, *The Straits Times*, in 1989, while Frank Bough, Sky News' answer to CNN's Larry King, asked Mr. Lee Kuan Yew in an interview in 1990: 'Haven't you got one newspaper that is very much your house magazine?' "

In May 1997, the New York-based Freedom House rated the media in Singapore as having no freedom together with those in some 60 other countries, among them Singapore's two closest neighbors, Malaysia and Indonesia. It scored 65 out of a possible 90 points for the most unfree. (Freedom is having less than 30 points, those with 30 to 60 points are partially free, and 60 to 90 unfree). The basis of its rating, an annual affair, was the degree of executive intervention and administrative influence on the broadcast and print media, in the three categories: legal, political and economic

/financial. Interestingly, Freedom House rated the Singapore press as more government-controlled than the broadcast media, despite the fact that Singapore television and radio are government statutory bodies while the press is owned by a private listed corporation.

Criticism has not been confined to observers outside the country; Singaporeans, too, have contributed their share. The most famous indigenous comment to date is probably that of Mr. David Marshall, former Chief Minister and Ambassador to France, in a speech at a Singapore arts gathering in 1994, when he called local journalists "either People's Action Party wallahs or bootlickers", and "running dogs of the PAP and poor prostitutes."

To back up these far from flattering comments, critics point to a number of things:

--The predominance of government stories, especially on speeches by ministers exhorting citizens to do this, that and the other.

--The pro-government stance taken by columnists, which one local observer described as "sycophantic ranting designed to bring on a heavy spell of morning sickness."

--The presence of a number of former government officials, including a former Cabinet Minister, in its senior ranks.

The upshot of these criticisms is that the Singapore press is monopolistic and propagandistic, and prints only what is officially allowed. Some more imaginative accounts even have drafts being sent to official censors for vetting each night being going to print.

The key question boils down to the meaning of freedom, a notion on which there is no consensus even at the best of times. Taken to its logical extreme, freedom degenerates into license and licentiousness, and the renunciation of values a society stands for, critics claim. Malaysian Deputy Prime Minister Anwar Ibrahim must have had this in mind when he said that to deny press freedom in Asia was tantamount to asserting that there was an inherent incompatibility between Asian values and liberty. His argument is a valid one. He noted further that freedom must carry with it the moral obligation to advance the higher ideas of a society, and to speak the truth, not spread falsehoods or undermine public security or corrupt public morals.

It is worthwhile noting here the Council of Europe, the alliance of old-line European countries, has taken an interest in legislating responsible journalism.

The notion of a responsible press is no stranger in Asia: Anwar is one of many Asian politicians who have sought in recent years to articulate the view that the press needs to play a positive social role. This is the "Asian model" which appears to be

gaining currency in the region and which could in time to come gain acceptance in the West itself as Asia catches up in economic and political stature. That view sees the press as ally rather than adversary, and pressmen as partners rather than antagonists in the process of a nation's development.

Put in a nutshell, the Asian model is social responsibility married to the power of the pen, and in practical terms translates into what the present *Strait Times* editor has called "a time to cheer, and a time to dissent." Not for it that "prerogative of the harlot through the ages"—power without responsibility, asserted in the right to criticize with immunity, free from rules of protocol or decorum, or from the realities of power politics. And responsibility must mean not blind acceptance and endorsement of all government policies, but critical assessments and independent conclusions, and the courage to voice them whatever side of the political fence they fall on. Readers who read *The Straits Times* more thoroughly would know that there have been a number of occasions when it has taken editorial positions different from that of the government; but given the narrow readership of the more serious pages, these positions have tended to be lost on the general Singapore reader.

Resigned to this fact, Mr. Lim Kim San, Chairman of Singapore Press Holdings, once said: "One of our jobs is to support a good government, and we have been doing that, and helping to explain government policies. And from time to time, although the public does not think so, we do take a stand." (6)

CHAPTER FOUR Media Face Need for Room with View

Even before July 1, 1997, the mounting evidence suggested that press freedom would be among the first casualties after the handover of Hong Kong to Mainland China.

Taipei, it was argued, should thus prepare itself to become home base for foreign correspondents seeking more freedom than Hong Kong would be able to provide. On the basis of its strong points of location, freedom, human resources and technological expertise, Taiwan could become an Asia media center.

Other nations already were thinking about inheriting Hong Kong's role as Asia's information crossroads. For example, Taizo Watanabe, former Japanese Ambassador to Indonesia and Foreign Ministry spokesman, recommended that the Tokyo government establish an Asia media center in Okinawa. He proposed government-backed incentives to encourage foreign television production facilities to locate on the island. Foreign news organizations would be offered bureau facilities at rents much lower than Tokyo's exorbitant fees, Watanabe said.

Further impetus for foreign agencies to relocate from Mainland China was Beijing 's announcement that it will restrict the dissemination of foreign financial news and might demand a cut of proceeds from such services. Mainland Foreign Minister Qian Qichen's warning that Hong Kong press criticism of Beijing officials and policies will not be allowed after the handover sounded an eerie note as well.

The decision by Reuters to set up a full-fledged branch in Taipei as the main hub for its news services to the Chinese-speaking areas of Asia, with 70 percent of the regional report edited there, is the start of what could become a trend. Reuter executives said the pool of highly trained, English-speaking and English-writing journalists in Taiwan was among the reasons for its decision to make Taipei a major news-processing point.

The journalism program at National Chengchi University has produced an illustrious group of alumni whose names are found throughout Taiwan's journalism, government and business ranks. New television, radio, magazine and public relations projects regularly tap the university's graduates for important posts.

As a visiting faculty member for two semesters in the university's Department of Journalism, I have been impressed by the quality and enthusiasm of the students. One doesn't have to look beyond National Chengchi University or the new graduate journalism program at National Taiwan University to find the best of Northeast Asia's up and coming writers and editors of English.

"(Mainland) China will inevitably stub its roe on the question of press freedom,

probably in the area of human rights abuse reporting," said an executive of a leading American news agency, speaking on condition of anonymity. "Taiwan is uniquely qualified as a replacement to Hong Kong as a regional press and information center."

The mainland hampers its own international communications development by restricting the number of English-language publications. The mainland's one English-language paper, *China Daily*, is edited in Beijing with the pages beamed by satellite for printing in plants around the world. It was founded to give tourists and other visitors to the mainland something to read, the editor once told me.

There had been complaints about the stuffy, propaganda-heavy Beijing Review and China Reconstructs magazines found in every mainland hotel room. Now many foreign newspapers are allowed at international hotels in Beijing, Shanghai and elsewhere. The weekly *Shanghai Star* business supplement to the *China Daily* may soon become a full-fledged daily newspaper. Of course, overnight June 30 to July1, the mainland will have two more English-language dailies—*South China Morning Post* and *Hong Kong Standard*—when Hong Kong is absorbed by the mainland.

At its start several years ago, *China Daily* staff members received training in programs at the East-West Center in Hawaii and at Columbia University. More recently, the American studies program at Shanghai' Fudan University has invited American journalism educators to instruct new *China Daily* and Xinhua news agency staff members. Donald Shanor, a veteran *Chicago Daily News* foreign correspondent and later Columbia University professor, was a recent instructor at Fudan.

But the program of inviting American journalists was junked over few years in the new wave of nationalism and suspicion that Americans were trying to "contain" the mainland and "spread democracy" in the journalism classroom. The program of inviting American journalism professors to China was revived by 1997.

Beijing's decision to curtail instruction by American journalists has been paralleled by its decision to conduct Foreign Ministry press briefings only in Mandarin. Both are steps backward, in my view, but this is a part of Mainland China's pressure all over Asia.

In Tokyo, for example, Xinhua correspondents, who spoke excellent English after postings in New York and Washington, were ordered to complain to Japanese authorities about the fact that press briefings and speeches were only in Japanese and English. The hypersensitive Japanese Foreign Ministry immediately bowed to mainland demands and set up a special additional program of briefings in Mandarin.

For the Hong Kong press scene, clues painting dim expectations range from a recently published official mainland Chinese "dictionary of journalism" to comments by

current officials of the British colony and even mainland businessmen about the problem of low-level mainland bureaucrats thirsting to get their hands on Hong Kong affairs.

Hong Kong Gov. Chris Patten, speaking in Vancouver, said: "The problem has been pointed out and focused on by Chinese officials and by mainland businessmen themselves. " The problem, he said, is "dealing with officials in the Chinese bureaucracy who are used to controlling things, dealing with officials who aren't perhaps as aware as they should be of the promises of autonomy that have been made to Hong Kong."

Even as Patten spoke, Beijing was demanding that it has the right to decide which journalists could come to Hong Kong for the handover ceremony. More than 2,200 reporters and camera crewmen have already registered to cover the event, according to the Hong Kong government, and some estimates say the number will exceed 6,000.

Hotel rooms for the date had long been sold out as visitors seek a front-row seat at a genuine historic watershed. It marks the first change in control in which Western democracies have cooperated in handing more than six million people over to communist control without benefit of a vote.

In a speech to journalists on May 3, 1997, World Press Freedom Day, Hong Kong legislator and former journalist Emily Lau urged the media to continue reporting on Hong Kong and not let it slip from the world's attention, particularly as Beijing exerts pressure on the press.

I showed up on time for an interview with Martin Lee at his office in the Admiralty building, not far from Hong Kong's center. "You're 30 minutes late," he charged. "I've got a schedule to keep, I've got important things to do."

I can't say I've never been late for an interview appointment but in this case it was Lee's Cantonese assistant who got mixed up and told my Japanese researcher the wrong time.

The important thing is that we were able to meet and I was able to sample the personality of this man who gives Beijing fits.

Martin Lee, the Hong Kong lawyer and legislator who sharply criticized Beijing's plan to disband the elected legislative council, told me in that 1994 interview: "We must fight for the Hong Kong we have built and the lifestyle we have developed here. The British won't fight for us. We must fight for freedom and democracy ourselves."

Lee urged Hong Kong journalists and the foreign press to keep up the fight against censorship after the handover: "Governor Patten will be in London after July 1, 1997. I may be in jail. But freedoms of speech and the press must be fought for to show

Mainland China we insist they keep their promises."

Indeed, Beijing has a built-in tendency to censor the press, apply pressures leading to self-censorship and tightly restrict journalists' movements. It also has an aversion to freedom of expression by political dissidents. In contrast with these weaknesses, Taipei must take advantage of its own strong points, which include the old real estate agent's credo—location, location, location—plus freedom of operation, technological expertise and, hopefully, enlightened government encouragement.

The ROC's democratic institutions are surging, computer and cable industries are state of the art and financial channels are liberalizing. Yet, in contrast with other East Asian capitals, comparatively few reporters from abroad are permanently stationed in Taipei, mostly out of fear of incurring Beijing wrath.

Even with restrictions, Mainland China realizes it needs a big foreign press corps to parrot its official pronouncements while keeping true investigative reporting to a minimum. About 250 foreign reporters are permanently based in Beijing. Some 40 more work in Shanghai.

Efforts to set up a club in Beijing for foreign correspondents to get away from official control have been thwarted by authorities. A club that was just getting on its feet on the premises of the Great Wall Sheraton Hotel in Beijing was "discouraged" after the Tienanmen Square crackdown of 1989. The Foreign Ministry later switched its regular briefings from the ministry auditorium to the International Club and said that doing so answered reporters' requests for a press club.

Tokyo has 788 accredited foreign correspondents including Japanese working for foreign agencies. The 303 reporters from American media outnumber those from any other single country.

Seoul, historically a backwater for foreign correspondents since the Korean War, now has more than 100 bona fide reporters from abroad, led by Japanese and Americans. South Korea's booming economy and the threat of conflict with North Korea are the draw.

Hong Kong has a mushrooming population of foreign reporters. With 36,000 Americans now the second largest expatriate group in Hong Kong (the first, Filipinos, mainly domestic workers, number 140,000) U.S. media like *Fortune* and *The Washington Post* have actually added bureaus there in the last year.

Bangkok, Singapore, Manila and Jakarta all have more foreign journalists based in their cities than Taipei. Taipei, capital of the world's 14th largest trading nation, has about the same number of permanently based foreign correspondents as Pyongyang, Kuala Lumpur, Phnom Penh, Vietnam and Macao.

When hundreds of journalists did come to Taipei—the 679 foreign correspondents who covered the ROC's March 23, 1996, presidential election—most gave high marks to the atmosphere for reporting and for the apparent freedom of Taiwan media, a research survey showed. (1)

Pressures from Beijing on the world's supposedly independent press are the main reason foreign reporters stay away from Taipei unless the first popular election of a head of state in Chinese history is scheduled. Media like *The Asian Wall Street Journal*, *Far Eastern Economic Review*, *Time* and *Business Week* don't scare easily. They ignore Beijing's edicts and call its bluff. Beijing backs down.

Two can play the game of enticing foreign correspondents.

The Republic of China has a terrific political and business story and it should be told by independent reporters permanently based in Taipei, augmented by visiting correspondents. The government ought to seriously study how to attract foreign news organizations to base operations here, as Reuters has done.

Taipei, in the meantime is preparing itself for an all-out media onslaught from the mainland. The Chinese Communist Party's propaganda department, headed by Ding Guangen, is orchestrating a massive campaign which includes the "spiritual civilization" platform now being implemented on the mainland.

For example, Beijing is sinking US$10 million into a movie, *Opium War*, now being directed on location near Hangzhou. The plot tells of Britain's promotion of opium addiction in China and of the unequal treaty that turned Hong Kong over to London. *The New York Times* described the film, released worldwide the same day Hong Kong was handed over to the mainland, as an "unsubtle piece of Chinese propaganda" dedicated, as the shooting script states, "to a great moment in history"—the return of the Emerald City that Hong Kong has become.

The film is in the forefront of the campaign to stoke the flames of nationalism in the service of the Communist Party. Propaganda czar Ding, once paramount leader Deng Xiaoping's bridge partner, has crafted a program designed to imbue Mainland Chinese with nationalism, Confucianism and unrelenting faith in the party. This broad theme will be aimed later at Macao, due to be handed over to the mainland in 1999, and then at Taiwan, which the mainland hopes to absorb sooner or later.

Beijing has found that communism no longer sells among the masses but that nationalism does. The media are a major part of the battlefield in the war for the hearts and minds of Chinese-speaking Asia, and Taiwan needs to mobilize its resources for the fight.

The aggressive vernacular press of Taiwan can certainly hold its own and excel on the field. But for the part of the world that cannot read or listen to Mandarin Chinese with understanding, more emphasis should be placed on getting the news and analysis from this important story to foreign audiences. (2)

Vice-Premier Qian Qichen gave an interview to the *Asian Wall Street Journal* in October 1996, in which he spelled out what forms of expression would not be tolerated by the new order. There could be no criticism of the Chinese leadership, no "interference" in Chinese mainland affairs, such as rallies to commemorate the Tiananmen Square massacre, and the media would have to confine itself to 'facts', rather than opinions.

No "off-the-wall" commentaries.

If this was not eerie enough, consider what China has already done about laws which it dislikes, primarily the Bill of Rights. This Bill essentially incorporates the two international covenants on human, social and economics rights into Hong Kong's statute. These two covenants are, as stated above, actually apart of the Basic Law, constituting Article 39. However, China has made it clear that the Bill would have to be cut down to size. This meant taking away its overriding powers in relation to laws which contravene human rights and watering down elements of the law which made for more vigorous enforcement of these rights. Now ultimate jurisdiction on the Bill of Rights is out of the hands of Hong Kong courts and delivered to the NPC, which has the power of interpretation over the Basic Law.

Some apologists for the new order have argued that the pledge to maintain all of Hong Kong's existing laws only relates to those which were in force in 1984, when the Joint Declaration was signed. This implied that the British administration should create a virtual freeze on new statutes for a period of thirteen years until 1997. Of course this notion was absurd, Vines and others had noted. But when arguments of this kind are trotted out some clear indication is being given of the ways in which China could wriggle out of the pledges it has taken the trouble to enshrine in statute.

Even more blatant than the junking of the laws which China disliked was the arbitrary decision to establish a provisional legislature to replace the Legislative Council elected in 1995. The rival legislature came into being before China resumed sovereignty over Hong Kong and its very existence had no constitutional basis, neither in the Basic Law nor in the Joint Declaration. The new government argued that it was a necessary expedient because without the creation of a provisional body there would be a vacuum of power. China had previously agreed with Britain that both legislators and

civil servants would ride on the "through train", meaning that those in office on June 30 1997 would remain there on and after July 1. However, while most civil servants were able to cling to the train, all legislators and local council members were unceremoniously kicked off it. China argued that the elections which put them in office contravened the Basic Law. The Legislative Council was replaced by a provisional body, 'elected' by a 400-strong Selection Committee, set up by China back in November 1996. This body, principally consisting of business tycoons and members of pro-China political parties and trade unions, only allowed those from the old body back in if they could be relied upon to support the new order and, at worst, provide no more than token opposition. Members of the old, less influential, local councils were allowed back into office, even though their membership included opponents of the new regime.

Deng Xiaoping's promise that anyone can serve in governing Hong Kong, no matter whether they believe in capitalism or feudalism, or even the slave-owning system, has long been forgotten. Membership of Chinese advisory bodies, such as the selection Committee and the Preparatory Committee, the body that made preparations for Chinese rule, were, with few exceptions, confined to those who were prepared to toe the party line.

If there is the smallest doubt about China's inability to live with the concept of free elections, it can be laid to rest by closely examining the Basic Law, which, on the one hand, promises the eventual introduction of universal suffrage and, on the other, stipulates that no more than 20 percent of the members of the legislature are allowed to hold foreign passports (Article 67).

This is no small matter in Hong Kong, where a high proportion of the middle class has the right of abode overseas. However, that is not the point: the real issue is how, under a truly democratic system, it can be possible to determine in advance the proportion of people who will be elected holding foreign passports. This may seem a pedantic point but it is most telling in providing an insight into China's mentality on the issue of elections, which simply cannot accommodate the nation of not knowing their outcome in advance.

Fundamentally at issue is the matter of Hong Kong's autonomy. Deng Xiaoping coined the slogan *gangren zhigang*, which translates as Hong Kong people ruling (or administering) Hong Kong. "That will not change," said Mr. Deng in an address to Hong Kong and Macao representatives attending National Day celebrations in Beijing in 1984 'The administration will be elected by the people there are then appointed by the Central Government, they will not be sent by the Central Government. Of course, some of them should be on the Left, but as few as possible; some should be on the Right; and

preferably a larger number should be middle-on-the-roaders. In this way, people from different walks of life will be satisfied."

However, three years later Mr. Deng qualified himself in an address to Basic Law drafters. He said, "Don't ever think that everything would be all right if Hong Kong affairs were administered solely by Hong Kong people while the Central Government had nothing to do with the matter. That simply wouldn't work—it's not a realistic idea. The Central Government certainly will not intervene in the day-to-day affairs of the Special Administrative Region, nor is it necessary. But it isn't possible that something could happen in the region that jeopardizes the fundamental interests of the country."

Deng went further, saying, "You should also consider a few other things. For example, after 1997 we shall still allow people in Hong Kong to attack the Chinese Communist Party and China verbally, but what if they should turn their words into action, trying to convert Hong Kong into a base of opposition to the mainland under the pretext of "democracy"? Then we should have no choice but to intervene."

The list of members of the PC is truly a list of the favored in the new order. As ever, it was dominated by big-league businessmen. All members of the original Group of 44 advisers, pile, serving as vice-chairmen, were Tung Chee-Hwa, Leung Chun-Ying, Simon Li, Henry Fok and the "very frail" as described by Steve Vines, Shanghainese tycoon Ann Tse-Kai, my old friend. They were joined by five of China's top Hong Kong policy-makers, headed by Vice-Premier Qian Qichen. The business line-up was wholly predictable, mixing the truly rich such as Li Ka-Shing, Lee Shau Kee and Walter Kwok with the modestly rich (by Hong Kong standards, which means very rich by most other standards) but politically active such as Paul Cheng, Peter Woo, Vincent Lo and David Chu, all of whom were prepared to go out and promote the virtues of the new order.

Yet another perspective on freedom of the press in Hong Kong came from feisty Derek Davies, whose criticisms of the Americans could be caustic. He was editor of the *Far Eastern Economic Review* in what could be described as its "glory days" as a "writer's publication." He was later Editor-in-Residence at the East-West Center, Honolulu:

"It should not be forgotten that, for many years, Hong Kong had the freest press in the whole region. Even the Japanese press went in for a curious process of self-censorship, eschewing news, which did not fit Japan's self-image.

"It was Hong Kong, followed some years later by Singapore and Taiwan, which showed how the Chinese, far from being strangled by Confucian inhibitions as some once thought, could prosper and lead the way into the modern world.

"One cannot claim democracy has played a part, but freedom certainly has. The colonial power at least knew enough to follow laissez faire policies with freedom of speech and of the press as much as with the economy." (3)

Within an hour after a Shanghai court in January 1999 sentence businessman Lin Hai to two years' imprisonment for "inciting to subvert the state power," the verdict was faxed to the international media. The man who released the news wasn't in Shanghai, but in a small, cramped office in Hong Kong, where he received word from Lin's family.

"A relative who was in court paged me just a few minutes after the sentence was announced," said 34-year-old Lu Siqing, in an interview with Maureen Pao in the Far Eastern Economic Review. "I immediately called back the number he left and in a few minutes, I had the information."

In the past two years, Lu has become the channel through which news about Chinese dissidents--as well as peasant and worker unrest in far-flung regions of China--reaches wire services, newspapers and broadcasters around the world. His Hong Kong based Information Center of Human Rights and Democratic Movements in China is practically a one-man news agency—and proves that "subversive" information can still flow in and out of China.

Lu appears able to maintain that flow in the face of the Chinese government's mounting efforts to control information entering and leaving the country electronically. New regulations of the Internet aim to police its use, while its users are now more vulnerable to prosecution. Lin Hai, who owns a software company, was convicted of subversion for trading 30,000 mainland e-mail addresses with VIP Reference, an U.S.-based, on line pro-democracy magazine.

Lu is an unlikely information warrior. His weapons are a fax machine, a pager and a mobile phone--all relatively low-tech weapons in a high-tech era. He recently received an award for being an "outstanding personality for democracy" from the respected Chinese Democracy Education Foundation, based in San Francisco. Other recipients of the annual awards have been jailed China Democracy Party leader Wang Youcai and Bao Tong, a former Communist Party official ousted for sympathizing with students in the 1989 Tiananmen Square protest.

But perhaps the best testimony to Lu's effectiveness is the fake pager messages and blank faxes he's being plagued with. He is convinced that the Chinese authorities are behind the "jamming," which he says began in November--the same time that Beijing began cracking down on dissidents who were trying to get permission to register the China Democracy Party. (4)

For a foreign correspondent based in Asia, particularly a one-man operation with perhaps a news assistant, the value of a press club cannot be overemphasized.

I am presently an Absent Member of the Foreign Correspondents' Club of Hong Kong where I became a regular member in 1962. I still carry card No. 044.

When I left Hong Kong at the end of 1979 for reassignment in Washington D.C. I had a wife, two infant daughters and a Cantonese baby amah, Nancy, in my entourage. I joined the National Press Club and found that I was assigned Card No. 19. One of the earliest members of that esteemed club had died at age 98, and I inherited his card.

Returning to Asia in 1986, my new card at the Foreign Correspondents' Club of Japan had the uninspiring number NRO-238. I had been a member as a "boy correspondent" in 1960-62 but that was before correspondents' accounts were numbered. However, one clerk remembered me and found that I still owed ¥2,500 (US$22) in unpaid chits from 1962. In 1962 that amounted to about US$7. At the 1986 exchange rate it was over US$20. But I paid it happily so I could be a reinstated member instead of a New Member, which would have involved payment of a new initiation fee.

One of the criticisms by Chinese of the way Americans and other Westerners covered their activities was that the reports filed were too much with the American reader or audience in mind, rather than what was the gist of the real story.

During a post-election seminar in Taipei in 1996 a college student rose from his seat to ask a well-known American television reporter how he could report on the election campaign for two weeks without mentioning the opposition candidate by name.

The American correspondent answered lamely "Of course I know the candidate's name but our desk didn't think it was important for our audience."

My own experience with shaping the news to fit the perceived audience came years earlier in Hong Kong.

The United Press International bureau chief asked if I would do a telephone report to London because his voice was unusually raspy. I agreed to do the three "spots" under the pseudonym of Ralph Yardley.

"This is Ralph Yardley reporting from Hong Kong. Radio Peking today said that as the Cultural Revolution widened, Chairman Mao Zedong called in Premier Zhou Enlai and asked him to intervene in the case of Liu Shao-chi and Deng Xiaoping."

"Hold it right there, Ralph" said the voice from London.

He said they had a rule that in 15-second radio spot only two Chinese names could be used because listeners became confused with the unfamiliar sounds.

CHAPTER FIVE Beijing's Control over HK Restricts Freedom

In Hong Kong within a few weeks after the handover it became fashionable to say that "not much is different" and "hardly anything has changed," since Mainland China took control of the former British colony on July 1, 1997.

And at first glance that appeared to be an accurate assessment. The Peak Tram and the Star Ferry, two Hong Kong institutions, still made their trips up the side of Victoria Peak and across the harbor, respectively, as they had done for decades.

It still was a dazzling city, set in a magnificent geographical location, with skyscrapers that are some of the most stunning architectural creations in Asia.

A talented, energetic and diverse population, mostly Chinese but with a generous helping of other nationalities, epitomizes Hong Kong's well-known cosmopolitan essence. Although a casual glance turns up nothing peculiar, something is happening to Hong Kong's freedoms.

Approximately 8,000 journalists from around the world descended on Hong Kong July 1, 1997 to report on the historic handover—most reporting that the place would go downhill fast.

The post-handover financial difficulties and a nasty series of scandals have been blamed not on Mainland China but on the media. The media expect this to some degree, knowing that the messenger conveys bad news is often held responsible for it.

Nonetheless, a little more time is needed to find the real culprit behind the stock market tremors in Hong Kong. One explanation for the quakes could be Hong Kong's lack of confidence in itself.

The tourism downturn—40 percent fewer Japanese visited Hong Kong in the first year since the handover—was aggravated when reports surfaced that Japanese and Korean tourists were severely overcharged by certain Hong Kong hotels, restaurants and shops. It is no secret that Hong Kong prices have gone through the roof.

Hong Kong has definitely lost its bargain shop image and is now more like a giant luxury boutique.

The number of tourists going to Hong Kong plummeted 22.4 percent in September 1997 after dropping 24.4 percent in August and 35 percent in July. Cathy Pacific Airways started offering special package deals with hotels in an effort to reverse the slide.

Amid all these activities, there are some subtle indications that Hong Kong is now in the process of being "colonized" by Beijing. Although not as obviously, Hong Kong's

media seem to be going through the same process.

The most noticeable aspect of this colonization is that Mainland China is purchasing the shares of many successful Hong Kong firms. A mainland conglomerate set the standard even before the handover by acquiring a chunk owned entirely by Swire and Sons of Scotland.

Another seemingly innocuous sign of change came when Chief Executive Tung Chee-Hwa asked a group of Hong Kong government officials to applaud in order to pass a new measure. This method, though the norm in Mainland China, is a far cry from giving a show of hands or using a written ballot, which are the usual means that Hong Kong employees to approve a measure.

Tung's advisers quickly informed him about his faux pas and before criticism from the press could reach a crescendo, it was announced that more democratic procedures would be followed in the future.

Terry Cheng, editor of the *Hong Kong Standard*, observed that in any functions concerned with the central government, all banners and stage dressings were noticeably Beijing-style rather than Hong Kong-style.

He spoke at an East-West Center gathering in Hong Kong.

Danny Gittings, a columnist at the *South China Morning Post*, revealed one of the quiet changes in Hong Kong's new government is its reluctance to provide aid for citizens who run into legal problems on the Mainland. In the past, the British government would intercede on behalf of Hong Kong residents who had these kinds of problems.

"Officials are clearly reluctant to see this change of position exposed," Gittings said, "recently declining to respond to questions on the issue."

At the same time, other insidious moves are being made. For example, the mainland authorities took advantage of the handover to rewrite textbooks. And as of Sept. 1, 1997 Mainland Chinese history texts were noticeably thinner.

"Sections on Taiwan history, the democracy movements of 1979 and 1989, and the history of Tibet have been slashed considerably or left out altogether. Terminology has also been changed. In most texts, the 1989 Tienanmen massacre is now an 'incident,' no longer a 'crackdown,' " said an article in the Sept. 25, 1997 issue of the *Far Eastern Economic Review.*

Something else that provoked a number of Hong Kongers was the fact that the local director of the *Xinhua News Agency*, Jiang Enzhu, emerged at the top of the list for the 36 seats Beijing allocated to Hong Kong for the National People's Congress.

The reason for this outrage is that Xinhua functions more as Beijing's watchdog in

Hong Kong than as a news agency.

"We have strong objections to Jiang's participation in these elections because he is actually the head of the Chinese Communist Party (CCP) in Hong Kong. We do not think it is right for him to represent Hong Kong in the National People's Congress," Hong Kong democracy advocate Martin Lee said.

The colonization process took another step forward when the mainland's official English-language *China Daily* newspaper launched a Hong Kong edition on Oct. 6, 1997.

"The Hong Kong edition seeks to offer its readers a unique insight into Mainland China's development," Editor-in-chief Liu Dizhong said.

Meanwhile, the East-West Center at the University of Hawaii staged a conference for journalists on Nov. 15, 1997 which I attended the conference was sponsored by the Better Hong Kong Foundation, The *Hong Kong Standard* and Radio Television Hong Kong.

The event was held at the Hong Kong Foreign Correspondents' Club and marked the 30th anniversary of the Jefferson Fellowships, one of the region's most successful programs for journalists.

Somewhere along the way, the title of the gathering was changed from "Hong Kong After the Handover" and advertised invitees such as Chief Executive Tung, Mainland Chinese Foreign Affairs Representative Ma Yuzhen and leading Hong Kong financial officers failed to attend.

Journalists provided lively comments and opinions but these remarks were most tidbits one hears around the bar when foreign correspondents gather. The government's input on the future of press freedom and financial fortunes was anticipated but not given.

Attending the conference was Marilyn Greene, Executive Director of the World Press Freedom Committee of the Untied States, an umbrella organization with some 44 journalistic groups that are watching and promoting press freedom worldwide—including in Hong Kong. Greene, a former correspondent for *USA Today,* promised some specific observations on Hong Kong's press freedom situation in the future.

However, Hong Kong's press situation seems like one giant contradiction.

On the one hand, Ding Guangen, head of the propaganda department in the CCP's Central Committee, on Nov. 8 called on journalists throughout Mainland China to stick to the basic line of the CCP and "do a better job in correctly guiding public opinion."

"The press should keep in line with the Central Committee headed by Jiang Zemin and serve the socialist cause, the people and the central task of the party," Ding said.

On the other hand, just two days before, in a statement marking the 94th anniversary of the *South China Morning Post*, editor Jonathan Fenby stated practically the opposite.

"We do have a role to ensure a free and impartial flow of information. Of course, we make mistakes. Of course, we are subject to the pressures that apply to most newspapers. What is important is that a free and reliable flow of information is maintained. That is important not only in itself, but also as part of the general freedoms which make Hong Kong what it is—and what I hope it will remain," he said.

These conflicting views have led to concerns over self-censorship. "The media have created a culture of silence and impotence," said Emily Lau, former Hong Kong legislator and a columnist for the *Post*.

Moreover, the ownership of the *Post* has installed a "consultant" from the *China Daily* right next door to Fenby's office. This has set off all kinds of rumors but it remains to be seen what the newcomer's role will be.

"I think the fact that many people here and overseas ask if we have self-censorship is a problem in itself. The whole question of self-censorship is too complicated to simply be answered by a yes or no," said Chris Yeung, political editor of the *Post*.

Even Fenby seemed to suggest this, "I can say, hand-on-heart, that since July 1, as far as I am concerned, there has been no political attempts by the new administration to stop us from doing anything. I was lobbied in the past by the Government House under British rule, but nobody has rung me up form the chief executive's office to say 'do this, do that.'" he said.

The *Post's* finest hour recently was its heavy coverage of the release and subsequent passage to the United States of famous Chinese Mainland dissident Wei Jingsheng. This was part of an apparent deal between Mainland Chinese leader Jiang and U.S. President Bill Clinton.

For the fourth year in a row, Hong Kong was judged to have the world's freest economy, thanks to its low taxes, almost nonexistent trade barriers, a world-class banking system and minimal regulation.

The judgement mentioned is contained in the Heritage Foundation/*Wall Street Journal* Index of Economic Freedom, a 408-page survey that rates the economic freedom in 156 of the world's 190 countries.

The report is notable for its omission of any reference to press freedom, even though the *Asian Wall Street Journal* is published in Hong Kong.

The recent decline of Hong Kong's stock market has nothing to do with the former

British colony's level of economic freedom, according to Hang Seng Index officials. If anything, Hong Kong's troubles can be traced back to the lack of economic freedom in other Southeast Asian countries. These are countries that have governments which meddled in—and consequently damaged—their own banking systems.

As for the future of economic freedom in Hong Kong under Mainland Chinese rule, a high-level official for Dow Jones and Co. is optimistic.

"Economic freedom in Hong Kong is the highest in the world largely because of the limited role of government in the territory to do good or ill, regardless of whether sovereignty resides in London or Beijing," he said.

But the question is whether Beijing can keep a hands-off position toward Hong Kong in the future.

And although Hong Kong is rated first for economic freedom, Mainland China—where Hong Kong's sovereignty resides—is rated 120th.

In their 1996 book *Red Flag Over Hong Kong*, authors Bruce Bueno de Mesquita and Alvin Rabushka of the Hoover Institution, Stanford University predicted a gloomy future for press freedom in Hong Kong.

Their assessment that Beijing will likely rely on self-censorship at first seems to be holding up.

"We predict, however, that after a while, the press will be in a position to exert more independence. When it does so, the authorities in Beijing will respond by imposing limits on the press. Self-censorship by the press will not be sufficient to satisfy the Mainland Chinese authorities," they stressed. (1)

The subject of Press Freedom in Hong Kong has been discussed by many speakers. But how does the proverbial man-on-the-street feel about the subject? The Social Science Research Center of the University of Hong Kong has been surveying this very topic since before the handover. (2)

Do you think the news media in Hong Kong...

(%)

	Practice self-censorship?		give full play to the freedom of speech?		missuse or abuse freedom of press ?	
	7-8/98	9-10/98	7-8/98	9-10/98	7-8/98	9-10/98
Yes	38.5	50.2	59.4	64.2	52.6	59.4
No	36.0	33.4	25.8	24.5	29.5	29.0
Don't know/ Hard to say	25.4	16.4	14.8	11.3	18.0	11.7

A visitor to China may notice that the country's most authoritative medium, the *People's Daily,* cannot be found on newsstands in large cities. Its sales depend almost entirely on government subscriptions.

Wang Ruoshi, a former *People's Daily* staff told the story in an article for the *Los Angeles Times.*

There are a number of reasons why the average person does not read *People's Daily,* but the most obvious is that they do not believe the Communist Party's propaganda organs. The media's official guiding principle is to focus on the "good" and ignore the "baby."

Consider how the persecution of ethnic Chinese in Indonesia last summer was reported by *People's Daily.* Anti-Chinese looting, killing and gang rapes shocked Chinese all over the world—except in Mainland China. It was not until two months after the anti-Chinese rioting took place that *People's Daily* issued a commentary, citing international opinion, that called the behavior "barbarous." The following day, the paper finally published a news summary of the events. None of the reports were from Chinese journalists, which is strange: The official Beijing news agency, Xinhua, has a bureau in Jakarta.

Or consider the chaos in June at the newly built Hong Kong international airport, Chek Lap Kok. After seven years of construction, and a cost of about US$20 billion, the whole world learned about the airport's disastrous opening day—everyone, that is, but the citizens of Mainland China. Instead, *People's Daily* boasted of the airport's great and glorious achievements: the world's most sophisticated airport control system and weather-monitoring station; an advanced 24-hour runway; high-tech check-in counters; enhanced luggage security; autopilot shuttle buses; and so on.

All these achievements are true enough. It's just that the report omitted one minor item: None of these wondrous assets were operating properly on opening day.

Had this setback occurred under British rule, it would have been fully reported by the Chinese media. But now that Chinese sovereignty over Hong Kong has been restored, the airport's bad day had to be ignored. Just last week, the opening of Chek Lap Kok's second runway was postponed for six months because of problems with the $38 million lighting system. Will *People's Daily* tell its readers this news?

Not long ago, a Chinese journalist attacked U.S. reports of riots in Xinjiang and Tibet and demonstrations by laid-off workers in southwest and northeast China. She asked: "Do such stories of riots meet the needs of any Chinese people? They are of no benefit to the Chinese people at all. While Americans enjoy such exciting news, the Chinese people are suffering. The journalist also criticized the American reporter for

"being more concerned about freedom of the press than about the friendship between the two countries.

These remarks shed some light on why Chinese authorities delayed reports on the anti-Chinese rioting in Indonesia: They want to preserve friendly relations with Jakarta, even if that means ignoring the sufferings of the Chinese there.

Some Chinese journalists try to defend the government's policy of not reporting bad news. One argument goes like this: Because the Chinese trust their media, if the media were to report on problems at, say, the Tree Gorges Dam project, people would be so angry they might bomb the site.

This is surprising. Why would the Chinese, when informed of problems at the dam, want to bomb the site? If there is any truth in this supposition, the situation must indeed be very serious.

From its inception 50 years ago, the Three Gorges Dam project aroused strong objections from some specialists, but their opinions were never reported in the main media. Now under construction, the dam continues to be controversial. Reports suggest that corrupt local officials are concealing the dam's true problems and submitting false figures to Beijing. But rather than raise the risk of a bombing, reporting the truth would attract the government's attention and remedial measures might be undertaken.

It isn't fair, to be sure, to blame only the media for the lack of honest information in China. The media are controlled by the Communist Party, and the party forbids freedom of the media. In Communist discourse, "journalism" is a form of "propaganda" that applies not only to editorials but also to news reports. Hence: Chinese news reports are tools of the party. They cannot be objective and fair.

Who benefits from unreported news? The officials responsible for the errors or who actually made the errors. But failing to report negative news does not erase it. If anything, it exacerbates the situation. An important reason for the overwhelming prevalence of corruption in China is that too little of it has been exposed by the media.

Still, there have been some positive changes in the Chinese media. For example, interviews and discussions on "Public Focus," a program on Chinese Central Television, are welcomed by the public, precisely because they present a mixture of the good and the bad, though freedom of expression is still limited. The same is true for the popular Guangdong newspaper Southern Weekend, which often boldly publishes negative news, including the problems at the Three Gorges Dam. (3)

Jonathan Mirsky was appointed East Asia Correspondent of *The Times* in London to cover the period running up the handover of Hong Kong in June 1997. He retired as

East Asia editor was retained as the newspaper's China Writer.

His explosive comments are from a transcript provided by the Freedom Forum. This is an edited version of his comments in January 1998 in London. (4)

John Owen (Director of the Freedom Forum): Jonathan, as you pointed out at the Forum in Hong Kong last June, your own newspaper halted its coverage of China and Hong Kong, for whatever reason. What has happened to the *Times'* coverage?

Jonathan Mirsky: If any well-known Hong Kong paper, including the *South China Morning Post* or the *Hong Kong Standard*, had made the kind of decision that Rupert Murdoch and the *Times* made in the middle of May of last year and changed their coverage of China and Hong Kong as dramatically as the *Times* has. I'm afraid that when I gave that speech, I said it was business as usual.

It is really not true. From four days after the handover until the end of September, the readers of the *Times* would have thought that Hong Kong had been airlifted up to Pluto, that it had simply vanished.

There was not a single story about Hong Kong, and there is still very little. We are now completely uncovered in Hong Kong.

They have known for a year that I was leaving Hong Kong, but we have no correspondent there, and there is no plan even for a stringer.

They were reduced to the indignity this morning of ringing me up to ask if I could do something about the story in the *Independent* about the 1 million ponds (US$2.7 million) given to the Tories (by a Hong Kong Family with drug-trafficking links). But if I had been out there, if they could possibly have avoided this story, they would have.

The Times has simply decided, because of Murdoch's interests, not to cover china in a serious way. This is really very serious. We have here what is arguably the traditionally most famous newspaper in the world, and it has just decided—it has taken not an executive decision, but an owner's position—to leave China and Hong Kong alone.

We haven't had a leader on China or Hong Kong since May, and on the day that Wei Jingsheng was released.

I rang up the paper and said: "Wouldn't you like me to write a piece of analysis about why the Chinese have released Mr. Wei?"

As it happens, I knew quite a lot about the deal and I told them what I know. I was immediately told by the op-ed man, who know me very well and knows the editor very well: Jonathan, don't bother. But I was told by the editor to tell you that he knows that

Wei Jingsheng is a very important person."

I interviewed Wei here in London and offered them a long and substantial interview with him. Not interested. The *Times* was the only paper that did not cover his arrival in this city.

From the audience: How can you talk like this? Are you going to have a job to go back to? What do you say in response?

Mirsky: I am not afraid of them and I think they're not afraid of me. They deny it. They say it's just a coincidence.

But the problem is that I know the inside of the paper very well, and chief subs and people like that say: "Jonathan, why do you bother?"

But look, I'm too old and too famous for them to do something terrible to. And I can't do anything to them. Their answer to everything is: "We have doubled our circulation in the last five years. It is the biggest broadsheet jump in circulation in the history of the cosmos, and doesn't complain. We have changed our paper. It is now more youthful, more this, more that. That's what pays your salary."

It is part of the general junkification of the paper, but in this case it has this political component.

From the audience: Why did Murdoch decide in the middle of May to put the screws on the editor of the *Times*? Has it affected his other papers, for instance, *The Australian*, or is it just the *Times*?

Mirsky: I have a theory about what happened at the *Times* and it is the "Enough Already" theory. They hired me knowing what my views on China were. They knew I was banned from China, that I couldn't cross the border. They knew perfectly well what I was, but they came after me and hired me.

For four and half an year, I could write whatever I liked. I wrote leaders, op-ed pieces, I could say whatever I liked.

And it was a bit jokey inside the paper: "Oh God, what are you going to say about this Jonathan?" It was perfectly OK.

Then came the editor's invitation for an interview with Jiang Zemin, for which he had already paid quite a lot. We invited the board of the *People's Daily*, at great expensed to Rupert Murdoch, to come to Britain first class.

They were flown around inside Britain and, as a reward for that, the editor of the

Times was going to have an exclusive interview with Jiang just before the handover.

I wrote to the editor and said: "You are never going to get this interview. They won't give it to you, you'll see."

There was a lot of argy-bargy about what questions would be asked. We were invited to put up some questions and the Chinese said: "If you ask those questions, you will not see President Jiang."

I told the editor to tell the Chinese to get stuffed, that we ask our questions. So we put in two series of these questions and finally the editor said to the Chinese: "You tell us what questions to ask."

How self-humiliating can you get! And then, of course, came the refusal. In other words, now that we had lowered ourselves into our own toilet, the Chinese said: "You can't have the interview because your appear has taken a bad view on certain things" although they didn't actually mention me.

So what they were given at the last minute was an interview with Vice-Premier Zhu Rongji. Now that need not have been bad. The editor goes in to see Zhu, who says to him: "You are an old friend. The *Times* is an appear that all of us have always respected. When I was a child, I knew about the *Times*. Ask me anything.

I had written to the editor, saying: "Ask them about Wei Jingsheng."

So the editor says to Zhu: "If I can really ask you anything, I would like to ask you: Why did you put Wei Jingsheng and Wang Dan back in prison for such a long time?"

I have to say of the editor, he did that. Zhu Rongji stood up and said: What kind of a question is that? This is not the kind of question that old friends ask each other."

I know this is true because I have a transcript of this event. And the editor of the *Times* newspaper apologized. He said: "I am really sorry. I don't like asking this kind of question."

He asked a few more questions. They were answered in an evasive way, and nine minutes later, they were standing in the road outside Zhongnanhai (the party leaders' compound).

He had gone all the way to China, didn't get the interview with President Jiang, had an interview with Zhu Rongji.

The News Corp people he went with decided this was not going to be reported. He then gave a thank-you banquet for the Chinese, thanking them for their wonderful hospitality, saying that he had looked into the eyes of the Chinese people, et cetera—it was enough to make you throw up onto your breakfast newspaper.

He came back and nobody in Fleet Street said to him or to the *Times*: "We hear that Peter Stothard went to Beijing. What happened when he got there?"

I was told by the desk editors at the *Times*: "We don't want to embarrass Peter while he's in China." So no stories about China or Hong Kong were run. And from then on, it was like that.

Murdoch has enormous interests in China, and he had obviously just decided that's it. And we know he makes these decisions because when he was interviewed about why he got rid of the BBC in Hong Kong and why he sold the *South China Morning Post,* he said: "I didn't see why I should be in charge of things that made the leaders of China angry when they are people with whom I wish to do business."

He put it exactly like that. He doesn't kid around, Murdoch. And that was it. It was: "Enough already! Enough Mirsky."

He also decided that he had made a big mistake in backing Patten for five years. He said to a *Times* leader-writer: "We really made a mistake. I now see that was a mistake.

About 10 days ago, I offered him a leader on why I thought Patten would make a good mayor for London. Absolutely not! The same piece went straight into the *Wall Street Journal.*

From the audience: Did you contact an English newspaper about doing that piece?

Mirsky: I offered it to the *Times.* They said no. There is an understanding in all daily papers that you don't offer stuff to a rival. So if you read the *Wall Street Journal* or the *International Herald Tribune* and see me there, those pieces have all been offered to the *Times* first. You may read something in the *IHT* tomorrow about why Chinese swimmers cheat, which, after all, is worth considering.

Why do they keep on doing it, when they're going get caught? At least the *Times* doesn't say to em: "And you can't write it anywhere else."

Hong Kong continues to be ruled by elites who will keep the territory's economy ticking and its popular—and often anti-China politics—under control. But a simple reassignment of colonial power was not, on the surface, the intent of the agreements that governed the territory's transformation into a Special Administrative Region of China.

"Hong Kong's relationship to China was not supposed to be the same as its relationship with Britain," says Yash Ghai, a law professor at the University of Hong Kong and occasional legal adviser to the government. China promised Hong Kong a "high degree of autonomy" after 1997; Beijing would handle only foreign affairs and defense under the "one country, two systems" formula. "But the SAR government has

ignored that fact and taken a very mechanical view that sovereignty has changed but that nothing else has changed," says Ghai.

Indeed, the Chinese state has assumed privileges in Hong Kong previously reserved for the British crown—with significant implications for Hong Kong's constitutional relationship with China.

Under British rule, all British government agencies in Hong Kong were immune from local laws. But after 1997, most observers expected that only China's Foreign Affairs Office and army garrison would enjoy such immunity. Instead, the Hong Kong government went further, granting the local office of the Xinhua News Agency immunity.

The move was significant: Xinhua is widely believed to be the headquarters of the Hong Kong Work Committee of the Chinese Communist Party, whose existence was acknowledged by the party newspaper, the *People's Daily*.

This exemption of the party branch in Hong Kong has been a stark symbol of the seeming return to colonial status, since it suggests Beijing expects to be involved in administering all aspects of Hong Kong. (5)

CHAPTER SIX Hong Kong as Perceived from Taiwan

When I interviewed former Republic of China (Taiwan) President Chiang Ching-Kuo for *The Washington Times* at the Japanese-built Presidential Mansion Taipei in 1982, the leader touched upon exciting reforms he had in mind.

Exciting because he envisaged a gradual shift from his ruling Kuomintang Party's authoritarian control of every aspect the national life to a more democratic style whose exact shape could not be known. The process was set in motion when he lifted the Emergency Decrees before his death in 1988. He selected young leaders that would carry out his vision, drastically revamping policies Chiang had learned at the knee of his father, the late Generalissimo Chiang Kai-Shek.

Looking back over my notes from the period, I found official photographs in which I appeared with Chiang and two of the young men the President was counting on for the future.

They were then Director-General of the Government Information Office James C.Y. Soong and then Presidential Spokesman and interpreter Ma Ying-Jeou.

Soong. With academic credentials from Berkeley and Georgetown, is now 57 and has just left the post of Governor of Taiwan, election for which he drew more votes than anyone in Taiwan ever has including President Lee Teng-Hui.

Ma, 48, with a degree from Harvard Law School, was Justice Minister 1993-96 and then startled the Asia political world with victory over pro-independence Democratic Progressive Party candidate Chen Shui-Bian for the Taipei mayor's seat in December 1998.

Soong, born on the mainland and Ma, born in Hong Kong of mainland parents, will be in the forefront of Taiwan's unfolding political script, including the next presidential election in March 2000.

Consider the context of the interview with Chiang in 1982:

The President's experience had been with authoritarian administration in China and also from his experience in the Soviet Union. Note the Leninist characteristics of much of the organizational structure of the Kuomintang.

Politically, Deng Xiaoping had his hands full on the mainland in the early 1980s, trying to stave off attacks on his hand-picked Premier Hu Yao-bang, who finally succumbed in 1987 just as another hand-picked heir Zhao Ziyang was to crash at Tiananmen in 1989.

Somewhat paradoxically, we are told by Willy Lo-Lap Lam is his *China After Deng*

Xiaoping" that "Deng was an ardent admirer of the statecraft of Chiang Ching-kuo, at least until the last phase of the Taiwan President's life, when he began introducing political reform. The two briefly studied together in Moscow. For political reasons, of course, Beijing could not say it was learning from the Taiwan experience."

This interest in Chiang's work on the part of mainlanders perhaps explained the great pains Communist press and party officials took to get copies of my interview. Upon arrival at Beijing to cover the visit of U.S. Secretary of State George Shultz a couple of months later, I was met by Xinhua reporters and Ministry of Foreign Affairs representatives who asked specifically for copies.

After several days of covering Shultz, I peeled off for a few private days in Shanghai. Nothing is "private" in Shanghai, I found. I had no sooner unpacked my bags at the Jin Jiang Hotel (scene of the President Richard Nixon-Premier Zhou Enlai signing of the Shanghai Communique in 1973) than I heard a knock on the paneled door.

A man in his 40s brandishing credentials of the Shanghai Municipal Government Department of Foreign Affairs introduced himself and requested "I would like to have a copy of your interview with Taiwan leader Chiang Ching-Kuo."

I understood the interest in the interview and I surmised that the penchant for getting an original copy derived from the great amount of disinformation, reading each others' mail and similar activities by the various factions and interests.

Suffice to say that in 1982, Hong Kong was regarded as a bastion of free of the press in Asia. Taiwan, if regarded at all, was a backwater of the category, only slightly ahead of the communist mainland.

Taiwan journalists of that era looked up to their Hong Kong counterparts as practitioner of a free press just as they disdained journalism on the mainland as controlled in a prison-like atmosphere. So Taiwan's progress from a "journalistic Siberia" in the late 1980s to one of the freest press climates in the region at the turn of the century is a spectacular democratic phenomenon.

Hong Kong, meanwhile, has been going steadily in the opposite direction since the handover-- toward less freedom.

Professor Lo Ven-Hwei of the Faculty of the Department of Journalism, College of Communications, National Chengchi University, in Taipei has written several books and academic papers on the significant parliamentary elections of 1994—during which the entire media scene underwent a sea change, including people-backed underground cable television networks that virtually took over from mainstream television as the preferred suppliers of news. Loosening of media restrictions plus underground

entrepreneurship had given Taiwan an unprecedented turnaround to a free press virtually overnight.

Professor Lo and his colleagues studied these developments and won international recognition for their articles. I participated in the editing of two of the academic articles: *"Television Coverage of the 1995 Legislative Election in Taiwan: Rise of Cable Television as a Force for Balance in Media Coverage*, Ven-hwei Lo, Edward Neilan, and Pu-tsung King. *Journal of Broadcasting & Electronic Media*, Vol. 42 Number 3, Summer 1998, Washington D.C. and *Dateline Taipei: Foreign Journalists' Coverage of Taiwan's First-Ever Presidential Election,* Edward Neilan, Mine-ping Sun, Ven-Hwei Lo, Asian Journal of Communication. Vol. Six, Number 2, 1996.

It was a privilege to be awarded the Wang Ti-Wu Chair Visiting Professorship of Journalism at National Chengchi in 1996 while Professor Lo was Director of the Department of Journalism. Wang was the late President of *United Daily News,* a mass circulation daily, which was a driving force toward a free press.

There was a time when Hong Kong authorities, including British Colonial functionaries, would scoff at the idea that Taiwan's press was anything but controlled. (1)

Now the shoe is on the other foot and the relative freedom of press establishments in both places are beginning to be altered.

For this reason I have asked Professor Lo to provide some systematic findings on what is going on in Taiwan, what Taiwanese are thinking about Hong Kong after the handover, to balance my own largely anecdotal reporting.

Professor Lo's thoughts in the rest of this chapter are the result of our conversations and his written comments, along with results of a survey he conducted in 1998 (Tables with raw results of the survey are found in the Appendix.)

These figures represent overstatement by the old British Government Information Services for reasons known to them alone. For example, there are now three English-language newspapers that originate in Hong Kong: *South China Morning Post, Hong Kong Standard* and *Asian Wall Street Journal.* Others, including the *China Daily,* publish separate Hong Kong editions.

The *AWSJ,* through the magic of computers, is geared to handle all of its editing in New York if this became necessary and then printing editions at the half-dozen or so printing plants under contract around the region. This is a standby precaution in case Hong Kong should ban publication for a period, as Singapore has done. So far there has been cause to worry.

When Hong Kong, a British colony since 1842, returned to China on July 1, 1997 to become its "Special Administrative Region", there were agreement with Sino-British Joint Declaration of 1984, that Hong Kong would be allowed to maintain its social, economic, legal and political systems and the Hong Kong people would enjoy a high degree of autonomy including freedom of the speech, of assembly and of the press for 50 years after returning to China.

Before the 1997 handover, Hong Kong's press ranked among the most free in Asia. Hong Kong's 6.3 million people supported more than 600 newspapers and magazines in Chinese and English.

Hong Kong's two commercial television, channels both have separate English and Chinese channels, reached 90 percent of the population. (2)

Hong Kong's free media environment has attracted prominent publishers and entrepreneurs of the Western World such as *Asian Wall Street Journal, Asiaweek* and the *Far Eastern Economic Review*. Hong Kong also serves as a major radio and television production center for overseas Chinese language media. In the past decades, Hong Kong has become one of the world's financial centers and has developed into a major media center in Asia. Whether Hong Kong can maintain its economic prosperity and a high degree of press freedom after returning to China are focal points of international concern. Professor Lo and colleagues compare how Taiwan and China newspapers and Taiwan journalists view the future of Hong Kong and its press freedom after the 1997 handover.

Before the late 1980s, Hong Kong's news media were apolitical and docile, "skillfully managed by the colonial regime with harsh press laws." (3) The colonial government had the power to censor anything, which it considered might damage its foreign relations or might offend public morals. As a result, the major news media seldom criticized the colonial government and deliberately avoided sensitive local political and social issue. (4)

In the late 1980s, the problem of Hong Kong reverting to China, the 1989 Tiananmen Square incident and the declining authority of the colonial government impelled the news media to become politically sensitive and actively involved in political development. The Hong Kong news media was no longer as docile as before. They started to cover more political and civic issues. Since the late 1980s, the Hong Kong news media have experienced dramatic changes in their roles from apathetic and docile to politicized and critical. (5, 6)

According to a 1990 survey of 552 Hong Kong journalists, 95 percent regarded "objective reporting" as an important media function and 88 percent considered it important for the media to "serve as a watchdog of government." (7)

Although an overwhelming majority of Hong Kong journalists think that the news media should serve as a watchdog of government, many journalists were practicing self-censorship in order to curry favor with and avoid coercive pressure from China as 1997 approached. (8) In a recent study of Hong Kong press, Lee and Chu in 1998 reported several cases of overt and covert self-censorship concerning news coverage of China. Chan, Ma and So in 1997 also reported that some media watchers have observed the omission of columns critical of China, the adoption of more conciliatory editorial stand towards China, and even the avoidance of commenting on China affairs. A survey of 553 Hong Kong journalists in 1996 found that many journalists perceived their colleagues as being afraid to criticize China but think of themselves as being more courageous.

In view of the growing influence of China and the tendency for Hong Kong media to self-censorship, Lee and Chu (1995, 1998) postulated that the Hong Kong media after the handover "would develop from a relatively liberal system to a relatively repressive system, under which the press serves more as conveyor of government policies and directives than a mouthpiece of the people and watchdog."

In July 1997, 8,423 media professionals of 778 media outlets from around the world came to Hong Kong to cover the return of the colony to China. A group of researchers from the Chinese University of Hong Kong seized the opportunity to compare how media from different nations portrayed the Hong Kong handover and to examine the processes by which it was framed. (9) They found that media from various countries covered the Hong Kong handover according to the home base factors and vested interest. Some seemed to hope for the worst: that the Peoples' Liberal Army would have to fire on protesting demonstrators.

They observed that the Chinese media's main concern was to orchestrate a national union through Hong Kong's return to China. In contrast, the British media handled the handover coverage by emphasizing the British legacy left in Hong Kong, and the dignified retreat of a Britain, which would continue to stand up as a freedom protector for Hong Kong. The Taiwanese media hailed the handover as a national achievement but painted an uncertain future for Hong Kong with an emphasis on the future of Taiwan. As to the American media, Hong Kong was portrayed as an exotic orient whose democracy and human rights were being threatened. (10)

Based on the above discussion, the following hypotheses were advanced:

H1. The Taiwan newspapers will be more likely to be pessimistic about the future of Hong Kong and its press freedom than the China newspaper.

H2. The Taiwan journalists will be pessimistic about the future of Hong Kong.

The study was based on a survey of 834 Taiwan journalists and a content analysis of three newspapers in Taiwan and China. The survey is part of a large project. "A Comparative Study of Journalists in China, Hong Kong and Taiwan," of which Lo was the principal investigator of Taiwan journalists. In the survey, the respondents were asked to indicate their perception about the future economic and political prospect of China, Hong Kong and Taiwan.

A content analysis was performed to analyze three newspapers in Taiwan and China—the *China Times*, the *United Daily News and People's Daily*. The *China Times* and the *United Daily News*, both privately owned, are the largest and most influential dailies in Taiwan. The *People's Daily* is the chief Communist party organ and most influential daily in China.

News stories, analyses, editorials and commentaries that dealt with future of Hong Kong and freedom of the press in Hong Kong which appeared in these three newspapers from June 1, 1997 to May 30, 1998 were chosen for analysis.

Each item was coded to indicate its length, news categories, number of photo used and whether it reflected optimistically, neutrally, or pessimistically about the future of Hong Kong and its press freedom after the 1997 handover. News items were coded into the following categories:

Length: Each news item was measured in numbers of words and coded.

News categories: News items were classified as either news/analysis or editorial/commentary.

Optimism/Pessimism: After reviewing the entire news item, coders evaluated whether it reflected optimistically, neutrally or pessimistically about the future of Hong Kong and its press freedom. A news item was considered optimistic if positive values—for instance, success, optimism and such were associated with future of Hong Kong or freedom of the press in Hong Kong. A news item was considered pessimistic if negative values, including failure, corruption, pessimism, and so on, were associated with future of Hong Kong. The category labeled as neutral refers to news or editorial, which only reported neutral facts or contained about the same amount of positive and negative messages.

Six students in journalism at the National Chengchi University were trained to

serve as coders. A test of inter-coder reliability was performed by using 14 randomly chosen news items. Inter-coder argeements were length (.92); News categories (.93); Optimism/Pessimism (.81).

A national survey of 834 working journalists in Taiwan was conducted in 1996. In this survey, we followed the definition of "journalist" used by Weaver and Wilhoit. (11)

Following Weaver and Wilhoit, we defined journalists as those "who have editorial responsibility for the preparation or transmission of news stories or other information." Unlike Weaver and Wilhoit, however, our definition of journalists includes researchers, photographers and camera operators. In other words, the population of our survey is the full-time editorial personnel including all reporters, editors, wire editors and translators, correspondents, columnists, researchers news announcers, photographers and camera operator employed by the Chinese-language radio and television stations and daily newspapers in Taiwan.

This study used a multi-stage-sampling plan. In the first stage, we compiled a list of Chinese-language daily newspapers, radio and television stations in Taiwan. In December 1996, there were three television stations, nine cable television stations and 47 radio stations, which broadcast regular news programs, and there were 25 general circulation daily newspapers in Taiwan. Through the Government Information Office's media source book, we were able to obtain a list of the above mentioned Chinese-language news media.

The second stage was to estimate the numbers of journalists employed by each of these daily newspapers, radio and television stations. The directors of personnel departments of all these news organization, were called explaining the survey and asking them to tell the total number of journalists working in their organizations. By so doing, it was possible to estimate that the total full-time journalists in Chinese-language daily newspapers, radio and television stations in Taiwan in 1996 to be around 6,400 with 88 percent of them employed by daily newspapers.

The third stage was to draw a random sample of individual newspapers. The sampling process was based on the following.

First, these 25 daily newspapers were divided into four strata based on the number of editorial personnel: those with more than 500, those with 200 to 499, those with 100 to 199, and those less than 100. The largest newspapers in the first stratum, the *China Times* and the *United Daily News*, were arbitrarily included. Then, four newspapers were randomly selected from each of the four remaining strata. In total, 15 newspapers were selected in our sample.

The television stations were divided into broadcast television and cable television

stations. The three broadcast television stations were arbitrarily included. Then five cable television stations were randomly selected from the nine cable stations. In total, eight television stations were selected in our sample.

The fourth stage was to obtain lists of all journalists working for these eight television stations, 14 radio stations and 15 daily newspapers. We called the managing editors and the directors of personnel department of all these news organizations and requested them to provide all names and positions of all editorial personnel working for their organizations. By so doing, we were able to obtain lists of all journalists working for all these media in our sample

The final stage was to draw a random sample of individual journalists. This was done in two steps. The first step was to draw a random sample of daily newspaper journalists. From the names of journalists provided by each of these 15 daily newspapers, we selected a random sample of 803 daily newspaper journalist.

The second step was to draw a systematic sample of broadcast journalists. Form the names of broadcast journalists provide, it was estimated that the total full-time journalists working for these radio and television stations to be around 790. A sample of 414 broadcast journalists was drawn systematically including 253 television journalists and 161 radio journalists. Radio and television journalists were deliberately oversampled to ensure adequate numbers for comparison with each other and with daily newspapers.

Before formal interviews were conducted, letters were sent to each of these 1,217 journalists in the sample telling them the purposes of the study and asking for their cooperation. In addition, the questionnaire was per-tested twice and minor changes were made in the wording of some of the questions. Personal interviews were conducted during a four-week period in July 1996. Of the total 1,217 journalists, 834 (68.5 percent) completed the questionnaires for analysis. Of those responding to the questions, 102 (12.2 percent) were radio journalists, 117 (14.0 percent) were television journalists and 615 (73.7 percent) were daily newspaper journalists. The respondents were asked to indicate their perception of the future economic and political prospects of China, Hong Kong and Taiwan on a 5-point scale ranging from very good to very bad. A total of 50 interviewers were employed and trained for this study. All of them were students at the National Chengchi University.

The three newspapers carried a total of 353 news items including 303 news/analysis stories and 50 editorial/commentary items. Of these, 217 appeared on the two Taiwan dailies (181 news/analysis stories and 36 editorial/commentary items) and

136 appeared on the China newspaper (122 news/analysis stories and 14 editorial/commentary items).

As for number of words, the average number of words of each news/analysis story on the two Taiwan newspapers is 1,203 compared to 1,232 for each story on the China newspaper. The average number of words of each editorial/commentary item on the two Taiwan newspapers is 1,326, compared to 1,424 for each editorial/commentary item on the China newspaper.

Number of photographs. The Taiwan newspapers carried 43 photographs compared to 31 by the China newspaper. In the Taiwan newspapers, the average number of photographs used per story is 24. In the China newspaper, the average number of photographs used per story is 25.

Of the news/analysis stories about the future of Hong Kong, the two Taiwan newspapers ran 67 (39.9 percent) stories optimistic about the future of Hong Kong, 60 (35.7 percent) pessimistic and 41 (24.4 percent) neutral. The China newspaper ran 115 (94.3 percent) optimistic about the future of Hong Kong, none (0 percent) pessimistic and 7 (5.7 percent) neutral.

Of the editorial/commentary items, the two Taiwan newspapers carried 14 (38.9 percent) optimistic about the future of Hong Kong, 12 (33.3 percent) pessimistic and 10 (27.8 percent) neutral. In the China newspaper, all their 14 editorial/commentary items were optimistic about the future of Hong Kong.

Of the news/analysis about the future of Hong Kong's press freedom, the two Taiwan newspapers ran 10 (32.3 percent) stories optimistic about the future of Hong Kong's press freedom, 13 (41.9 percent) pessimistic and 8 (25.8 percent) neutral. The China newspaper did not carry any story concerning the future of Hong Kong's press freedom.

Of the editorial/commentary items about the future of Hong Kong's press freedom, the two Taiwan newspapers only ran three (one pessimistic and two neutral) items. The China newspaper did not run any editorial/commentary item concerning the future of Hong Kong's press freedom.

It is obvious that Taiwan newspapers tend to be more pessimistic about the future of Hong Kong and its press freedom than the China newspaper. Hypothesis one (H1) was supported.

In the survey, the respondents were asked to indicate their perception about the future economic and political conditions of China, Hong Kong and Taiwan over the next 10 years on a 5-point scale ranging from "get a lot better" to "get a lot worse."

Table 3 shows that Taiwan journalists tend to be very optimistic about the future of China's economic and political situations. In our sample, 84.2 percent of the respondents think China's economic situation will get better over the next ten years. Only 2.2 percent think China's economic situation will get worse. With regard to political situation 48.9 percent think China will get better and only 7.5 percent think it will get worse.

With regard to Taiwan, the respondents tend to be relatively optimistic about its political situation than its economic situation. In our sample, 26.3 percent of the respondents think Taiwan's economic situation will improve over the next ten years while 36.5 percent think it will get worse. As to political situation, 37.7 percent of the respondents think Taiwan will get better while 22.4 percent think it will get worse.

In comparison, Taiwan journalists tend to be pessimistic about the future of Hong Kong's economic and political situations. In our sample, only 16.7 percent of the respondents think Hong Kong's economic situation will improve over the next ten years while 38.8 percent think it will get worse. As to political situation, only 12.1 percent of the respondents think Hong Kong will improve over the next ten years and 50.3 percent think it will get worse.

It is apparent that Taiwan journalists were pessimistic about the future of Hong Kong's economic and political situations. The second hypothesis (H2) was also supported.

The main objective of the study was to compare how Taiwan and China newspapers reported the future of Hong Kong and its press freedom after the 1997 handover. As expected, the Taiwan newspapers differed sharply from the Chinese newspapers in their coverage of the Hong Kong handover.

Professor Lo said although the Taiwan newspapers were far more pessimistic about the future of Hong Kong than the China newspaper, their coverage was more balanced. Their coverage contained equal amount of optimistic and pessimistic stories and editorials about the future of Hong Kong and its press freedom. In contrast, the Chinese newspaper was very optimistic about the future of Hong Kong. For Chinese newspapers. the primary goal is to support and advance the policies of the government or serve as mouthpiece for the Communist Party.

"The newspaper's main concern was to 'orchestrate a national union through Hong Kong's return to China." (11) Therefore, Hong Kong was portrayed as having brighter prospect for the future. The *People's Daily* did not carry any pessimistic news about the future of Hong Kong and its press freedom.

Can Hong Kong maintain its remarkable press freedom after returning to China? From the views or standings of Taiwan journalist, as gauged by Professor Lo and colleagues, it is highly unlikely that Hong Kong's coveted freedom of the press will last into the next century. (12)

CHAPTER SEVEN Hong Kong Vs. Shanghai

The Communist Party wants Shanghai to become "more like Hong Kong" and vice versa.

They want Hong Kong's economic boom but they don't want its free-wheeling mood. They don't want the press freedom that existed in Britain's Colonial Hong Kong before the handover—and in pre-war international Shanghai.

The rulers of today's China certainly don't want the free press of Taiwan, which exhibits more freedom than any other Chinese press in the world.

Forget the hyperbolic premise being dispensed widely that Shanghai is about to take over from Hong Kong as China's leading financial center.

The predictions that such an eventuality will happen in "five or ten years" are the purest form of boosterism.

Make that "20 or 25 years" and you may have a bet, if all goes smoothly. But by that time, say by 2020, there will be plenty of business for both locations as Shanghai's sheer numbers will begin to prevail.

Today Shanghai has 15 million population, making it the world's fifth-largest city or "urban agglomeration" after Tokyo (26,518,000), New York, Sao Paulo and Mexico City. By 2015, according to United Nations projections, Tokyo will move to barely 28 million but Shanghai will jump to 23,400,000 to rank second contending with fast-growing Bombay (now called Mumbai), India.

Hong Kong at 6.3 million is a match only for its high productivity and what might be called intellectual infrastructure. Hong Kong's refinement as an information and service center, particularly for financial dealings, is awesome and for as long time it will be mentioned in the same breath with Tokyo, New York, London and Singapore, although there are many signs of cracks in its structure.

The jury is still out, of course on Asia's current financial crisis. Next to be hit may be China will its greatly over-valued Renminbi currency. Hong Kong's strength and importance is shown again: if the Hong Kong dollar peg to the U.S. dollar were ever dropped, China's new economy based on flotations on the Hong Kong stock market would go "poof."

That is one reason why the peg will remain for as long as possible.

Shanghai is just finishing the first infrastructure stage of its redevelopment. The impressive array of elevated highways eases traffic, to be sure, but also gives a stunning view of the emptiness of the literally hundreds of skyscrapers built on speculation or at

government prodding or both.

"Somebody up high passed the word to the banks to make sweetheart loan deals," a Western diplomat told me on my 1997 visit. "It makes for a kind of eerie skyline of vacant buildings."

The situation defines the term glut. Office building vacancy levels stand at 40 percent on the average and in some districts may be 70 percent, analysts say.

Office and apartment rents have tumbled 30 and 40 percent from levels a year previous that were among the highest in the world. Some analysts say prices will fall another 20 to 30 percent by early 1999 as new office space comes on line. Already a syndrome is seen of some firms moving from expensive locations to cheaper premises which were occupied only a year.

The over-building has just begun. The other day in Pudong I stood at the foot of the Japanese Mori building and couldn't see the top of it in the fog. When completed, it will be the world's tallest building, of course including a five-star hotel on the premises. Just down the street will be the world's second-tallest and fifth-tallest buildings and the largest shopping mall in Asia.

Chinese authorities—keep in mind that President Jiang Zemin and economic czar and Premier Zhu Rongji are from Shanghai—have proven themselves adroit at mobilizing OPM—"other people's money—for Shanghai's development. Overseas Chinese are in the forefront, not only in business investments but also in high-visibility cultural projects like the stunning new Shanghai museum.

Through September 1998, according to the Shanghai Municipal Statistics Bureau, Hong Kong leads in foreign business contracts with 6,960 projects totaling US$ 11 billion, Japan is next with 2,178 projects worth US$4 billion, the U.S. is third with 2,209 projects worth US$3 billion and Taiwan has 2,354 projects worth US$1.6 billion.

Japanese seem to be switching their emphasis from Beijing to Shanghai.

"Unlike the 1980s when most Japanese investors in Shanghai were small-sized businesses, many multinationals are now investing here," said Zhang Peiping, deputy director of the Shanghai Foreign Investment Commission.

He said that by end of la 1997 50 of the Fortune top 100 industrial giants had invested in Shanghai and among them were 11 Japanese firms. He mentioned Hitachi, Matsushita, Sony, Toshiba, Honda, Fujitsu, NEC and Sharp as leading names.

There are now more Japanese living in Shanghai (about 6,000) than in Beijing (about 5,000). Americans in Shanghai number only about 2,000 compared to about 6,000 in Beijing, according to estimates from business and diplomatic sources.

If there is more outward sparkle in Shanghai than during my first visit in 1973

and on several others leading up to my last in 1989, there is also more intellectual ferment, to put it mildly.

Fudan University is an example, designated as one of the favored institutions of higher learning around the county, of the new relative openness.

"We couldn't have invited you here as a visiting scholar 10 years ago," said Professor Xie Xide, at a luncheon she hosted at the East Garden Foreign Experts' Hotel just off campus. She was referring to a new mood that allowed lectures like my "The Role of the U.S. Media in Foreign Policy Formulation" and "Media Perspective: Hong Kong After the Handover" to proceed without censorship and be followed by students' questions.

Another American, Walter Friedenberg, teaches U.S.-style journalism under a Fulbright grant and reports no interference.

At one point during a lecture I displayed the front page of the English-language *South China Morning Post* of Hong Kong which devoted the entire space to the freeing of dissident Wei Jingsheng. Only two students out of about 200 had even heard the news—one from a newsmagazine and one from the Internet—because the story was banned in the mainland press. (Example supposedly of "one country, two systems")

The freeing of Wei was hailed in the U.S. as a reason for the success of the President Jiang Zemin visit. Jiang's visit was called a success in China, but for other reasons. The public-at-large didn't know the reason nor that another dissident, Wang Dan, may be released as a sort of Frequent Flyer bonus for President Clinton's trip to China in 1998.

The point is that while the Propaganda Department of the Central Committee of the Chinese Communist Party in Beijing is still controlling the press, open debates on such contradictions as the Wei coverage are allowed in academic and intellectual environments. One student shrugged his shoulders and said resignedly "That's our government!" There were no jack-booted monitors on the premises and another student said "change must come slowly."

A female student in the front row, whose attractiveness would turn heads in Beverly Hills, said she was surprised to find an American journalist giving an open evening lecture on the campus.

Skeptics may disagree, but I see this as a faintly positive sign, the fine side of the wedge.

The rumored suspicions, jealousy and resentment, among certain epaulet-wearing hardliners in Shanghai, for Fudan's Center for American Studies which she heads are deflected by professor Xie's towering academic persona. She knew the "first generation"

of the Ma Zedong and Zhou Enlai coterie and "second generation" of Deng Xiaoping & Co.

All three former Shanghai mayors—President Jiang, Zhu and Wang Daohan, Chief negotiator on Taiwan—have visited the Center and are on a first-name basis with Xie, a member of the prestigious Academia Sinica, former president of Fudan, and professor of physics with a Ph.D. In that discipline from Massachusetts Institute of Technology (MIT) plus a degree from Smith College.

Downtown, in the coffee shops of the old French Concession, talk of Taiwan is surprisingly open among intellectuals. Such contingencies as "Offer Taiwan a Vice-Premiership," "Create a broad Greater China alignment without attention to sovereignty," "Propose a loose commonwealth for now with an open-ended timetable" and others are heard being debated by think tank researchers.

Also heard, of course, are recitations of contrasting military doctrine which holds that Taiwan can be beaten by force at some point "if necessary." The Peoples Liberation Army (PLM) has its own thinkers who believe the Taiwan Strait sea lanes take the issue beyond nationalism to become more of a strategic security question. But, it would be a mistake for outsiders to make too much of the differences between mainstream academic and military positions on Taiwan.

Nevertheless, with Wang at the head of the negotiating team from China's Association for Relations Across the Taiwan Straits (ARATS) and Zhu running the economy under Jiang's overall leadership. Some new tactical movement is expected on Taiwan from the "Shanghai faction" come springtime, even though the ultimate goal is unchanged. (1)

Meanwhile, conversations confirm that Shanghai should have an English-language daily newspaper that eventually could record such debates and widen almost non-existent press freedom. There once were four such newspapers here back in 1934. Today there is only the twice-weekly *Shanghai Star* tabloid, an anemic, mostly business handout-filled little brother of Beijing's English-language official *China Daily*.
The *Star* is waiting to explode or in its place, a joint-venture newspaper, which is unlikely.

The Associated Press has opened a Shanghai bureau, following *The New York Times*, Reuter and a half-dozen Japanese newspapers in recognition of the newsworthiness of this largest city of the world's most populous (1.2 billion) and fastest-growing (low double digit) nation.

Millions of dollars of potential advertising is waiting to be placed in such a newspaper by the multinational firms which Shanghai has attracted. American,

Japanese and Hong Kong expatriate captains of business here told me as much, noting English increasingly the lingua franca of business as it has been in Hong Kong.

There is talk that Hong Kong's *South China Morning Post* which sells 8,000 papers in China in addition to more than 130,000 in the Hong Kong Special Administrative Region, would like to start a North China Morning Post. At the moment the upscale market here is left to the *Morning Post, Hong Kong Standard, Strait Times of* Singapore, *International Herald Tribune, Asian Wall Street Journal* and *Financial Times* all of which arrive in the afternoon by air.

The prospect a fat, saucy *Shanghai Star* under every expatriate's villa, apartment or hotel room door each morning sends shivers of anticipation along the spines of marketers here of everything from automobiles to hair spray to financial instruments and furrows to the brows of Party Propaganda Department hacks who would have to deal with inevitable liberalization in the news, arts and culture columns. (2)

Allow me to include here some scrapbook clippings:

Shanghai Foreign Language Daily Newspapers—1934

North China Daily News (English)	17 The Bund
Shanghai Times (English)	180 Avenue Edward VII
Evening Post and Mercury (English)	17-21 Avenue Edward VII
China Press (English)	11 Szechuan Road
Le Journal de Shanghai (French)	21-23 Rue de Consulat
Deutsche Shanghai Zeitung (German)	Astor House
Shanghai Zaria (Russian)	774 Avenue Joffre
Slovo (Russian)	238 Avenue du Roi

Source: All about Shanghai—A Standard Guidebook; Oxford University Press, 1934

My own nostalgic trip to 1937 Shanghai started at the Cathay Hotel. The era was subject of many books and motion pictured. "Was that Noel Coward just getting in the elevator?" you might have asked." Here is a "postcard from Shanghai.

SHANGHAI, China—After a sumptuous lunch in the eighth floor Dragon-Phoenix

dining room of the Peace (formerly Cathay, opened in 1929) Hotel I dozed in an overstuffed lobby chair.

The art deco chandelier gave off a dim light and it was not long before the dread disease nostalgia set in, taking me back to 1937 Shanghai which I had previously visited only in novels and motion pictures.

Was that Noel Coward in the white suit, just getting in the elevator? He's probably going up to his suite to do some more work on his play "Private Lives."

Who could forget leggy, enigmatic Marlene Dietrich, in the 1930 film "Shanghai Express," on the train of the same name, telling a British military officer "It took more than one man to change my name to 'Shanghai Lily'?"

Or the pouting Poppy played by Gene Tierney in "Shanghai Gesture," another film (1941) directed by Josef von Sternberg?

Many authors have rhapsodized about Shanghai, none captured the city's idiosyncrasies better than J.G. Ballard in 'Empire of the Sun':

"As they stepped from their limousines at the Cathay Theatre, the world's largest cinema, the women steered their long skirts through the honor guard of 50 hunchbacks in medieval costume. Three months earlier, when his parents had taken Jim to the premiere of 'The Hunchback of Notre Dame', there had been 200 hunchbacks, recruited by the management of the theatre from every back alley in Shanghai. As always, the spectacle outside the theatre far exceeded anything shown on its screen."

Dusk was settling over the city. I asked the doorman to have my Packard brought from the garage.

"Where to?" the driver, Hong Kong Harry, wanted to know.

"The Shanghai Club." I said. It would be exciting to have a drink at the reputed "longest bar" in the world. The club is where London-style gentlemen's rules were strictly enforced and indiscretions were not treated lightly. A member's worst fate, according to legend, "was to be horse-whipped on the front steps of one's own club."

"Sorry, sir," the driver apologized. "The Shanghai Club is now the Dongfeng Hotel."

Frustrated, I told the driver to take me to the grand old building of the Hong Kong & Shanghai Bank, also on the Bund. Just for a look at the famous stone lions guarding the entrance.

Hong Kong Harry threw up his hands. "Sorry, sir. The building is there but it was taken over by the city government first and then a firm. The lions are said to be in storage somewhere."

"All right then, take me to that big building across Soochow Creek from the Russian Consulate."

The driver headed the Packard toward the Broadway Mansions Apartment, built in 1933, home of the Shanghai Foreign Correspondents' Club where the engaging Korean singer, Karen Kim, sang every evening at 10 p.m. and midnight.

We pulled up in front of the imposing brick building but the doorman set me straight.

"This is now a hotel, the Shanghai Mansions. Sorry."

I decided to go to one of the cabarets I'd read about. Maybe dancing with a Chinese or White Russian hostess would cheer me up.

"Take me to Landow's Casanova or Café Palais or the Club Majestic out on Bubbling Well Road."

"They've all been closed since the Communists came in 1949," the driver said.

The only thing left was to do some sightseeing the following day. I made a mental note to visit the former homes of Sun Yat-sen, Chiang Kai-shek, Zhou Enlai, Soong Ching-ling and other members of the Soong family, Big-eared Du (Yuesheng) the notorious gangster, the old Cercle Sportif Francais now the Garden Hotel with a pool where Mao Zedong used to take a dip, and the site of the first congress of the Chinese Communist Party.

I awoke to find I was in Shanghai 1997 not 1937.

Outside on fabled Nanjing Road there were no rickshaws to be seen, only a traffic jam of burgundy-colored Volkswagen Santana (made in Shanghai) taxis, buildings with ATM machines protruding from their sides, and a skyline crowed with construction cranes. (3)

Speaking of comparisons, anyone arriving in Hong Kong for a brief visit, as I did a in December 1998, might feel compelled to ask out loud "whatever happened to laissez faire?"

It doesn't take long to perceive from talk in the Central District that many money men are appalled at the extent of government intervention. Returning to Tokyo but keeping abreast of Hong Kong developments, I find that the trend of government to behave as a "know it all" is continuing. Market forces are being ignored to the detriment of the Special Administrative Region's future.

Laissez faire is the doctrine opposing governmental interference in economic affairs beyond that necessary to maintain peace and property rights. No one believed Hong Kong was absolutely free but the light administrative hand of the old British colonial government was the closest thing to allowing the market to rule.

The new authoritarian government of Hong Kong is practicing a higher degree of state intervention than could have been imagined under British rule. Sir John James Cowperthwaite, the financial secretary who shaped Hong Kong's wide open financial policy of the 1960s, must be turning over in his grave as he sees his policies modeled after those of Adam Smith corrupted on the altar of expediency.

Hong Kong's Chief Executive Tung Chee-hwa, taking counsel from local and foreign business tycoons, has had the government buy up more blue chip shares than any other single holder of equity. As much as 10 percent of the market has been nationalized and overseas investors are beginning to look elsewhere.

Before going on a share-purchasing binge, akin to a sailor unloading his pockets the first night ashore at a Wanchai Suzie Wong bar, the government ordered a freeze on all land sales to prevent the property market from taking a node dive.

Or as one analyst put it "To help the big property developers from having to take reductions in the enormous profit margins they have traditionally enjoyed."

The moves were supposedly taken to protect Hong Kong's currency and ward off speculators, formerly known as foreign investors.

The fact of Brazil abandoning its tie to the U.S. dollar in mid-January in the face of intensive pressure, has led to new interest in the Hong Kong dollar, which is the leading Asian currency tied to the U.S. dollar to have survived.

China's pledge not to devalue the yuan is also under fresh examination following Brazil's decision to float the Real. China is bolstered by a massive foreign exchange reserve--US$145 billion, the world's largest.

Hong Kong's $88 billion in foreign currency reserves and its deserved high reputation for financial savvy give it protection against market pressures.

The Hong Kong economy today, as a matter of fact, looks suspiciously like Tong's old Orient Overseas Shipping Co. When things went wrong at Orient, Tung called on banks around the world who turned him down. Finally he was bailed out by Beijing, through an intermediary.

Recently Tung called in foreign advisers in the same pattern.

Will Beijing bail out Hong Kong by devaluing its currency? Will the Hong Kong dollar peg to the U.S. dollar be removed in the final act of intervention in a game plan that has worked for years?

I hate to say it but I think Hong Kong is heading for a fall.

It is suffocating from not only near-invisible pressure on the press, but also from corresponding lack of openness in other areas. (4)

It seems likely that hundreds, may be as many as eight hundred, democracy activists were indeed smuggled out of China shortly after the Tiananmen Square massacre by the secret Hong Kong-based 'Operation Yellow Bird'. They included some of the democracy leaders at the top of China's 'most wanted' list, such as the student activist Wu'er Kaixi, Chai Ling and Li Lu, as well as Yan Jaiqi, the former adviser to the deposed Communist leader Zhao Ziyang, and the prominent businessman Wan Runnan, whose Stone Corporation was once hailed as China's version of the Apple computer company, when Apple was still regarded as a role model.

None of the departures via the underground railway was regarded by China as being as serious as the defection to the United States of Xu Jiatun, the Director of Xinhua or the New China News Agency in Hong Kong. As far as China was concerned, the point about Xu's departure was not so much his seniority but the extent to which he had evidently been "corrupted" by his seven-year stay among the flesh-pots of Hong Kong. China has always been concerned by how its officials would respond to the "outside" temptations.

When Chinese officials express fears that their colleagues will be corrupted by Hong Kong they are really referring to the so-called "spiritual pollution" which China is fighting on every front. After Xu's departure, officials arriving from the mainland were more closely vetted and an edict was issued to limit the time they would be allowed to spend in Hong Kong.

"I got the first tip-off about the defection of Xu on May 10, 1990" said Vines. It sounded too fantastic for words. After all, not only was Mr. Xu a very senior official but he appeared to have survived the post-Tiananmen purge. The tip-off came from my colleague Jonathan Mirsky in London and I feared that this was just another piece of black propaganda. However, it was true. Xu, assisted by some Hong Kong businessmen, had boarded a plane for Los Angeles in the company of a young woman euphemistically described as his secretary. His wife remained in China. He later wrote some very revealing memoirs."

Vines' reporting on the Xu case was astute and incisive:

"Xu's defection (which was not described as such: officials tried to convince us that it was no more than a prolonged overseas visit) was a double blow. China not only lost its ranking official in the colony but also the man who had spent the last seven years patiently assuring Hong Kong people that they faced a bright future under Chinese rule. Now he had decided that the future was not bright enough for himself to share."

Xu had arrived in Hong Kong in 1983, having held high office as First Secretary of the Communist Party in Jiangsu Province. Appearing slightly sinister in his trademark

shaded glasses, he quickly set about laying down the law and warning Britain about adhering to the agreement providing for the transfer of the colony's sovereignty. It was widely expected that he would turn out to be just another Beijing goon, good at taking orders, unimaginative about taking initiatives. But the doubters were confounded: Xu departed from the practice of his predecessors by gradually making extensive contacts with the local business and political community

Before his arrival NCNA officials were often invited to receptions and meetings but rarely initiated contacts themselves. Xu, with what was believed to be the personal backing of Deng Xiaoping, went further and, shortly before the Tiananmen Square massacre, made a speech hailing capitalism as one of the greatest inventions of mankind. He even started to tell Hong Kong people how he understood their fears about the Communist Party. By the time of his departure, the bogeyman from the North had become widely known as 'Uncle Tun'. Thus it was all the more devastating for China to lose its well-regarded figurehead in Hong Kong.

"At a dinner I attended a couple of years after the massacre," Vines recounts, "William Overholt, a well-known American Hong-Kong-based banker and one of the main intellectual apologists for the Chinese regime, was regaling the guests, most of whom were visiting Americans, with his well-publicized view that Asians were neither interested in democracy nor able to handle it in the unlikely event that Asian nations became democratic. I usually remain silent in the face of this sort of nonsense, in the belief that views of this kind are so far below contempt that there is little point in trying to attempt a dialogue. However, by coincidence I arrived at the dinner shortly after meeting a Chinese democracy activist who had risked his life during the 1989 protests. He, presumably, was one of those who was only showing an interest in democracy by virtue of becoming 'westernized'. I said to Mr. Overholt that I had traveled extensively around most of East Asia and had never come across a popular demonstration in favor of autocracy; on the contrary, everywhere I went I found people enthusiastic about the idea of having more accountability from their government and more freedom to express their views." (5)

CHAPTER EIGHT NOT The South China Morning Post

When US President Bill Clinton arrived in Hong Kong at the end of his June 1998 trip to China, chances are he read or at last glanced at the *South China Morning Post*, arguably the best English-language newspaper in Asia and as a matter of record the most profitable newspaper in the world.

On the other hand, there is scant chance that Clinton clicked on the Internet site "*Not The South China Morning Post*" (http://netvigator.com/-adamspub/index.htm), which has monitored with stinging satire the state of freedom of the press in Hong Kong since last July's handover from British colonial rule to Communist Chinese rule.

NTSCMP and its founder, acerbic Briton George Adams, have ruffled official feathers and attracted enough Internet-wide attention to be counted as "one of the 50 most important international Web sites" by the Online Journalism Review (www.ojr.org) of the University of Southern California Annenberg School for Communication.

The urbane Fenby, to his everlasting credit, switched from his early tactic of ignoring Adams to engaging him in online debate. Now even top editors at the *Post* are said to sign on for the dialogue which undoubtedly has helped Adams gain notoriety.

Responding to a recent Adams barb, Fenby complained: "It really would be nice if you would read the paper more closely before firing off your darts or had the decency to admit your mistakes. But I might as well wait until pigs fly over Lantau (island near Hong Kong where the new white elephant Chek Lap Kok airport is located), I suppose."

Adams has had plenty of ammunition to use in criticizing the *Post*. After the handover, there was a rash of firings, the disappearance of features like the cartoon *World of Lily Wong*, which referred to ex-Premier Li Peng as the "butcher of Tiananmen," and the banishment of "dissident" writers and editors like the irrepressible Nury Vittachi. A creeping self-censorship has been accompanied by more coverage of Beijing causes like harsh criticism of the film *Seven Years in Tibet* the week it opened in Hong Kong. And a former *China Daily* (the English version of the Communist *People's Daily*) editor, Feng Xi-liang, was hired as a "consultant" at China's behest to sit in a special office next to Fenby's.

Adams was in Tokyo recently attending a seminar on (what else?) "Press Freedom in Hong Kong."

He told *Editor & Publisher* that he has been "overwhelmed" by the response to NTSMP and credits Fenby with inadvertently boosting the popularity of the site.

The Web site has enjoyed "hits" from all over the world. Adams takes as compliments comments like this one from the United States: "I am really surprised that the PLA (China's People's Liberation Army) hasn't had you rubbed out."

Adams' work continues as the pro-democracy movement gains ground. Activist Martin Lee and former journalist Emily Lau won convincing victories in May legislative council elections imposed by Beijing. Lee and Lau have been saying some of the same things as Adams, including criticism of Hong Kong's chief executive Tung Chee-hwa.

NTSCMP is an example of a burgeoning Internet phenomenon: a small, often one—man publisher takes on a respected institution. But like Matt Drudge's online report (which has fueled the Clinton-Lewinsky controversy in the U.S. among other political scandals), there can be questions about sourcing and veracity.

Founded in 1903, the *Post* grew up with Hong Kong, and has long enjoyed a respectable reputation. It was previously owned by Australian media baron Rupert Murdoch who sold it several years ago to pro-Beijing expatriate Chinese Robert Kuok, owner of the luxury Shangri-la Hotel chain.

The paper's circulation is only 130,000 but it frequently carries classified advertising sections of over 100 pages and remains the favored paper of the "business-banking establishment," indicative of Hong Kong's international character. The *Post* boasts its own highly-praised Web site (www.scmp.com), which carries many of the features of the daily paper.

It should be noted that the *Post* has carried stories about the recent pro-democracy election wins, although Adams believes the coverage was biased toward Beijing. The paper also covered the first protest march on June 1 in Hong Kong commemorating the anniversary of the Tiananmen Square massacre. It was the first post-handover march in the city to protest China's crackdown on student activists.

So far, there has been no attempt at censorship of his Web site, Adams said. But his comment came amid reports that China is indeed trying selectively to check the spread of Internet access. Cox News Service reported recently: "You cannot access the 'Human Rights in China' Web site in Hong Kong that one is blocked by a Chinese censor's electronic filters."

Some Asian press observers view Adams and his "NOT The South China Morning Post" site as kin to the lone Chinese who challenged the column of tanks at Tiananmen Square in June 1989. It remains to be seen how long his Web-based challenge will be tolerated by the Chinese authorities. (1)

Fenby and I finally met in Kobe, Japan, in May 1998 at the World Association of Newspapers (WAN) convention. We had several glasses of red wine, joking that it was

supposed "to be good for the heart."

"I was not amused," Fenby said about my columns on George Adams and the "NOT the *South China Morning Post" Website.* "It's one thing to have these things said online on a Web site read by a hundred. But your column goes to thousands. That really hurt. We were hurt by that."

I assure Fenby that there was nothing personal in exposition of what I thought were the paper's shortcomings. Fair comment and criticism, you could say.

Fenby overdid the "injured party" routine as Vines noted. He fired off lengthy letters of protest of my column to the *Journal of Commerce* in New York, *Japan Times*, *China News* in Taipei and *Korea Herald.*

Let's keep an eye peeled for Fenby's own memoirs; I suspect he'll clear the air with some truths about his stint as *Post* editor after he retires to Sussex.

The *South China Morning Post* has been one of the world's most profitable newspapers owned in its life by early English businessmen, a Hong Kong consortium of Chinese and foreigners, Dow-Jones, Rupert Murdoch and now by Robert Kuok, a Malaysian Chinese businessman with pro-Beijing leanings. Accent on Businessman, *SCMP* and the two other Hong Kong English-language dailies plus the regional *Asian Wall Street Journal* published in Hong Kong are already feeling some pressures of self-censorship as the 1997 reversion to China approaches.

At mid-1996, the People's Republic of China, the world's most populous nation at 1.2 billion, had only one full-fledged English-language newspaper, *China Daily,* published in Beijing and several other cities with a circulation of over 100,000. It was started, by China's own admission, to give foreign visitors something to read instead of the deadly, ideologically-heavy *Beijing Review* and *China Reconstructs* found in racks on each hotel floor during the 1970s and early 1980s. With technical help from Australia and journalism education boosts from the East-West Center at University of Hawaii and Columbia University in New York, the *China Daily* gives a passable report on the day's news. Many young Westerners work as copy editors on the *China Daily*, recruited off college campuses or through classified ads in *Editor & Publisher.* They are attracted by the same sort of expatriate tug that drew Americans, Britons and other to the old *Paris Herald* in another era.

In the 1930s, the China coast was a virtual boom zone for English-language newspapers particularly in Shanghai and Tianjin. The archives of the Hoover Institution at Stanford University still have original copies of some of these newspapers wherein readers would report on beheadings, attacks, and in general from rural China

as seen by missionaries and businessmen of the era. Shanghai was Asia's most cosmopolitan city and it had an English-language press to match.

In Taiwan, two English-language newspapers compete, both with circulations claimed at 50,000 but actually at around 20,000. The *China News* traces its ancestry to founder Jimmy Wei who was a Generalissimo Chiang Kai-shek spokesman during the "Chungking days" before Chiang's Nationalists lost the country to Mao Zedong's Communists. Wei's daughter Simone publishes the paper today. Across town, Jack Huang's *China Post* is perhaps more aggressive and employs more American copy editors.

A Chinese official who has spent much of his career as Beijing's top watcher of foreign journalistic "China watchers," was the surprise appointee as head of the Foreign Ministry's office in Hong Kong after the July 1 handover.

The naming of Ma Yuzhen, 62, a former Chinese ambassador to London and former Chinese Consul-General in Los Angeles, caught analysts off guard as they had expected that another former Chinese envoy to London, Jiang Enzhu, would get the post. The announcement was made in early June, 1997.

Diplomatic sources welcomed the appointment of Ma, a fluent English-speaker, because of the implication that Beijing has decided to place emphasis on the sensitive question of press freedoms after the handover. Official censorship and more subtle self-censorship have been areas of concern expressed worldwide as the July 1 date nears.

An internal debate in the Chinese leadership has apparently resulted in concern over the high degree of criticism over China's post-handover "image" with "internationalists" winning the day over the "old guard," at least momentarily, in the appointment of Ma.

Jiang, 59, earlier announced for the job, will be re-appointed as a vice-minister of foreign affairs. He is said to be a candidate to eventually replace current foreign minister Qian Qichen, 69. China's top expert on the United States, director of the Foreign Office of the State Council Liu Huaqiu, 59, a protege of premier Li Peng, and Ms. Wu Yi, 59, now Minister of Foreign Trade and Economics, are other candidates for foreign minister. In the Chinese way of choosing leaders, these candidates will be mulled over during the annual leadership meeting at the seaside resort of Beidaihe.

When Ma served as head of the Foreign Ministry's foreign press liaison office between 1971 and 1979 he would tell visiting foreign correspondents that his "gray steel filing cabinet" held dossiers and clippings of most articles written on China by American, British and Japanese journalists of the period.

Arriving for a first-ever visit to China in 1973, I was chided by Ma over a promotional advertisement which my employer ran in *Editor & Publisher* magazine, showing me standing on a Hong Kong hillside, a "China Watcher" supposedly looking across the closed border into China.

"We all wondered what you saw, looking across the border," said Ma, who is usually seen with an English-language book about China, written by a foreign author, under his arm. Now he will have the chance, to climb that hill at Lok Ma Chau and look back across the border himself to see what I saw.

Ma, now deputy director of the Information Office of the State Council which amounts to being China's image and public relations czar, began handling China's foreign affairs activities in Hong Kong starting July 1,1997. Domestic responsibilities will belong to Chief Executive Tung Chee-hwa and analysts are waiting to see if Tung reports to Ma or if they report separately to Beijing. Ma is considered likely to assume control of the Chinese Communist Party's heretofore clandestine Hong Kong and Macau Working Committee in the future.

After two years as Ambassador to Ghana, Ma headed the Information Department of the Foreign Ministry in 1984 to 1988, then became the first consul-general in Los Angeles. He earned the nickname "Hollywood Ma" among some Chinese-language tabloids for his fraternization with actress Shirley MacLaine and others of the film set who were early visitors to China.

Ma thus escaped the onus of the Tiananamen Square massacre, although he has been regarded as tough on internal liberalizations.

Ma's reputation as a troubleshooter, particularly among journalists, is matched by expressions that China should pay due respect to the British legacy in Hong Kong, definitely a minority view among Chinese officials. But his pragmatism wins praise from foreign businessmen.

In 1973, visiting Taiwan after a month's visit by plane and train to Guangzhou, Beijing, Shanghai, Xian, Hongzhou and Shanghai, I wrote that "Two of the more astute foreign press officers I have met were Fredrick Chien, Director General of the Government Information Office (GIO) of the Republic of China (still recognized at that time by that name by U.S.) in Taipei and Ma Yuzhen head of foreign press liaison in Beijing, People's Republic of China." I don't think either liked the idea of being mentioned in the same paragraph, although Chien reprinted my article in a book published in Taipei.

But both have gone on to play key roles for their governments, Chien as Foreign Minister and now as speaker of the National Assembly guiding constitutional reforms,

and Ma attempting to keep both a low profile in and the lid on criticism of Hong Kong, as well as being the lead official responsible for Hong Kong's defense and foreign affairs. Under the Basic Law, the central government handles these portfolios for Hong Kong.

Ma is a sweet gentleman who makes a big hit sitting next to you at Rotary Club luncheons. But don't get the wrong idea. Like Chien across the Taiwan Strait, Ma is all business and seriousness when it comes to advancing and protecting his own country's interests. (2)

Hong Kong leader Tung Chee-hwa and his new international advisory council, including media baron Rupert Murdoch, met January 20, 1999 to explore long-term development plans for the territory's battered economy.

It was the first meeting of the 14-member council, composed of corporate bosses and financial experts around the world, and came as Hong Kong's economy languished in a deep recession.

Tung, flanked by Financial Secretary Donald Tsang and Hong Kong Chief Secretary Anson Chan, led the business leaders into the closed meeting at the harbor-side convention center.

Other council members included: William Purves, former Chairman of HSBC Holdings; former U.S. Federal Reserve Chairman Paul Volcker; and Maurice Greenberg, Chief Executive Officer of American International Group Inc.

Greenberg is a member of a similar international advisory council for Shanghai, set up in 1988 by Zhu Rongji, then mayor of the Chinese metropolis and current Prime Minister.

Tung said "As far as we are concerned in Hong Kong, we are determined to make Hong Kong the premier international city in Asia. We look forward very much to your advice."

Government officials have said the talks would center on ways to ensure Hong Kong's long-term role as an Asian financial and transport hub rather than its immediate economic problems.

The talks come amid more grim economic news for the former British colony, which reverted to China in July 1997 and within months saw its economy hammered by Asia's economic crisis.

The government estimates the economy shrank by about five percent in 1998, and unemployment figures for the last quarter of 1998, showed a rise to a record 5.8 percent, from the previous three-month period's 5.5 percent.

Political and economic analysts praised Tung for seeking some global input, but

expected little to come from the first meeting.

Opposition politicians chided Tung for the cost of the event, estimated at more than US$ 130,000, at a time when many salaries are being cut or frozen and employees face layoffs. (3)

Patten is at his best discussing East-West differences. "Were it not for the ubiquity of the argument about Asian values, its convenience as an excuse for Westerners to close their eyes to abuses of human rights in Asia, and the extend to which it raises legitimate questions for every society about how to retain individual and communal identity, and social stability and coherence, in a fast-changing consumerist global economy, the debate would hardly be worth the effort. The case put for the invented concept of Asian values is so intellectually shallow that I rather suspect that even Lee Kuan Yew is keen to distance himself from what many people regard as mainly his, or Singapore's, contribution to the discussion about Asia's future. Let us first consider what the case for Asian values appears to be, and why it began to be put so forcefully."

Speaking at the World Conference on Human Rights in Vienna in 1993, Singapore's Foreign Minister warned that "Universal recognition of the ideal of human rights can be harmful if universalism is used to deny or mask the reality of diversity." To which Warren Christopher, the U.S. Secretary of State, responded crisply, "We can't let cultural relativism become the last refuge of repression." These two statements neatly encapsulate the debate. The Asian values proponents believe that people like Christopher are trying to foist Western Standards and Western notions of governance on societies where they would be inappropriate or damaging. Asians benefit from a different culture with deep roots in Confucianism. They put more emphasis on order, stability, hierarchy, family and self-discipline than Westerners do. The individual has to recognize that there are broader interests to which he or she must be subordinate. As the Chinese Foreign Minister said at the same Vienna conference, "Individuals must put the state's rights before their own."

The West's post-Enlightenment emphasis on the individual, it is argued, has gone too far, Patten points out. It led over the last century to one-person-one-vote democratic government (a system of whose superiority over others Lee Kuan Yew has told us he is not convinced), which ahs produced all sorts of problems. Malaysian radio announced in 1993 that the Prime Minister, Dr. Mahathir Mohamad, had "Asked Malaysians not to accept Western-style democracy as it could result in negative effects. The Prime Minister said such an extreme principle had caused moral decay, homosexual activities, single parents and economic slow-down because of poor work ethics." This sense of the

decay and disorder in Western society is an important thread running through much of the argument about Asian values.

It is not only today's Asian leaders who are on opposite sides of the debate. In the past and the present, Asians have argued about democracy and freedom. "What do you say", a *Newsweek* journalist asked Malaysia's Deputy Prime Minister, Anwar Ibrahim, "when leaders in Singapore, Burma, China, Indonesia and other countries say democracy is inappropriate for Asia because of Asian values?"

"Does Sun Yat-sen represent Asia values?" Anwar replied, "Of course de does. He was a democrat and he believed in freedom of the press. And the media played a role in Sun's revolutionary era. The Philippines, Indonesia, Malaysia, Vietnam, Thailand—they all had similar experiences. The founding fathers always subscribed to moral fervor and traditional values—very Asian at that—but certainly they were great democrats."

In a speech in 1994, Anwar made the important point that "to say that freedom is Western or un-Asian is to offend our own traditions as well as our forefathers who gave their lives in the struggle against tyranny and injustices." He was talking mainly about the anti-Colonial struggles of the years either side of the last world war. Aung San Suu Kyi in Burma, Martin Lee and Emily Lau in Hong Kong, freely elected President Kim Dae-jung in South Korea, dissidents Wang Dan and Wei Jingsheng from China, and countless others are all part of this Asian tradition, subscribing to Anwar's argument, in the same 1994 speech, that "It is altogether shameful, if ingenious, to cite Asian values as an excuse for autocratic practices and denial of basic rights and civil liberties."

The diversity of Asia can itself be very Asian. Thailand and Malaysia and South Korea are very different from Italy, France and Germany. But then Thailand, Malaysia and Korea are very different form one another, just as Italy, France and Germany are. The rights that the citizens of those countries enjoy can all be incorporated in the laws of those individual countries, Patten said in his book. "My own government can give me a right to do this or that as a citizen of my own country. But what it cannot do is usurp or deny rightfully, through the laws it passes, the rights to which I am entitled as a human being. As Amartya Sen, the master of Trinity College, Cambridge, and others have argued, there are some rights we should all enjoy as part of our shared humanity. Some rights are universal, whether you live in Tibet or Tianjin or Texas or Turin. You are entitled as a human being not to be tortured or locked up without trial, for instance.

"For my self", Patten says, "I start at least with an ardently Jeffersonian belief in

free speech, siding naturally with Junius and the jurors against Lord Mansfield, I recall with enthusiasm that when Franklin Roosevelt called, in his third inaugural address, for a world founded upon four essential freedoms, the first that he cited was 'freedom of speech and expression—everywhere in the world.' While that is my starting point, I soon find myself confronting some tricky propositions. None of us surely would argue that the only aim of a benevolent, decent society should be to achieve freedom of expression. Nor are we likely to believe that freedom of speech is the only freedom cherished by individuals. When we consider the arguments for free speech, we have to remember the arguments for other values too—justice, equality, community, order and (is it premissible to add?) moral progress. In a good society, therefore, it is inevitably necessary to reconcile free speech with many other aims and values. So freedom of expression is not an absolute."

Patten's book provides many interesting reflections. "Why should business bother about any of this? " One of the lessons of the Asian *annus horribilis* is the importance of openness in good economic management, and openness is difficult to compartmentalize. Our old friend 'transparency' includes other things as well as free media—corporate disclosure of ownership and debt, governmental honesty about reserves, and so on. The more open all the books, the better for the business environment: if only every company everywhere had to provide the information required to list on the New York Stock Exchange. Openness with economic and commercial facts and figures will not necessarily happen just because there is a free press. Yet, once again, such openness is more probable where the media are free, and at least good, uncensored media will pick up incidents of cover-ups and dishonesty, and harry those who are trying to hide the truth. The worst problems in securing the acceptable minimum of accurate information occur in countries where the domestic press and broadcasting companies are gagged, are in the government's pocket, or are owned by the very businessmen who are clouding with government to cheat and chisel the market." (4)

Not all comments from the Taiwan press corps follow the Washington line, considers the remarks of Norman Fu, Washington-based correspondent of Taipei *China Times*:

"The United States government, on the one hand, pushes the authorities in Taiwan to democratize and allow full freedom of the press. On the other hand, when these precepts run counter to its national interests, it wants democracy suspended and the press silenced. While I understand the dilemma of the U.S. government, I cannot, in

good conscience, condone its doubles standard or hypocrisy. I deplore this abominable practice because it has made a mockery of the First Amendment enshrined in the U.S. Constitution.

"On a personal level, I must confess that my heretofore latent cynicism has now become—much against my will—an ingrained feature of my character. Maybe this is the price one pays as a China watcher in pursuit of the ever-elusive goal of finding and understanding a real China." (5)

In Red Flag Over Hong Kong, Bueno de Mesquita, Bruce; Newman, David; Rabushka, Alvin; Chatham House Publishers Inc., New Jersey, 1996, the authors use forecasting models to predict Hong Kong's future. Results of predictions on past questions are included.

Alvin Rabushka, Senior Fellow at The Hoover Institution, Stanford University, is known widely for his writings on financial innovation (see The Flat Tax co-authored with Robert Hall) as well as on the economic development of Hong Kong.

In their book Red Flag Over Hong Kong, Rabushka and fellow authors Bruce Bueno de Mesquita and David Newman use forecasting models, essentially formulas for predicting the future of Hong Kong in different areas of activity.

Their results of past usage of the forecasting model are given and their work on Hong Kong is interesting in that they turned in the manuscript to the publisher in November 1995, well ahead of the July 1997 handover and aftermath.

The outcome of their forecasts also shows that Western academic assessments are at least as good as those of Hong Kong fortune tellers.

In the area of freedom of the press, they accurately foresee a steady erosion through self-censorship.

Then they make the interesting point that pressure to maintain press freedom may have the opposite effect:

"If there were no international focus on an independent press, Hong Kong residents would enjoy more freedom than they will likely retain under world scrutiny. Maintenance of a free media is an important indicator of future developments. Therefore the United States, the Europeans, and, of course, the Tunis will keenly watch what China does in Hong Kong. Their attentiveness will precipitate a backlash that would not occur if they ignored this issue."

In other words they say that the more we talk about freedom of the press, the more Chinese authorities will give up pressure for self-censorship and move directly to tough

controls.

"Thus, in this case, and this is the only instance in which we observe this pattern, the international community's involvement will prove harmful. By making press freedom a cause celebre, the international community will unify the Chinese opposition."

This very syndrome has been seen to happen in the case of campaigning for the release of dissidents. However, to give up the fight for press freedom is to let the other side win by default as self-censorship is only a slower process toward the same end of the regime's full control of the press.

The number of Internet users in China quadrupled over the past year—with 2.1 million hooking up the global network in 1998, according to a *Xinhua News Agency* report.

The Ministry of Information Industry forecast that the number of users will grow by 1.5 million in 1999 and will exceed 4.5 million in 2000, the agency said.

The accommodate the growing number of users, China will invest US$1.7 billion per year over the next three years to construct wideband networks to provide more people with access to the Internet, it said.

About 5,300 Websites have reportedly opened on ChinaNet, the official Internet server in China. (1)

"The land that brought the world the Great Wall has built a new barrier on its ultimate frontier. Like its predecessor, it is designed to repel invaders and protect China from their foreign ideas" wrote the *Los Angeles Times* Maggie Farley from Shanghai.

Dubbed "the Great Chinese Firewall." It is a serious of Internet blocks and filters intended to stop Chinese citizens from seeing on-line news and opinions that differ from the government's political line. But just as the miles of mud and stone erected centuries ago failed to keep China's citizens in and invaders out, a new generation of computer experts is finding ways through this barrier.

They call themselves "hacktivist," electronic guerrillas with a political agenda that ranges from ending censorship to considering outright sabotage.

With such names as Bronc Buster, Cult of the Dead Cow and the Hong Kong Blondes, they sound more like rock bands than enemies of the people. But the Chinese government is taking them seriously.

They claim to have defaced government Websites, torn down firewalls, disabled a satellite and to possess the tools to infiltrate government computer networks. They have linked up with political activists who want to challenge Beijing.

"We are computer experts, and above that we like the concept of free speech," said the Chinese editor of VIP Reference, an electronic magazine based in Washington that is e-mailed into China. The Chinese-born editor uses the English alias Richard Long to protest his family on the mainland.

"We are destined to destroy the threat of censorship over the Internet," the editor said. "We believe that the Chinese people, like any other people in the world, deserve

the rights of knowledge and free expression.

VIP Reference contains exactly what the filters are meant to keep out: articles and essays about democratic and economic evolution in China. The name itself is a play on the Reference News, a publication with similar content but for top cadres' eyes only.

Editors say VIP Reference is for China's real VIPs—ordinary people.

Editors have found one easy way to get around the Internet roadblocks, which can stop access to specific Websites, but find it more difficult to screen private e-mail. The group distributes the magazine throughout China with shotgun blasts of e-mail to about 250,000 addresses compiled from commercial and public lists. The magazine has even found its way into the mailbox of the head of Shanghai's Internet security division.

News updates go out daily, and the main edition is released about every 10 days. In most cases, recipients can get themselves off the subscription list with an e-mail. But the editors do not let people like government officials or the police off so easily.

"For instance," said Mr. Long, "if an address belonging to the police department requests unsubscription, we generally don't honor it."

The newsletters are sent from a different address every day, and random delivery is an essential part of the strategy, said Feng Donghai, an editor in New York. That way, recipients can deny that they deliberately subscribed.

It is a dangerous game of cat and mouse. Editors warn subscribers not to forward the e-mails to their friends because distribution of "subversive" or "divisive" material can mean a life sentence in China. The creators of a similar magazine called *Public Opinion* that was edited and disseminated inside China have gone into hiding since a government crackdown began a few months ago.

Since the Internet became publicly available in China in 1995, millions of accounts have been created, many with multiple users at universities, companies, even Internet cafes in the smallest of towns.

While the Internet has provided access to academic and economic information, helping speed the country's development, it has also created a common ground for activists across China. A fledgling opposition group, the China Democracy Party, used e-mail to publicize its platform, and its founders credited the Internet with helping the party grow form 12 to 200 declared members in several cities in four months.

As a result, Beijing has created special squads of Internet police to patrol cyberspace. In a December 23 speech, President Jiang Zemin specifically threatened computer programmers, along with artists and writers, with stiff jail terms if they "endanger state security."

Earlier in the same week, the China Democracy Party's founder, Wang Youcai, was

sentenced to 11 years in prison for subversion. Two of his crimes were e-mailing exiled Chinese dissidents in the United States and accepting overseas funds to buy a computer.

But so far, security officials have found that it is much easier to control people than to harness the Internet. Just ask Lin Hai.

The 30-year-old Shanghai software entrepreneur has been branded China's first "cyberdissident."

He is charged with providing VIP Reference with 30,000 e-mail addresses, including those of top officials. His December trial was closed to the public; even his wife was prevented from attending. His lawyers argued that authorities could not stop the message, so they arrested the messenger. Mr. Lin is awaiting a verdict.

Mr. Lin's case has created a community of unlikely allies. Hacker groups such as the Cult of the Dead Cow (http://www.cultdeadcow.com) have joined the American Association of the Advancement of Science (http://www.aaas.org), the Electronic Frontier Foundation (http://www.eff.org) and Human Rights in China (http://www.hriching.org) to pepper official Chinese organizations with e-mails pushing for Mr. Lin's acquittal and leniency for Wang Youcai.

"We wanted to use the Internet to defend Lin Hai and Wang Youcai since they are being punished for sending e-mail," said Bobson Wong, Executive Director of the Digital Freedom Network, one of the action's organizers. "This campaign helps the global Internet community to protect free speech around the world." (2)

China appears to be fighting a futile battle to stem anti-government ideas seeping into the country from overseas through the Internet as ingenious hackers have found ways to breach its vaunted great Chinese firewall.

"They (hackers) are always one step ahead," said an Internet company official based in Beijing.

The hackers' latest hit was the daily onslaught of an avalanche of "banned" information sent to tens of thousands of e-mail addresses in China, including government leaders and some police officials.

"It takes me ten minutes to open my e-mail and 30 minutes to clean it every day," complained one communist party cadre whose e-mail seemed to have been particularly targeted by the US on-line magazine VIP Reference(Dacankao).

It was for allegedly having sent VIP Reference as well as other "anti-China magazines" about 30,000 e-mail addresses of mainland residents that Lin Hai, who used the internet nickname Richard Long, was charged in Shanghai last month in a

landmark case with subversive use of the Internet.

Lin, 30, was detained first on March 25 last year and is accused of using other people's Internet domains to covertly share the e-mail addresses with "anti-China" magazines abroad from September 1997 onward.

No verdict has yet been given, but Lin, the first Chinese person accused specifically of having used the Internet for political goals, faces a lengthy prison sentence if convicted.

"Lin Hai should be convicted. It was because of him that I have had to change my e-mail address as there was no other way to stop the flood of anti-Chinese information." said the cadre who asked not to be identified.

To breach the great Chinese firewall, which Chinese access providers designed to bar the entry of politically sensitive information from overseas, VIP Reference would change its senders address everyday—a tactic which Chinese authorities found virtually unstoppable.

"I receive all my e-mail, it includes VIP Reference", said Ren Wanding, one of few veteran Chinese dissidents in Beijing who is not in prison.

Ren, also one of the few dissidents allowed Internet access, said it was difficult to gain entry to certain sites such as foreign newspapers or those dedicated to human rights.

Although there are several access providers in China, they are all obliged to go through the state-owned ChinaNet which regularly puts out a list of barred sites.

"We can always go around the blockage. All that is needed is to use a proxy server," said one Internet user who admitted however that China's actual 1.5 million Internet users may not be able to carry out the operation.

But with a potential 10 million Internet users in 2002, according to official figures, authorities will find controlling the entry of information from the World Wide Web so much tougher.

In the fall 1998, there were two simultaneous attacks against two official sites--one was on human rights while the other was on Tibet—carried out by a hacker nicknamed Bronc Buster of LoU or Legions of Underground. (3)

National People's Congress Chairman Li Peng said in August 1998 he was in favor of an enlarged "supervisory role" for China's press. There have also been recent reports that new legislation may soon be passed that could result in a gradual relaxation of state censorship, wrote dissident Liu Binyan in 1998, from his new home in the U.S. Dissidents like Liu were being heard from more and more as the Internet expanded.

"While this apparent loosening of the government's iron-fisted press policy is a move in the right direction, it should not be mistaken for an opening to the sort of press freedoms that exist under a liberal democracy, or even as the beginning of a greater role for the Chinese press as a governmental watchdog," Liu said. The Communist Party is happy to use the press as a partner in its current "anti-corruption" campaign, but if history is any guide, it will not tolerate a press that is free to expose corruption and abuses within its own ranks, let alone question its authority to rule.

It is indeed ironic that Li Peng, the man who signed the martial law decree that resulted in the 1989 Tiananmen Square massacre, and a long-time opponent of press freedom, should be one to announce that the media will be given greater freedom to criticize the mistakes and faults of the Party. Li Peng belongs to the Party's most conservative faction, which has always been opposed to press freedom.

"He spared no effort in the campaign to oust the former General Secretaries Hu Yaoban (1980-87), who actually encouraged press freedoms, and Zhao Ziyan (1987-89), whose "grave mistakes" included adopting a hands-off policy towards the media's coverage of the Tiananmen democracy protest. The fact that Li Peng has chosen to herald what he considers greater press freedom does not mean that he has changed his stance from conservative to liberal, rather it is a sign that he believes a slightly "freer" press will help the Party to maintain order in an increasingly chaotic society," Liu said.

Local officials, once the country's most vehement opponents of a free press, have also begun to loosen their grip on the press. Facing rampant corruption and a soaring crime, they have no choice but to resort to mass media to help bring things under control. Li Peng, among others, has praised the popular TV program *Focus*, produced by China Central Television, which highlights corruption, scandals and crime. *Focus* is so popular, in fact, that other provincial TV stations have begun producing similar "if not more sensational programs." The provinces use these programs not only to cover crime and corruption, but also to combat it."

During the 1989 Tiananmen democracy movement, Zhao Ziyang decided that all media would be permitted to report on the movement objectively (reportedly with the direct consent of Deng Xiaoping). This was a major breakthrough, for in the past the official papers would have blocked any outside reports and condemned the movements as "counter-revolutionary." This breakthrough was short-lived, however, lasting only six days (from May 10 to May 19) before marshal law was implemented. But its impact was tremendous: It helped the democracy movement to expand from a few major urban areas to cities and towns nationwide.

Moreover, if the current political system remains unchanged, it is difficult to see

how any law would truly guarantee the freedom and safety of China's journalists.

Liu had a series of questions: "For instance, under a new law, what would happen to a journalist who criticizes the policies of the central government? Would journalists be allowed to report on the democracy movement without restrictions or fear of censure? True press freedom means not only the freedom to report on facts and information, but also to express voices of dissent. Can the Chinese Communist Party afford to permit such practices?"

The fact is that whenever the Chinese press exceeds the limited press freedom allowed by the Communist Party, the Party immediately takes that freedom away and more. Limited coverage of corruption, scandals and minor social unrest may pacify the people for some time. But if journalists were free to cover, for example the democracy movement, demonstrations and widespread social unrest, they would surely be charged with fueling unrest and all press freedoms would be banned, including the current policies intended to mollify the people. Sadly, this pattern has been repeated over and over since the Communists took power in 1949. (4)

Government censorship of the Internet in China exists, but it's practically out of sight, out of mind.

According to several Internet professionals in China, many Western Websites that were once banned, now can be easily accessed.

At *Online Journalism Review*'s request, Dr. Yun Tao, the vice president of Cenpok Intercom Technology Company, checked the *Los Angeles Times'* Web site from his office in Beijing. He reported back via e-mail: "No Problem. The headline news right now is Clinton opening national dialogue on social security." And that indeed was the headline of April 8.

"I feel the current regulation actually doesn't affect users at all," said Yun Tao, who received a doctorate in the U.S. "Actually nobody really cares or can control what you're doing at home as long as you don't take things into the public."

Kenneth Farrall, the president of Matrix East Incorporated, an Internet consulting firm, also found China's Internet censorship to be very minor, with almost no effect on a user's ability to access information.

He visited three sites for us in China: http: //www.voa.org (the Voice of America), http://www.whitehouse.gov. (Clinton's official site) and HYPERLINK: http:// www.sinanet.com (a major Taiwan-based online news site). Farrall said that he could access all of those sites freely without resorting to a proxy.

According to Zhang Rong, a government official who works as the deputy director

of the Science & Technology Institute in Beijing, "Everybody can get online in China."

However, obtaining online access is still a real problem for most people.

China's Internet (International Networking) and Intranet (China Wide Web) are completely state-controlled. Anyone who sets up or uses a network needs prior approval from the government. The government dictates what people should and should not access on the Web.

To qualify for an Internet account, one needs to go to the local phone office, sign agreement to an Internet regulation and register with the police for the intent to surf.

Even with steadily declining access fees, Internet service in China is generally much more expensive than that in the U.S. An account holder must pay $75 a month, in addition to a $120 deposit, for unlimited access to ChinaNet, the primary commercial network run by the Ministry of Post and Telecommunications. With the exception of a burgeoning class of entrepreneurs, most people in China still earn $100 a month or less, and can not afford a personal Internet account.

The New Internet Regulation, passed by the State Council in December, 1997 and promulgated by the Ministry of Public Security, lists the types of information Chinese people are not supposed to tinker with online. The forbidden material generally falls into two categories:

1. "sexually suggestive material, gambling, violence, murder"
2. politically sensitive topics that include sites "inciting to overthrow the government or social system, inciting division of the country, harming national unification and injuring the reputation of the state organs."

Those Internet users in China caught violating the regulation are to be fined for US$625 to US$1,875 for a minor violation. For more serious offenses, computer and network access can be denied for six months. Public Security can suspend a business operating license or cancel its network registration.

Since the passage of the first Internet regulation in February 1996, Chinese government has been actively blocking "undesired" Websites. Domain names of those sites are blocked at the router level.

Christ Kern, the director of computing services for the Voice of America, said he suspects the station's Web site has been blocked in China at times. The evidence: listeners' complaints through e-mail, which is less likely to be blocked or censored.

As recent as the end of April, Kern said, he has received e-mails from users in China, complaining that the VOA public Internet server is being blocked.

The site was blocked, he said, between September, 1996 and January, 1997, following a pronouncement by Chinese government officials that they were prepared to

take action to block access to certain information on the public Internet. Other News organizations were banned as well during that time including *The New York Times*, *The Washington Post* and *CNN*, according to Kern.

"Activity from China on our public Internet server picked up after January, 1997," said Kern. "A number of foreign news correspondents in China, including the staff of the VOA Beijing news bureau, reported that China appeared to be relaxing its policy of interfering with Internet access."

Then, connections to VOA's public Internet server from China dropped almost to zero in August, 1997. Activity from China has been almost nil since then, and the site continues to be blocked, according to Kern.

But clearly discrepancies exist in terms of connectivity, as Farrall said he was able to obtain access for our report.

The Jan. 12 issue of *Time Magazine* reported several black-listed sites of prominent Western media outlets, including *Time*'s own Pathfinder site and cnn.com. However, there is no set pattern on what gets blocked and why. And it is almost impossible to confirm if a site is really blocked by the Chinese government.

According to a report by the U.S. Embassy in Beijing, also issued in January, Embassy officers have discovered that *CNN*s Website is now accessible in China through some Internet servers. *Time* also observed that "*The New York Times* Website is generally blocked, while the *Washington Post* Website is not."

Meanwhile, Zhang Rong told OJR that the *New York Times* and *CNN* sites are not blocked at all.

For Farrall, so much confusion and inconsistency in the blocking business proves that China's Internet censorship is mild. "Certain Western news institutions pass in and out of favor several times a year, and are added or removed to the list as often," he said. "Still, the logic is puzzling. I believe it is just additional evidence that (the government) is not making a serious effort."

"Most professionals in the industry believe the list of blocked sites is intended only to convince the Internet-illiterate old-guard, with the exception of net savvy Jian Zemin, that the Internet can be controlled, and is not to be feared," he said.

Even if the government intends to bar all unwanted sites, Farrall believes it doesn't have the ability to do so. "The type of blocking they're doing, at the router level, means that there are relatively simple ways for those who know how to circumvent the blocks.

"Active censorship of the Internet is becoming increasingly expensive and impractical as more users go online," said Farrall. "Existing blocks are easily overcome by using proxy servers. New Websites come on line every day, old web sites change their

addresses. Content from one is mirrored on another."

Fully-monitored Internet usage is further complicated by a lot of account sharing in China. Legal pressure is directed more to ISPs, which are responsible to report to the Ministry of Post and Telecommunications, according to Yun Tao.

And so enthusiastic surfers in China tend to overlook the Internet regulation.

"Individuals don't even feel the existence of regulation," Yun Tao described. "Nobody from the government really comes to check regularly." (5)

Hong Kong continues to be ruled by élites who will keep the territory's economy ticking and its popular—and often anti-china politics—under control. But a simple reassignment of colonial power was not, on the surface, the intent of the agreements that governed the territory's transformation into a Special Administrative Region of China.

"Hong Kong's relationship to China was not supposed to be the same as its relationship with Britain,"says Yash Ghai, a law professor at the University of Hong Kong and occasional legal adviser to the government. China promised Hong Kong a "high degree of autonomy" after 1997; Beijing would handle only foreign affairs and defence under the "once country, two systems" formula. "But the SAR government has ignored that fact and taken a very mechanical view that sovereignty has changed but that nothing else has changed," says Ghai.

Indeed, the Chinese state has assumed privileges in Hong Kong previously reserved for the British crown—with significant implications for Hong Kong's constitutional relationship with China.

Under British rule, all British government agencies in Hong Kong were immune from local laws. But after 1997, most observers expected that only China's foreign-affairs office and army garrison would enjoy such immunity. Instead, the Hong Kong government went further, granting the local office of the *Xinhua News Agency* immunity.

The move was significant: Xinhua is widely believed to be the headquarters of the Hong Kong Work Committee of the Chinese Communist Party, whose existence was acknowledged by the party newspaper, *the People's Daily*, only as recently as October. This exemption of the party branch in Hong Kong has been a stark symbol of the seeming return to colonial status, since it suggests Beijing expects to be involved in administering all aspects of Hong Kong.

Other events are equally worrying: In May, two youths were convicted of desecrating two small Chinese and Hong Kong flags under new flag laws. Their action, at a January

protest, was judged to be a prelude to "riots." If the logic of the magistrate were to carry," commented defending lawyer Albert Ho, since re-elected to the legislature for the Democratic Party, "many dissenting voices in Hong Kong should be silenced because it may lead to riots."

The new legislature was elected on May 24 under arrangements that diluted the power won by the popular pro-democracy forces in favour of establishment groups close to China; these pro-Beijing bodies are expected to become pro-government bodies. Under British rule, government officials appointed to the legislature served the same function. The new attitude of the pro-Beijing Federation of Trade Unions, for example, whose political party, the Democratic Alliance for Betterment of Hong Kong, or DAB, won nine seats in the elections, is assumed up as "supporting the government on major issues while disagreeing on minor issues," according to the Beijing-Run *Wen Wei Po* newspaper. "This is progress in civilization! This is the new SAR culture!" the newspaper declared in early May.

There are indications, however, that Hong Kong people will not simply resign themselves to being treated as colonial subjects. True, satisfaction levels with China's handling of Hong Kong affairs have risen continuously since the handover, reaching 67% by April compared with 45% at the handover, according to the Hong Kong Transition project, a respected local academic group. But as economic recession takes hold—unemployment is at a 15-year high of 4%--demands for more help for the jobless, among others, is expected to grow.

If Beijing and the Hong Kong government remain aloof from popular demands, anger at the polls may turn into anger on the streets. Just one week after the elections, for example, Democratic Party member Albert Chan led a demonstration of angry property-owners in danger of losing their homes. "We have worked very hard," says C.K. Lee, his voice trembling with emotion as he marches outside the main government building. "We have no confidence at all in the government—they only help the developers, not the citizens."

Tung now finds himself in the unfortunate position of welcoming a feisty new legislature just as he delivers Hong Kong's worst economic news in a decade. These two factors will test his leadership skills and his executive-led style of government, which now must compete with different factions in the legislature for public support for its policies.

It also remains to be seen if and how the government will cooperate with its newly minted opposition, for whom the economic crisis is also a challenge: the pro-democracy camp will have to demonstrate that it can be a credible opposition on all issues, not just

those that deal with political reform.

Democratic Martin Lee quotes Tung as saying the downturn "will last at least two years; we'll all tighten our belts together." But, Lee adds, "it's not very convincing, because Hong Kong people say, "I didn't even put you there.'" The Democrats say they will use their electoral triumph as a license to hound the government on everything from the economy to the territory's democratic development.

They're not wasting any time: Two days after Tung hinted that Hong Kong's first-quarter growth night be negative for the first time in years, the Democratic Party announced plans to host a forum for all the political parties to come together to discuss ways to boost the economy. Pro-Beijing and pro-democracy groups alike have agreed in principle to attend. Whether or not the forum succeeds, its connotation is obvious: Democratic legislators intend to shadow the government's every move. (6)

Since it started broadcasting to China in September 1996, Radio Free Asia has been acquiring a growing audience—students, workers, medical professionals, teachers, engineers, police and army personnel and business people, according to Dan Southerland, the radio's vice-president for programming. Most of the response comes from Hubei and Sichuan provinces and Jiangsu, Shanghai and Zhejiang. The station now has two toll-free numbers for its service to China to cope with the response.

Beijing is not pleased. It has accused the radio of meddling in China's internal affairs, being funded by the American Central Intelligence Agency and spewing out "cold-war propaganda." The official *China Daily* said in an editorial in January that the radio's reporting was "biased and even distorted" and that "one can easily find Uncle Sam's true motive—to contain Asian countries' development and disrupt their stability. RFA has wasted no time in the past year fabricating tales of human-rights abuses."

Beijing's broadcast headache is not about to go away. As President Bill Clinton prepared from his June 25-July 3 China trip, he stressed that the United States would keep pushing China to east restrictions on human rights and religious freedom. "In support of that message we are strengthening Radio Free Asia," he said on June 11. Late last year, Congress approved US$24.1 million in federal funds for the station for the year to September 30, 1998; that was more than double its $9.3 million budget a year earlier.

Headquartered in Washington, Radio Free Asia broadcasts to China, Tibet, Burma, Vietnam, North Korea, Laos and Cambodia in their respective local languages. It devotes most of its programme time to domestic news, including such issues as the environmental damage that will be caused by the Three Gorges dam project. It also

reviews banned books and has interviewed dissidents and their families, among them the parents of Wang Dan, now in exile in the U.S. Wang himself broadcast his first commentary for the station on May 13 and now has a weekly programme.

"We just want to report what's going on," maintains the RFA's president, Richard Richter. "We're not trying to be provocative just for the sake of being provocative, because we'd lose our credibility."

Beijing counters the RFA's "propaganda" by trying to jam its signals. Richter says that only between 40% and 50% of programmes broadcast to China get through because of the persistent jamming. (7)

A happy computer programmer has reportedly confessed to planting a killer virus in thousands of copies of educational software in the Chinese capital's first apparent case of serious hacker sabotage.

The programmer, Zhang Wenming, faces a possible jail term of up to five years for bugging software sold to schools throughout Beijing to prepare students for a national computer proficiency test, the official Beijing *Youth Daily* reported January 19, 1999. The virus was designed to act up on the 27th of each month and was meant to ultimately wipe out a host computer's hard disk drive.

Zhang is the first Beijing resident to be prosecuted under laws, passed last year, governing crimes relating to information technology. His case comes as Chinese authorities are increasingly turning their attention to tracking down hackers suspected of committing technological and even political crimes, often through the Internet.

The stepped-up government efforts to control cyberspace follow an explosion in the number of China's "netizens" in the past few years: State statistics released over the weekend put the number of Chinese Internet users at 2.1 million, more than triple the 670,000 users registered in 1997. Experts believe that the real number of online Chinese to be even larger, because computer accounts are often shared by two or three people.

To keep out potentially "harmful" influences, Chinese authorities routinely block foreign news Website. Authorities are also worried about self-proclaimed "hacktivists" around the world who have vowed to tear down China's crude cyberspace defenses. A Hong Kong-based human rights group said that the government plans to set up computer crime investigation units in all of China's cities.

Zhang's case was cracked by one such investigative force, the information and communications department of Beijing's eastern Chaoyang police precinct. (8)

China put on trial two leading dissidents for subversion December 17, 1998 over their efforts to form an opposition party; loudly signaling the Communist Party will not tolerate any challenge to its rule.

Wang Youcai, 32 and Qin Yongmin, 45, key organizers of the Chinese Democratic Party, both pleaded not guilty to the charges of subversion of state power, family members said.

Court officials in the eastern city of Hangzhou, where Wang is on trial, and the central industrial city of Wuhan, where Qin is standing trial, declined to comment.

According to a Hong Kong based human rights group, 300 protesters gathered at the Hangzhou court. Two protesters were dragged away from the Wuhuan court, according to the Information Center for Human Rights and Democratic Movement in China.

There was no immediate independent confirmation of the Hong Kong report.

Neither man was represented by lawyers. Amnesty International said it was "extremely concerned" that they would not get a free and fair trial, and it appealed for their immediate release.

If convicted, they face up to life in prison.

"The prosecutor read the charges, declared the evidence against him and then began debating (the charges) with him," said Wang's wife, Hu Jiangxia, one of three relatives permitted in the courtroom.

Qin and Wang were arrested separately last month in a nationwide round-up of activists attempting to register their party.

Beijing has said all opposition parties are illegal and has taken a hard line, despite hopes of a political thaw early this year that led to talk of a "Beijing Spring."

The two men were defending themselves after police detained Wan's attorney and warned Qin's lawyer against representing his client. No foreign reporters or observers have been allowed to watch the court proceedings.

"Wang Youcai was very well prepared for the debate, he had 20 pages in front of him. He talked for half an hour before the judge cut him off," Hu said, adding that the judge accepted Wang's written notes.

Two of Wang's siblings were permitted in the courtroom, while an older brother and sister were detained by security officials and blocked from attending, she said.

Only one relative, a brother, was allowed to attend Qin's trial, his father Qin Qwinguo said.

"I went to the court to demand he be given a just and fair trial and to delay proceedings since we haven't found a lawyer," said the father, who was not allowed

inside.

Both trials were adjourned before noon with no word on when they would resume.

Police tried to take a protest banner from a woman outside the Hangzhou court, but gave up after a scuffle with crowds, the Hong Kong rights group said.

Amnesty International said in a statement the two were "imprisoned solely for the exercise of their right to freedom of expression and association and they are prisoners of conscience."

In October, China signed the UN International Covenant for Civil and Political Rights, which guarantees freedom of expression and association.

China's most prominent exiled dissident, Wei Jingsheng, said during a visit to France recently he was starting a 24-hour hunger strike to protest against the trials.

In Hong Kong, the main pro-democracy lobby, the Hong Kong Alliance in Support of Patriotic Movement of China, urged the release of Wang and Qin.

Speaking from Taipei, Wuer Kaixi, a leading voice in the 1989 pro-democracy Tiananmen Square protests, said that the opposition party had "applied enormous pressure to the Chinese government."

"You can definitely see the fears that this crackdown could apply to the Chinese people," he said.

Washington has condemned Beijing's latest crackdown as a "serious step in the wrong direction." But China has angrily dismissed the criticism as outside interference. (8)

CHAPTER TEN Japan: Caution Then Criticism

Japan's often maligned (by American and British journalists) press corps does a good job on the China story. American correspondents go for the big headlines about dissidents and economic flops and political speculation.

Reporting by the Japanese press tends to be more cautious but nevertheless thorough. Japanese reporters are not driven to get on page one like their American counterparts.

The waiting game has paid off in a shrewd victory. On formal diplomatic recognition, Japanese newspapers were told to close their Taipei, Taiwan, bureaus if they wanted to open bureaus in Beijing.

Only *Sankei Shimbun*, the most conservative of Japanese major dailies has maintained a bureau in Taiwan for nearly three decades.

Sankei was booted out of Beijing in the 1960s for criticizing the Cultural Revolution, but kept up a lively coverage from Taipei.

Many other papers and networks resorted to covering Taipei by sending reporters over from Hong Kong or by using part time stringers. *Sankei* was continually turned down in its bid to open a Beijing bureau.

In the summer of 1998, *Sankei* found a solution that allowed the Chinese authorities to look the other way. *Sankei* opened an office in Beijing, but instead of calling it the Beijing bureau as other Japanese news organizations do, it called the bureau *Chugoku Sokyoku* or "China head office."

Taking the cue, other Japanese organizations renamed their Beijing bureaus and then opened Taipei offices. *Asahi Shimbun,* the most liberal newspaper with an eight million circulation, *Yomiuri Shimbun*, more conservative at 10 million; *Nihon Keizai Shimbun*, the top business paper at some four million and the Kyodo News Service. NHK, the national television network followed but insists the change in its bureau name has nothing to do with opening a full-time office in Taipei.

The face-saving compromise, after many years, was a good example of "the Japanese way" of going about things. China's image on the issue is softened and Japan has its bureaus.

A survey of Japanese press reports from Hong Kong shows many factual items, almost no "analysis"-type pieces as seen in the American press:

Japanese reporters thoroughly covered government edicts on "how to" cover the

handover. The Japanese press was much more comprehensive than the American was or British press in this regard.

The Chinese Central government "urged" domestic and foreign media to follow seven must-nots in connection of reporting "Hong Kong handover" in a May 28 release.

1. Negative reporting on the handover
2. No economic policy comparison between Guangdong and other provinces
3. Labor union conflict in Hong Kong
4. All announcements made by England should be published only through Xinhua
5. No Chinese press are allowed to visit Shenzhen Special Economic Zone without prior permit.
6. Serious social discrepancy and serious crimes during the handover
7. Don't use the handover for economic advancement (1)

Journalists in Hong Kong felt more pressure from the Chinese Central government which recently sent more than 200 overseers to pro-China newspapers and magazines.

Mounting pressure of journalists has caused by the recent arrests of two Chinese journalists on suspicion of stealing government confidential information.

Jonathan Mirsky, veteran Bureau Chief of the *Times* was one of them. He was declined a visa to China from the government since he wrote negative articles on the Chinese government. Journalists have a tendency to look at everything with a critical eye. If they are not allowed in a country, it is viewed as a denial of freedom of the press, *Sankei Shimbun* reported. (2)

Well-experienced political reporters started to leave from their work place after they found they were hampered by various restrictions in reporting. Of 20 general dailies among 50 dailies in Hong Kong, average employment term is as short as three years. Only one reporter among more than 200 editorial staff of *Ming Bao* has the knowledge of the process of Britain and China Reverse negotiation. The future of media in Hong Kong is bleak, *Asahi Shimbun* reported. (3)

Hong Kong Journalists Association with membership of 650 independent journalists demanded Hong Kong Legislative Council to treat all media equally. In the protest, they denounced the fact that China state- run news agency and TV station were allowed to cover the meeting between Hong Kong Legislative Chief and Hong Kong Commander of People's Liberation Army, *Asahi Shimbun* reported. (4)

Even Jimmy Lai, forefront of anti-China sentiment reportedly refused to meet with foreign media in fear of forming anti-China image. Urban Lehner, Editor of *Asian Wall Street Journal* said instead of speechless Hong Kong media, that Hong Kong media apparently self-restricts freedom of speech in avoid to trouble with the central government. Chinese government is not tolerating for media to voice for Taiwan and Tibet independence as well as criticism of Central Communist Party members. Lerner heard these remarks directly from then Qian Qichen, Foreign Minister.

John Schidlovsky, head of the Asian Center of Freedom Forum, a US journalism institution based in Hong Kong, noted that Chinese government threatens anti-China media by promoting media buyout by pro-China publishers, advertisement, bans on reporting in China and unofficial warning to reporters and editors who are against China.

Media restriction is increasing, however, it does not seem the voices protecting freedom of speech will spread to individuals in Hong Kong. The president of Hong Kong Social Science Research Center explained the background of slow democratic movement. Democrat Martin Lee was educated under the system of Britain are having a difficult time to share the idea with average Chinese people in Hong Kong. There are 5,000 people in Hong Kong who are against Chinese communist rule, representing scholars, US educated children of high ranking officials of Chinese communist party. Democratic movement led by Lee is serious and if major intervention from Chinese government is felt by Hong Kong people, the movement will intensify, *Sankei Shimbun* reported. (5)

Reporting policy remained unchanged after the handover, according to some views. David Yuan, Vice President of Chinese News Television Network (CTN) in Hong Kong said in his interview with the *Asahi Shimbun* that CTN has maintained the company's policy of fair reporting in politics after the handover. CTN is now a full subsidiary of a Taiwan conglomerate and the company has recently changed its reporting target to Hong Kong from the previous coverage of entire China. Yuan expects China will not have bold interference in Hong Kong reporting since they consider Hong Kong a key region for their future.

CTN also launched Chinese programs aimed at Chinese residents in Japan last year, *Asahi Shimbun* reported. (6)

Chinese government is very reluctant to promote the Internet to the people, meanwhile, they are eager to develop a software which can restrict the Internet, quoted a *South China Morning Post* report.

The Chinese government is concerned about the availability of political news and pornography, according to *Nikkei Sangyo Shimbun* September 12, 1997. (7)

Fuji TV celebrated the opening of its Hong Kong bureau September 11, 1997 with the attendance of senior managing director of the headquarters. The company regards the Hong Kong bureau as the center of Asian reporting as well as joint production center with local agents, *Sankei Shimbun* reported. (8)

A Xinhua New York correspondent and his family disappeared in Paris, quoted a report in Apple Daily in Hong Kong. The disappearance is viewed as a defection. He supported the 1989 Tiananmen Square Incident. Another similar defect involved a Xinhua Washington correspondent was revealed last March and he was sent back to Beijing and later he was found dead by suicide, *Asahi Shimbun* reported. (9)

Editorial writer of *Chinese Economic Daily* has been detained by Beijing Public Security Bureau since September 5, 1998. Hong Kong Journalists Association sent an open letter to Prime Minister Zhu Rongji contesting the arrest which violated the criminal code and human rights, *Yomiuri Shimbun* reported. (10)

April 6 media incident in Paris where Prime Minister Zhu Rongji was visiting. A Chinese diplomat stationed in Paris threatened a Hong Kong journalist who sought opinion from Mr. Zhu who met local protest over human rights. The incident was filmed and broadcast in Hong Kong. In connection with the incident, Chinese Foreign Ministry called this incident an unusual case and confirmed that China respects freedom of speech. This incident reveals the difficulty of understanding free media concept observed in the West. It will take long time for media freedom to be understood by low-level Chinese bureaucrats, *Yomiuri Shimbun* reported. (11)

Apology to media from the high-ranking Chinese official is the first time. Zhu intends to save the image of reform. Hong Kong media gave high mark to the move, saying it is advancement China admitted the wrongdoing. However, this incident has

not reported at all, *Sankei Shimbun* reported. (12)

A series of incidents affecting media freedom is happening in Hong Kong—criticism targeted to Hong Kong Public Radio by an influential politician and recent Paris media incident. Tsui Sze-men, Standing Committee Member urged the public media to serve the government interest. In response to Mr. Tsui's remark, Administrative Secretary Anson Chan protected the public radio, saying it has also mission to reflect voice of the public, *Tokyo Shimbun* reported. (13)

Asahi Shimbun quoted Hong Kong monthly magazine, *Trend,* as saying Prime Minister Zhu Rongji's remarks on the adoption of democratic election system were altered under the instruction of Jiang Zemin. According to the magazine, Prime Minister Zhu expressed that more consideration on election system is needed by admitting difference of Chinese political systems compared to other countries. (14)

Financially troubled Asia TV has invited participation of US based pro-China conglomerate. Wang Po-yan, Hong Kong Basic Low Committee Vice Chairman will be appointed as new president of the TV station. The new company will have a Chinese-American media producer as head of management, *Nihon Keizai Shimbun* reported. (15)

Substitute War involves newspapers over the legislature election, it is obvious that pro-China newspapers support candidates who are voicing support for the Central government. *Apple Daily* expressed its support for the candidates who have lost their former legislative positions due to their refusal of the creation of temporary legislation, *Asahi Shimbun* reported. (16)

Broadcasting of the completed film on *The Fact of Xinjiang Separation* was cancelled suddenly. The document film depicted the independence movement staged by one of Chinese minorities, Islam religious residents in the Xinjiang autonomy. The central government denied that such a movement did not exist.

Liang, Hong Kong Journalist Association head emphasized why Hong Kong has become the most successful international city because there has been freedom and free flow of world information, *Asahi Shimbun* reported. (17)

South China Morning Post reporter, Willy Lo-lap Lam feels there is an increase in

restrictions. mainly self-censorship. Hong Kong Journalists Association conducted a survey on media freedom at the end of June. The findings range from not reporting the protest staged by US citizens to support Tibet independence on Jiang Zemin's visit to the United States, the interviews with pro independence of Hong Kong and Taiwan. However. the results have not been published in Hong Kong newspapers.

Lam said that reporting activities are ended if reporters are listed on the China's black list. China blocked an anti-China newspaper, *Apple Daily.* China reportedly tries to collapse the newspaper by leaking valuable information to its major competitor, *Dong Bau* (East Daily), *Tokyo Shimbun* reported (18)

Jiji Press quoted *South China Morning Post* as Taiwan aviation chief was refused a visa from China, who was invited by the Hong Kong Executive Council for the opening ceremony of the newly built international Hong Kong airport. The ceremony was attended by Jiang Zemin and high- ranking central committee members. Governor of the Central Bank of Taiwan also was refused permission to attend the IMF World Bank conference held September, 1997 in Hong Kong. (19)

One year after the Hong Kong handover, the first legislative election drew a surprisingly high voting rate, 53%. Tung Chee-hwa, Chief Executive called the high voting a sign of confidence in the current executive office meanwhile, Martin Lee, head of the largest opposition party analyzed the trend to the contrary saying that the voters urged the executive office to pursue democracy even against the Chinese central government.

Many Hong Kong newspapers supported Martin Lee's evaluation in connection with the intention of the voters. Among them *East Daily* urged the executive office to promote the realization of democracy which has been protected in the Basic Law. However, Anson Chan, Administrative Secretary expressed a negative view that consensus for altering the Basic Law to enable the people to participate in the direct election for their representatives has not been established. The adjustment of Hong Kong social economic system and the Asian economic crisis hit Hong Kong seriously. There has been speculation that the Chinese government will devalue its Ranminbi in order to cope with the present economic crisis. The future of Hong Kong economy seems to depend on the central government's financial policy rather than its own highly autonomous operation.

When the central government commitment in Hong Kong's economy increases,

independence of Hong Kong will be hurt, *World Weekly* reported. (20)

Democratic activist Martin Lee sees the framework of Hong Kong as cracked without visible change. Lee expressed his disappointment over the leadership of Tung Chee-hwa, saying he has always ended up to stand by the Central government on every important issue. The Basic Law has been violated with the revision passed last April, which allows China's government liaison offices including media organizations not to be bound by the Basic Law. What is major change in relation with the Central government? Lee responded that the economic position has reversed when facing the currency crisis. Hong Kong was expected to lead China in economy, however, Hong Kong now is seeking China's decision.

Referring to media freedom in Hong Kong, self-censorship is pressed on issues relating to China, and direct criticism on the Hong Kong administrative office remains active. Lee has been puzzled why he has not been admitted to China since he has been working hard in improving his country, China, *World Weekly* reported. (21)

The Tokyo Shimbun quoted a report of *South China Morning Post* saying as that President Jian Zemin is concerned about Clinton's sexual scandal which might affect his promise of "three-nos" and enables the US congress to reverse his policy toward Taiwan. The Chinese government ordered its media not to report independent prosecutor Starr's report over Monica Lewinsky. Violators would be punished. (22)

The Nihon Keizai Shimbun quoted a report of *South China Morning Post* saying a Beijing think tank suggested the government to give more authority to Taiwan than to Hong Kong in order to solve Taiwan issue. The new suggestion includes that China has no authority for the appointment of administrative offices and diplomacy. (23)

Editorial writer of *Chinese Economic Daily* has been detained by Beijing Public Security Bureau since September 5, 1998. Hong Kong Journalists Association sent an open letter to Prime Minister Zhu Rongji contesting the arrest violated the criminal code and human rights, *Yomiuri Shimbun* reported. (24)

The performance of Tung Chee-hwa in his first year as the Chief Executive of the SAR is disappointing, said the NIRA Review. The verdict by the community is clear. The performance of Tung and his government has been criticized by people from all walks of life. According to polls carried out by the University of Hong Kong, the support rating

of Tung fell from a peak of 68 percent in September in 1997 to 55 percent in early August 1998. The percentage of people satisfied with the overall performance of the government fell sharply from 40 percent in July 1997 to 23 percent in August 1998, whereas the percentage of those who felt dissatisfied jumped from 17 percent to 41 percent during the same period.

The top echelons of the civil service did not fare much better. The civil service was considered a main pillar underpinning Hong Kong's prosperity before 1997. However, top officials were incapable of handing crises under the new administration in the past year. The retention of civil service molded after the British generalist tradition. Calls for the removal of some top officials in charge of financial and monetary affairs were even heard.

Policy miscalculations and blunders were rife in the first year of Tung's administration. For instance, the government's mandatory program to introduce the mother tongue at the medium of instruction in high schools starting from the fall of 1998 was greeted by angry parents who wanted more use of English. The outburst of numerous medical blunders, the delayed and ill-prepared response to the avian flu, and the inability to deal with unemployment and economic recession inspired little confidence in the administration's governance. The chaos during the early days of the new airport led to the unprecedented slowing down of freight transport, at a huge cost to Hong Kong. More importantly, this fiasco not only created an incredible public relations disaster, but also destroyed a golden opportunity to boost popular confidence after a year of political and economic malaise. Top officials defended an ultra-optimistic economic forecast of 3.5 percent growth for 1998 well into the summer, only to be embarrassed by the subsequent release of the –2.8 percent figure for the first quarter and the estimated decline of –five percent second quarter from the previous year.

Tung's government has been fighting a losing battle in stabilizing the economy. For instance, after an aggressive housing policy was promulgated in the autumn of 1997, property prices began to fall in a market soon to be further depressed by the financial crisis. By late June 35 percent from last year's level, which prompted the government to introduce a package to stabilize the real estate market and stimulate the economy, including more support for home purchases, more credit guarantees for small and medium-sized enterprises, and a moratorium on land sales for nine months. After a serious battle with speculators in late October 1997, which led to skyrocketing interest rates, the government bought massively into the stock market in late August to defend the peg with the US dollar at the HK$ 7.8 to one US dollar. It also introduced new restrictions on the stock and futures markets to make it more difficult for speculators to

manipulate the market and, consequently, to attack the dollar peg. Although the unprecedented buying won considerable popular support, the intervention remains highly controversial and many have begun to question whether Hong Kong ahs deviated from its time-honored policies of laissez faire.

Finally, although the mainland authorities did not exercise overt intervention, the viability of "one country, two systems" remains a matter of concern. For instance, the adaptation of Hong Kong laws aroused fears that mainland organizations in Hong Kong, such as the local New China News Agency-the de facto Communist Party organ—would be exempted from local laws, which obviously contradicts the Basic Laws. While the worst fears of people concerning political intervention from the mainland have not materialized, they are still worried about the preservation of the rule of law, the freedom of association and expression, and other civil liberties.

As Tung delivered his second policy address on October 7, 1998, Hong Kong was engulfed by a sense of uneasiness and frustration. The reversion to Chinese sovereignty has ushered in constitutional and leadership changes and engendered uncertainties for the future.

Two lessons can be drawn from Hong Kong's rendezvous with history after July 1, 1997. First, the administrative system and policies carried over from the colonial era have been called into question by new difficulties that have emerged in the post-1997 era. But Tung and his team have yet to offer a viable alternative. Second, the Asian financial turmoil has fundamentally recast the economic and political framework for Hong Kong, exposing the fragility of its economy and the perils of its ongoing restructuring. A new, grand strategy is needed to arrest the current economic recession and to defuse the looming social and political tensions.

Hong Kong, to be fair, is far more fortunate than most of its Asian neighbors, but the entire community cannot expect to remain unscathed by the regional financial crisis. The roots of Hong Kong's current predicament stem not simply from the burst of a bubble economy carried over from the British, but also from the inability of its leadership to respond effectively to a rapidly changing environment. The coming year is critical to the Chief Executive; he must craft a new policy program and a new leadership style under growing adversity. Whether Tung Chee-hwa can meet this formidable challenge and turn things around is, however, unclear. (25)

Japan continues to host international symposia on the press including China and Hong Kong participants, but the subject matter never touches on the question of press freedom in Hong Kong.

In this respect, self-censorship has extended to Japan's Foreign Ministry or gaimusho and its related agencies like the Japan Press Center. Journalists from Taiwan are never invited as panelists.

Journalists from seven Asia-Pacific countries discussed the region's economic crisis and development models for the twenty-first century at the Asia-Pacific Journalists Meeting 1998, held on December 9 at the Japan Foundation Conference Hall in Tokyo.

The fourth annual conference sponsored by the Foreign Press Center attracted over 200 domestic and foreign media representatives, government officials, and researchers. The discussions by the seven panelists were moderated by NHK Executive Presenter/Commentator Yoshinori Imai.

The first morning session, which focused on economic and noneconomic factors behind the crisis in Asia, opened with a keynote presentation by Hirotsugu Koike, Foreign News Editor of the *Nihon Keizai Shimbun*.

The other panelists reported on the state of their respective domestic economies. Wang Xuewen, Deputy Editor-in-Chief of China's *International Business Daily*, noted that China is diversifying its trade and investment practices and consolidating its domestic financial institutions. Claiming that eight percent growth in 1998 is achievable, Wang saw no reason for the Renminbi to be devalued.

In a panel discussion that followed, Wang attributed great importance to the role of the Asia-Pacific Economic Cooperation forum (APEC), which respects regional diversity and focuses on economic growth.

Pana Janviroj from Thailand urged that the Association of Southeast Asian Nations be fortified to enable ASEAN nations to withstand the shock of globalization. Kwan Weng Kin from Singapore felt that APEC had become too large and proposed the formation of a smaller forum comprising the ASEAN countries "plus three"; China, Japan and South Korea.

Most panelists concurred that a single currency for Asia was premature, given the present gaps in the levels of economic development. There was also general agreement on the need to introduce some sort of control on the rapid movement of short-term capital on Asia's financial markets.

As for the roles the industrial nations should play in Asia's development, Wang and others felt it was only natural for Japan to engage itself fully in Asia's growth given its geographical advantages.

Peter Landers of *Far Eastern Economic Review* from Hong Kong cautioned, that other Asian nations should not copy Japan's habit of putting off decisions on difficult

issues. While panelists generally welcomed Finance Minister Kiichi Miyazawa's pledge in October, 1998 to provide US$30 billion in financing to Asian countries and called for its early implementation, some voiced concern that it was "too little, too late."

While a continued U.S. presence was deemed essential for regional security, Washington came under fire for having double standards in its policies and for interfering politically in Asian affairs. The American panelist (Landers) replied that there was a need for the United States to nurture more experts on Asian affairs to allow policymakers to respond more quickly to Asia-related issues.

By controlling the agenda for discussion (i.e. no Taiwan topics and no press freedom topics) and loading the panel with "safe" participants, this particular series and many like it staged by official and semi-official organizations in Japan take on a bland Singapore-like appearance. (26)

CHAPTER ELEVEN Conclusion & Recommendations

So there is plenty of anecdotal evidence, plus the studies of experts like my friend and colleague Ven-hwei Lo of National Chengchi University in Taipei and the work of Messr. Bueno de Mesquita, Newman and Rabushka in California, various other surveys plus the weight of informed honest opinion all showing there is an ongoing decline of freedom of the press--a suffocation of press freedoms if you will--in Hong Kong.

It is a syndrome that is continuing day by day. It is not getting any better; it is getting worse.

Slow suffocation continues.

The diabolical thing is that to the casual business or tourism visitor to Hong Kong, the process is virtually invisible. It is only after being on the scene for a period, looking under the right rocks, investigating the pressure points, that the lack of press freedom becomes so obvious and its portent so damaging.

The people in the trenches, like the members of the Hong Kong Journalists Association deserve special credit for their courage in keeping this crucial issue alive

For Americans, Nancy Bernkopf Tucker puts Hong Kong in unique historical perspective:

"American opposition to the continued British occupation of Hong Kong as a colony after the end of the Second World War serves as an ironic backdrop to the growth of American involvement in the territory thereafter. Franklin Roosevelt had insisted during the course of the war that the phenomenon of colonialism would have to end and promised Madame Chiang Kai-shek that Hong Kong would be restored to Chinese control. However, the combination of Prime Minister Winston Churchill's obduracy on the subject and the Chinese civil war invalidated such guarantees, and British troops retrieved the colony without resistance. Almost immediately, Washington discovered that having London in charge conferred significant economic and political benefits on American merchants, soldiers and spies." (1)

Even some American diplomats, in the 1960s, came to think in terms of Hong Kong as "an American colony" rather than a "British colony."

Neal Donnelly, formerly a high school teacher in Buffalo, New York, was a rare American phenomenon, a diplomat who could speak Mandarin and Cantonese fluently. A longtime U.S. Information Agency officer in Vietnam, Taiwan and Hong Kong (as well

as being chief for several years of the Voice of America China branch in Washington D.C.), Donnelly told me that to him Hong Kong seemed more American than British, partly because of the Vietnam War era traffic of ships and military personnel through Hong Kong. Although it was against U.S. regulations, many wives of American pilots, army and naval officers set up residence in Hong Kong to be near their spouses during schedule leave.

There have been various U.S Congressional attempts to legislate some American watchdog status over Hong Kong, similar to the 1979 Taiwan Relations Act, but these have faltered because the US. has no specific security leverage in Hong Kong.

Continued presence of Americans (nearly 30,000), an American Chamber of Commerce that rivals the Tokyo American Chamber in membership numbers if not business clout, some 1,200 American businesses with affiliations, employing 250,000 workers. including 198 regional headquarters and nearly US$15 billion in investments means that there will be continued American attention on issues like freedom of the press.

The tale was making the rounds in the 1960s that Hong Kong was so overloaded with intelligence listening devices that if one more electronic snoop were to be added, the island would sink into the South China Sea.

The fears, if they were legitimate and not apocryphal, were proved empty by the literally millions of mobile phones. beepers and pagers—not to mention computers--added in later years.

There was always a way to find things out in Hong Kong.

Because one of the papers in the Copley chain for which was reporting during the Vietnam War was the San Diego Union, near great naval and marine bases in California, there was interest in warship movements.

Hearing from my home office that a major U.S. Seventh Fleet task force was nearing Hong Kong in a few days or sooner I checked at the press office of the American Consulate on Garden Road, in those days staffed with more personnel (mainly China watchers) than any American installation--embassies included-- in the world.

"We can't give out such information. Ship movements are classified," said a clerk from Nebraska.

Whereupon the intrepid foreign correspondent heads for the Wanchai waterfront. There, from their own sources, bars with names like China Moon, OK Corral, and Paradise Cafe flaunted blackboard signs with such information as :

"Welcome officers and men of the USS Kittyhawk, USS Blue Ridge, USS Henderson, USS Sea Dragon. Enjoy your three days in Hong Kong."

Freedom of information had prevailed once again.

The decline of press freedom in Hong Kong is not happening in a vacuum but is part of a steady Sinicization (not bad in itself) but also a one-way ticket to Communization of the society as well as the press. Hong Kong's glittering facade distracts us all from what is really going on.

The best-known skeptics, as I have noted, are Nobel prize-winning economist Milton Friedman and former Hong Kong governor Chris Patten, who details his doubts outspokenly in his book *East and West.*

Friedman predicts that within two years of taking control, Beijing will impose capital controls and replace Hong Kong' independent currency pegged to the U.S. dollar with the Chinese Renminbi. Explains Friedman, who discounts Beijing's assurances that this will never happen: "I cannot conceive of a proud sovereign country like China entertaining the prospect of having two currencies at the same time." The slightest hint of such actions, he notes, will cause "drastic loss of confidence in one aspect of Hong Kong namely as a place to store money."

"One country, two systems" is a sham and Hong Kong's lifestyle is changing in less than 50 months after the handover, let alone the "50 years" that Beijing promised.

Two important themes were summed up at a speech to the International Federation of Journalists, meeting in Hong Kong in 1995, where Hong Kong Governor Chris Patten said, "The argument about free speech is part and parcel of a wider argument about so-called Asian values, which are depicted by their proponents as offering an alternative to decadent, free-wheeling Western liberalism. The stress is on allegedly Confucian values—hard work, the family, education, home ownership (I say 'allegedly' because these values are all at the core of all those old Victorian hymns, and hardly qualify as uniquely Asian)."

Patten continued through his speech to ask why China is routinely considered a parallel universe, exempt from moral and other standards. And why does even framing that question sound "anti-China?" Patten said for the same non-reason that historians have mostly overlooked such details as the holocausts of the '50s and '60s in which millions died on the whim of 'the old pervert' Mao—because China is, well, "different."

Whatever his motives for mounting this particular hobby horse, Patten was

commendably thorough in exposing one of the great intellectual blind spots of the age. His assertion is that speaking up for a civil society in China matters more than cooing over its possible economic might in the next century. East and West will not mark the end of the discussion but it makes a forceful contribution: Never mind what the People's Republic might be, now or in the future; hold it to account for what it does to its people.

Colleague Lo in Taiwan noted that although the Chinese government has refrained itself from curbing the press in Hong Kong, it has added Article 23 to the Basic Law, "banning acts of treason, sedition and subversion against the Central People's Government or theft of state secrets." Aside from changes in the law, the Chinese leaders have reiterated that they will not allow the press in Hong Kong to advocate the independence of Taiwan or Hong Kong. Nor will they allow personal attacks on the Chinese national leaders. In addition, China has actively "co-opted" some media by patronizing them with abundance of economic benefits and information resources.

There is plenty of reason for being pessimistic about future of Hong Kong's news media, Lo said that some media watchers have observed the omission of columns critical of China, the adoption of more conciliatory editorial stand towards China, and even the avoidance of commenting on China affairs. In a recent study of Hong Kong press, Lee and Chu (1998) also reported several cases of overt and covert self-censorship concerning news coverage of China. "It is self-censorship rather than direct intimidation that will undermine freedom of expression in Hong Kong," said the Committee to Protect Journalists.

Frank Ching (1998) explained, "Media owners are frequently engaged in other kinds of businesses into China's growing market. They feel that they cannot risk the ire of the Chinese government. From that stems the desire to tone down criticisms of China, its officials, and its policies."

Therefore, concern about China's economic pressure seems to be the primary sources of self-censorship. China holds huge funds and resources which can be disbursed by its companies in Hong Kong through advertisements. "China's enterprises are not permitted to advertise in the blacklisted publications; in some cases, significant advertising was offered but later withdrawn, " said Chin-Chuan Lee (1998), professor of journalism at the University of Minnesota.

Hong Kong journalists may also censor themselves for real or feared reactions from China. Ching said, "Many journalists believe that Chinese officials keep dossiers on them and fear that their writing may be used against them later." "Journalists are

also vulnerable in that they need the cooperation of Chinese officials if they are going to write about China. If they are denied permission to travel to China and are cut off from sources of information, then they cannot function. Their careers as China reporters can easily be terminated," he added.

"Xinhua routinely keeps files on local journalists and closely monitors their work," Lee said (1998) "Those journalists falling into disfavor see their entry permits to China denied or their reporting efforts stymied by mainland authorities. Reliable veteran mainland journalists have been placed in local media. The jailing of several Hong Kong reporters on assignment to Beijing has further produced a chilling effect." Therefore, he believes that self-censorship is probably the most significant means of media control in Hong Kong.

"Clearly, self-censorship has emerged as one of the pressing problems facing Hong Kong journalists, " Lo said early in 1999. Unless measures are taken to remedy the growing practice of self-censorship, Hong Kong's coveted press freedom will be seriously eroded."

On too many occasions, China gets away with infringement on people's intellectual rights. China's leaders have every right to make Hong Kong "more of a Chinese city" if they want, but not a Communist city; trampling on the very freedoms that it has pledged to uphold is a travesty, a burlesque behavior

This bothers me: some people it doesn't bother.

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Some specific recommendations:

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--Pressure the People's Republic of China, at every chance, to follow international norms such as adherence to the Universal Declaration on Human Rights, particularly Article 19 on Freedom of the Press.

--Encourage activities of dissidents at every turn, as they protest disruptions of press freedom. For example, a U.S. media group sent a letter to Chinese President Jiang Zemin in January, 1999, denouncing the jail sentence of a computer engineer on charges of using the Internet to undermine the state. Calling the two-year

jail term for Lin Hai "chilling in the extreme," the Committee to Protect Journalists Asked Jiangto intervene in the case. "By imprisoning Lin your regime sends the message that China is afraid of information and not strong enough to tolerate freedom," it said in a faxed statement received in Shanghai.

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--Other areas which seem very normal but which China needs to get serious about are protection of intellectual property rights, copyrights and patents as well as a whole range of issues surrounding the rule of law and contracts. These all have a bearing on press freedom.

CHAPTER ELEVEN Conclusion & Recommendations

So there is plenty of anecdotal evidence, plus the studies of experts like my friend and colleague Ven-hwei Lo of National Chengchi University in Taipei and the work of Messr. Bueno de Mesquita, Newman and Rabushka in California, various other surveys plus the weight of informed honest opinion all showing there is an ongoing decline of freedom of the press--a suffocation of press freedoms if you will--in Hong Kong.

It is a syndrome that is continuing day by day. It is not getting any better; it is getting worse.

Slow suffocation continues.

The diabolical thing is that to the casual business or tourism visitor to Hong Kong, the process is virtually invisible. It is only after being on the scene for a period, looking under the right rocks, investigating the pressure points, that the lack of press freedom becomes so obvious and its portent so damaging.

The people in the trenches, like the members of the Hong Kong Journalists Association deserve special credit for their courage in keeping this crucial issue alive.

For Americans, Nancy Bernkopf Tucker puts Hong Kong in unique historical perspective:

"American opposition to the continued British occupation of Hong Kong as a colony

after the end of the Second World War serves as an ironic backdrop to the growth of American involvement in the territory thereafter. Franklin Roosevelt had insisted during the course of the war that the phenomenon of colonialism would have to end and promised Madame Chiang Kai-shek that Hong Kong would be restored to Chinese control. However, the combination of Prime Minister Winston Churchill's obduracy on the subject and the Chinese civil war invalidated such guarantees, and British troops retrieved the colony without resistance. Almost immediately, Washington discovered that having London in charge conferred significant economic and political benefits on American merchants, soldiers and spies." (1)

Even some American diplomats, in the 1960s, came to think in terms of Hong Kong as an "American colony" rather than a "British colony."

Neal Donnelly, formerly a high school teacher in Buffalo, New York, was a rare American phenomenon, a diplomat who could speak Mandarin and Cantonese fluently. A longtime U.S. Information Agency officer in Vietnam, Taiwan and Hong Kong (as well as being chief for several years of the Voice of America China branch in Washington D.C.), Donnelly told me that to him Hong Kong seemed more American than British, partly because of the Vietnam War era traffic of ships and military personnel through Hong Kong. Although it was against U.S. regulations, many wives of American pilots, army and naval officers set up residence in Hong Kong to be near their spouses during schedule leave.

There have been various U.S. Congressional attempts to legislate some American watchdog status over Hong Kong, similar to the 1979 Taiwan Relations Act, but these have faltered because the U.S. has no specific security leverage in Hong Kong.

Continued presence of Americans (nearly 30,000), an American Chamber of Commerce that rivals the Tokyo American Chamber in membership numbers if not business clout, some 1,200 American businesses with affiliations, employing 250,000 workers, including 198 regional headquarters and nearly US$15 billion in investments means that there will be continued American attention on issues like freedom of the press.

The tale was making the rounds in the 1960s that Hong Kong was so overloaded with intelligence listening devices that if one more electronic snoop were to be added, the island would sink into the South China Sea.

The fears, if they were legitimate and not apocryphal, were proved empty by the literally millions of mobile phones, beepers and pagers—not to mention computers--

added in later years.

There was always a way to find things out in Hong Kong.

Because one of the papers in the Copley chain for which was reporting during the Vietnam War was the San Diego Union, near great naval and marine bases in California, there was interest in warship movements.

Hearing from my home office that a major U.S. Seventh Fleet task force was nearing Hong Kong in a few days or sooner I checked at the press office of the American Consulate on Garden Road, in those days staffed with more personnel (mainly China watchers) than any American installation--embassies included-- in the world.

"We can't give out such information. Ship movements are classified," said a clerk from Nebraska.

Whereupon the intrepid foreign correspondent heads for the Wanchai waterfront. There, from their own sources, bars with names like China Moon, OK Corral, and Paradise Cafe flaunted blackboard signs with such information as:

"Welcome officers and men of the USS Kittyhawk, USS Blue Ridge, USS Henderson, USS Sea Dragon. Enjoy your three days in Hong Kong."

Freedom of information had prevailed once again.

The decline of press freedom in Hong Kong is not happening in a vacuum but is part of a steady Sinicization (not bad in itself) but also a one-way ticket to Communization of the society as well as the press. Hong Kong's glittering façade distracts us all from what is really going on.

The best-known skeptics, as I have noted, are Nobel prize-winning economist Milton Friedman and former Hong Kong governor Chris Patten, who details his doubts outspokenly in his book *East and West.*

Friedman predicts that within two years of taking control, Beijing will impose capital controls and replace Hong Kong' independent currency pegged to the U.S. dollar with the Chinese Renminbi. Explains Friedman, who discounts Beijing's assurances that this will never happen: "I cannot conceive of a proud sovereign country like China entertaining the prospect of having two currencies at the same time." The slightest hint of such actions, " he notes, will cause "drastic loss of confidence in one aspect of Hong Kong namely as a place to store money."

"One country, two systems" is a sham and Hong Kong's lifestyle is changing in less than 50 months after the handover, let alone the "50 years" that Beijing promised.

Two important themes were summed up at a speech to the International

Federation of Journalists, meeting in Hong Kong in 1995, where Hong Kong Governor Chris Patten said, "The argument about free speech is part and parcel of a wider argument about so-called Asian values, which are depicted by their proponents as offering an alternative to decadent, free-wheeling Western liberalism. The stress is on allegedly Confucian values—hard work, the family, education, home ownership (I say 'allegedly' because these values are all at the core of all those old Victorian hymns, and hardly qualify as uniquely Asian)."

Patten continued through his speech to ask why China is routinely considered a parallel universe, exempt from moral and other standards. And why does even framing that question sound "anti-China?" Patten said for the same non-reason that historians have mostly overlooked such details as the holocausts of the '50s and '60s in which millions died on the whim of 'the old pervert' Mao—because China is, well, "different."

Whatever his motives for mounting this particular hobby horse, Patten was commendably thorough in exposing one of the great intellectual blind spots of the age. His assertion is that speaking up for a civil society in China matters more than cooing over its possible economic might in the next century. East and West will not mark the end of the discussion but it makes a forceful contribution: Never mind what the People's Republic might be, now or in the future; hold it to account for what it does to its people.

Colleague Lo in Taiwan noted that although the Chinese government has refrained itself from curbing the press in Hong Kong, it has added Article 23 to the Basic Law, "banning acts of treason, sedition and subversion against the Central People's Government or theft of state secrets." Aside from changes in the law, the Chinese leaders have reiterated that they will not allow the press in Hong Kong to advocate the independence of Taiwan or Hong Kong. Nor will they allow personal attacks on the Chinese national leaders. In addition, China has actively "co-opted" some media by patronizing them with abundance of economic benefits and information resources.

There is plenty of reason for being pessimistic about future of Hong Kong's news media. Lo said that some media watchers have observed the omission of columns critical of China, the adoption of more conciliatory editorial stand towards China, and even the avoidance of commenting on China affairs. In a recent study of Hong Kong press, Lee and Chu (1998) also reported several cases of overt and covert self-censorship concerning news coverage of China. "It is self-censorship rather than direct intimidation that will undermine freedom of expression in Hong Kong," said the Committee to

Protect Journalists.

Frank Ching (1998) explained, "Media owners are frequently engaged in other kinds of businesses into China's growing market. They feel that they cannot risk the ire of the Chinese government. From that stems the desire to tone down criticisms of China, its officials, and its policies."

Therefore, concern about China's economic pressure seems to be the primary sources of self-censorship. China holds huge funds and resources which can be disbursed by its companies in Hong Kong through advertisements. "China's enterprises are not permitted to advertise in the blacklisted publications; in some cases, significant advertising was offered but later withdrawn, " said Chin-Chuan Lee (1998), professor of journalism at the University of Minnesota.

Hong Kong journalists may also censor themselves for real or feared reactions from China. Ching said, "Many journalists believe that Chinese officials keep dossiers on them and fear that their writing may be used against them later." "Journalists are also vulnerable in that they need the cooperation of Chinese officials if they are going to write about China. If they are denied permission to travel to China and are cut off from sources of information, then they cannot function. Their careers as China reporters can easily be terminated," he added.

"Xinhua routinely keeps files on local journalists and closely monitors their work," Lee said (1998) "Those journalists falling into disfavor see their entry permits to China denied or their reporting efforts stymied by mainland authorities. Reliable veteran mainland journalists have been placed in local media. The jailing of several Hong Kong reporters on assignment to Beijing has further produced a chilling effect." Therefore, he believes that self-censorship is probably the most significant means of media control in Hong Kong.

"Clearly, self-censorship has emerged as one of the pressing problems facing Hong Kong journalists, " Lo said early in 1999. "Unless measures are taken to remedy the growing practice of self-censorship, Hong Kong's coveted press freedom will be seriously eroded."

On too many occasions, China gets away with infringement on people's intellectual rights. China's leaders have every right to make Hong Kong "more of a Chinese city" if they want, but not a Communist city; trampling on the very freedoms that it has pledged to uphold is a travesty, a burlesque behavior

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In seeking the best and most authoritative information and analysis available on the press freedom situation in Hong Kong, I am particularly indebted to Professor Lo Ven-hwei, Department of Journalism, College of Communications, National Chengchi University, Taipei, Taiwan, for the original survey he conducted and essay portions, he contributed.

Special thanks go to several publishers for permission to quote at length from their works: particularly Aurum Press, London, for Steve Vines' book *Hong Kong: China's New Colony* published in early 1998, Vines is undoubtedly the best foreign correspondent writing from Hong Kong today and his work may be seen in *The Independent;* Prentice Hall, Australia, whose book *Hong Kong and China: The Red Dawn*, edited by Chris Yeung, is a feast for the Hong Kong-watcher.

A sense of humor, not to mention a finely-tuned intellect, brought to all of this was provided by Dr. George Adams, the Hong Kong raconteur whose satirical Website "*NOT The South China Morning Post*" is a delight. Alas, his mischievous acts like the January 24, 1999 juxtaposed (mistakenly?) photographs of Jiang Zemin and late comedian Benny Hill, may yet get him in trouble.

Finally, I wish to acknowledge the support of The Tokyo Foundation (former Global Foundation for Research and Scholarship,GFRS) in Tokyo and its president, Kimindo Kusaka and all staff members.

Review sessions arranged by The Tokyo Foundation in February 1999 were particularly helpful and contributed several suggestions, although any problems or errors are my responsibility. The reviewers were Patrick J. Killen, veteran United Press International correspondent and editor and consummate Asia Hand; Satoshi Takata, Deputy Director of Kyodo News agency Radio-TV News Section, who has reported extensively from China; Daisuke Takoh, who has been involved in research at The

Chinese Academy of Social Sciences, The Brookings Institution, and The Japan Forum on International Relations; and Takahiro Suzuki, acting administrative director of The Tokyo Foundation.

APPENDIX

Table 1: News and Analyses about the Future of Hong Kong and Its Press Freedom in Taiwan and China Newspapers

Number of Stories

	Fre	%
Taiwan	181	59.7%
China	122	40.3%
Total	303	100.0%

Number of Words Per Story

	Average
Taiwan	1203
China	1232

Number of Photographs

	Fre	Ave
Taiwan	43	.24
China	31	.25
Total	74	.24

Perception of the Future of Hong Kong

	Taiwan Newspapers		China Newspaper	
	Fre	%	Fre	%
Positive	67	39.9%	115	94.3%
Neutral	41	24.4%	7	5.7%
Negative	60	35.7%	0	0.0%
Total	168	100.0%	122	100.0%

Perception of the Future of Hong Kong's Press Freedom

	Taiwan Newspapers		China Newspaper	
	Fre	%	Fre	%
Positive	10	32.3%	0	0.0%
Neutral	8	25.8%	0	0.0%
Negative	13	41.9%	0	0.0%
Total	31	100.0%	0	0.0%

Table 2: Editorials and Commentaries about the Future of Hong Kong and Its Press freedom in Taiwan and China Newspapers

Number of Items

	Fre	%
Taiwan	34	72.0%
China	14	28.0%
Total	50	100.0%

Number of Words Per Item

	Average
Taiwan	1326
China	1424

Perception of the Future of Hong Kong

	Taiwan Newspapers		China Newspaper	
	Fre	%	Fre	%
Positive	14	38.9%	14	100.0 %
Neutral	10	27.8%	0	0.0%
Negative	12	33.3%	0	0.0%
Total	36	100.0%	122	100.0%

Perception of the Future of Hong Kong's Press Freedom

	Taiwan Newspapers		China Newspaper	
	Fre	%	Fre	%
Positive	0	0.0%	0	0.0%
Neutral	2	66.7%	0	0.0%
Negative	1	33.3%	0	0.0%
Total	3	100.0%	0	0.0%

Table 3: Perception of the Future Economic and Political Situations of China, Hong Kong and Taiwan Over the Next Ten Years by Taiwan Journalists

Economic Situation

Area	Get a lot Better	Get a little better	Stay the same	Get a little worse	Get a lot worse	Don't know
China	10.2%	74.0%	4.8%	2.0%	0.2%	8.7%
Hong Kong	2.0%	14.3%	31.2%	37.8%	1.0%	13.4%
Taiwan	2.4%	23.9%	19.9%	32.4%	4.1%	17.3%

Political Situation

Area	Get a lot Better	Get a little better	Stay the same	Get a little worse	Get a lot worse	Don't know
China	1.9%	47.0%	23.6%	6.4%	1.1%	19.9%
Hong Kong	1.0%	11.1%	19.8%	46.3%	4.2%	17.7%
Taiwan	2.8%	34.9%	18.8%	18.8%	3.6%	21.1%

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