THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

HONG KONG: HAPPY WITHOUT DEMOCRACY?

A CNAPS Roundtable Luncheon with

FRANK CHING
SENIOR COLUMNIST
SOUTH CHINA MORNING POST

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PROCEEDINGS

DR. BUSH: I am Richard Bush, the director of the Center for Northeast Asian Policy Studies here at Brookings, and on behalf of Jeffrey Bader, the director of our China Initiative, and myself, it is our pleasure to welcome you here today for this joint event featuring Frank Ching, our old and good friend.

We are not going to abuse Frank's human rights and have him speak before he eats. We are not going to abuse your human rights and have you listen before you eat, but we will get back to that a little bit later.

Please enjoy your lunch, and we will get to the substance of the event a little bit later. Until then, bon appétit.

[Luncheon break.]

DR. BUSH: Ladies and gentlemen, if I could have your attention, please. I hope you have enjoyed the cuisine of Chez Brookings, and now we get to the really good stuff.

Frank Ching is an old friend of this Institution. He is one of the leading journalists of East Asia. He has worked for the *Far Eastern Economic Review*, *New York Times*, *Wall Street Journal*, and now the *South China Morning Post*. You can always count on him for insightful commentary on the events of the day in Hong Kong and China, and we are very privileged to have him speak to us today about the current situation in Hong Kong and an important question; that is, what has happened to the demand for democracy?

Now that the government of Hong Kong seems to be performing well and the population seems to be satisfied, the concern for the political system and the political process seems to have diminished as an important issue. That is I think a question that is worth exploring, and we are happy to have him do it for us.

I give you Frank Ching.

[Applause.]

MR. CHING: Thank you so much, Richard, for that introduction.

Actually, Richard asked me to give him a topic, and I couldn't think of anything

better. So I said, why not, do people still care about democracy, since everything seems to be looking up in Hong Kong?

I will give you some figures, actually. In February, there was a survey by the University of Hong Kong that showed that distrust in the Hong Kong government was only 8 percent. This is the lowest level apparently since 1997, since the handover. I know it is a negative measure, this trust, but since then there have been other surveys in March, April, May, and those show that trust in the Hong Kong government is now at 68.8 percent.

Trust in the Beijing government is a little lower, 52.8 percent, but still the highest since 1997, and confidence in China's future is at 86 percent. Confidence in China's future is very important to Hong Kong, since Hong Kong's future is linked to that of China, and then to satisfaction with life.

Back in 2003 when there was this huge demonstration by more than a half-million people, surveys showed that 51 percent of people were satisfied with their lives in Hong Kong. Now that number has gone up to 75 percent, which is really very impressive.

Then there was a survey on the happiness index. Actually, I had never heard of a happiness index, but in Hong Kong, the happiness index is hovering around 70 percent, and that is supposed to be quite good. So it seems that everybody is happy, and yet, there has been no change. There is still no democracy and no sign of democracy being any closer than it ever was.

So the question is, are people happy, despite not having democracy? I think you know the answer to that. The answer to that is both yes and no. People are happy, but they still want democracy, and I will cite some figures later on to support that.

Now, 67 percent of people in Hong Kong want Donald Tsang to run for a second term. Donald Tsang became Chief Executive a little less than a year ago, and his term is only for 2 years. He has to serve out the remainder of Tung Chee-hwa's term, and people have been focused on whether he will get a second term, a full 5-year term. I would say the chances are very high.

So it seems that Donald Tsang is doing something right. Because people's sentiments have turned around so dramatically over the last year or two, you would think that he must be doing something right, and yet what has he done?

His political reform package was rejected by the legislature. His plans for a West

Kowloon Cultural District have had to be scrapped, but yesterday he did achieve a great victory in the legislature in that the legislature passed his 5.1-billion, Hong Kong dollars, plan for Tamar, moving the central government offices onto Tamar together with the legislative council. That is something that is tangible, and this is something that he has achieved and that he can point to as one of his achievements during the 2 years.

In spite of the obvious success of Donald Tsang, I think he is successful because people see him as someone who is effective, who knows how to get things done, and that image is very different from that of his predecessor, C.H. Tung. Tung was seen as something of a bumbler, not very effective, and that is understandable since Tung had never worked in THE government and Donald Tsang had spent his whole life with the government, close to 40 years, but I think that there are some problems with the Tsang administration, and one of them is that it tries too hard to be politically correct.

I think the Hong Kong government tries very hard to please China. I guess it is natural because the Chief Executive is appointed by the central government, and if they are not pleased, then they are not likely to appoint Donald to another term.

I will give you some examples. One is last summer when the European Commission came out with its annual report on Hong Kong. A lot of people do reports on Hong Kong. The U.S. does, the British government does, the European Commission does, and that is very good that people are monitoring the situation, but the European Commission, in its report, was critical of the Chinese government for denying universal suffrage to Hong Kong and said that this did not seem consistent with the idea of one country, two systems, with Hong Kong enjoying a high degree of autonomy.

The Hong Kong government then came out with a statement saying under one country, two systems, there was never the intention that Hong Kong would be able on its own to change the method of election of the Chief Executive or the legislature. I take issue with that, but that is one thing.

Another thing is last month, the UN Human Rights Committee held hearings on Hong Kong under the International Covenant on Civil and Political Rights. They have done this before. Again, they criticized the way Hong Kong elections are held for not being equal and universal suffrage, and the Hong Kong government, instead of saying we are not allowed to do this by Beijing, argued with the UN committee that we don't have the obligation to do this because the British government had entered a reservation saying that Hong Kong would not have to hold elections to either the Executive Council or the Legislative Council.

The UN committee took the position that, while you once had a reservation so you don't have to have elections, if you have elections, you have to do it the proper way. It has to be by universal and equal suffrage. So the Hong Kong delegation argued, no, we don't have to hold elections, and if we hold elections, we don't have to do this your way.

Another example I have is from last fall when there was a food scare in Hong Kong. Freshwater fish from the Mainland was found to be contaminated, tainted with this thing called "malachite green," which supposedly causes cancer, and malachite green is banned in the U.S., it is banned in Europe, and it is banned in Hong Kong.

For a period of time, the government was taking samples, testing them to see if the fish showed signs of having malachite green, and they tested both fish imported from the Mainland and fish from local fish farms. None of the fish from local fish farms had this malachite green. The only ones that had it were from the Mainland, but the government in its daily reports said something like samples tested were 66, and samples that tested positive were 17, without telling you that all 17 came from the Mainland and that none of the fish in Hong Kong tested positive. I don't think that the Hong Kong government ought to be doing these things, like protecting the central government's reputation.

Another thing that I find troubling about the current government in Hong Kong is that it seems to be following a path of government by secret survey. In the summer of last year, shortly after he became Chief Executive, Donald Tsang gave a talk at the Foreign Correspondents' Club, and he said that people in Hong Kong give a very low priority to universal suffrage. They think that it is much more important to have a central slaughterhouse for chickens, and this finding was the result of a survey conducted by the Central Policy Unit in April of last year.

I am sure if he says they conducted a survey and had this finding, I am sure it is true, but I think it is dangerous for the government to conduct surveys on its own without telling people that they will act according to the findings of the survey, without people knowing how the questions were formulated and how many people were asked, and no outside scrutiny. I think it is dangerous for the government to do this.

Last week, he sort of did it again in an interview with Bloomberg. He said that 70 percent of people in Hong Kong support moving government headquarters to Tamar, 20 percent opposed and 10 percent took no position, and he did not support these figures in any way. Subsequently, the government said these figures came from surveys, meetings, talk shows, and phone-in programs.

It all seems very nebulous, but the survey part is what bothered me also, that the government would hold surveys and tell people, "We have this information, and this is what the public wants. You don't have our information, so you don't know." It sort of reminds me of Richard Nixon who at one point said that the government has all the information, all the facts, so it knows best, and the people should just trust the government. I think that there is a tendency on the part of the Tsang administration to think along those lines.

What about universal suffrage? The Hong Kong government, namely Donald Tsang, has decided to give the issue to an advisory body to discuss, the Commission on Strategic Development. There is a committee within the Commission charged with this. They were first told to discuss the principles and concepts of universal suffrage, and now beginning in June, they are supposed to discuss various models that Hong Kong could consider if it were to adopt universal suffrage: whether Hong Kong should have a bicameral system, for instance.

This seems to be not a bad idea, having a group of people discuss these things, and the idea is that by the middle of next year when Donald Tsang will begin his second term, the Commission will have come out with a roadmap for universal suffrage. He has said that once there is a roadmap, then it would be easy to come up with a timetable. China knows this is happening, but it has not taken a position; that is, the Chinese government hasn't come out to say, "Well, whatever the Commission decides, we will accept," -- the roadmap, timetable, whatever.

You know that in 2004, Hong Kong was in crisis when the central government, the National People's Congress Standing Committee, basically reneged on promises made to Hong Kong in the 1990's during the transition to Chinese sovereignty.

In 1993, Lu Ping, director of the Hong Kong and Macau Affairs Office, made a statement, and I have it here. This appeared in the front page of the *People's Daily* overseas edition on March 18, 1993. Lu Ping said, "As for how the legislature will be constituted after its third term, all that is needed is for two-thirds of legislators to approve, the Chief Executive to give his consent, and then report to the Standing Committee for the record. There is no need for central government approval. How Hong Kong develops democracy in the future is entirely within the autonomy of Hong Kong." This is very clear.

Basically, the same thing was repeated the next year by the Chinese Foreign Ministry, and this appeared in the *People's Daily* on February 28, 1994. It appeared in English in the *China Daily*, the same day. The text occupied a full page, but this section

of it was a few paragraphs long.

The British and the Chinese had held negotiations on how elections should be held and eventually did not reach agreement. So the Chinese issued a statement describing from their perspective what had happened, and the British had asked the Chinese side to guarantee that if the people of Hong Kong wanted the entire legislature to be elected through universal suffrage that the central government would approve.

So the Foreign Ministry issued this statement. I will read aloud the second paragraph only. The Foreign Ministry said, "It is a question to be decided by the Hong Kong SAR itself, and it needs no guarantee by the Chinese government."

So these two statements I think are very clear, and you can find them since we have the dates when they were made and the newspapers that they appeared in. That is why I take issue with the Hong Kong government saying that it was never intended that Hong Kong could on its own make these decisions because it was very clear that it was intended. The Chinese government said so.

In April of 2004, the Chinese government reneged. This is because the Basic Law has this line in Annex 2, "method for the formation of the Legislative Council and its voting procedures subsequent to the year 2007." "With regard to the method for forming the legislative council and its procedures, if there is a need to amend the provisions of this annex, such amendments must be made with the endorsement of a two-thirds majority of all members of the council and the consent of the Chief Executive, and they shall be reported to the Standing Committee of the National People's Congress for the record." Now, that is very clear.

What the Standing Committee of the NPC did was it focused on this phrase, "if there is a need" to change the election method, and then they said, "But who decides if there is a need?"

Previously, if you look at what Lu Ping said, what the Foreign Ministry said, it was ultimately to be decided within Hong Kong. If Hong Kong feels that there is a need, then they can do this. Two-thirds of the legislature has to approve. The Chief Executive has to consent, and then it is done, just report to the Standing Committee for the record.

Now they are saying, "We will decide if there is a need in Hong Kong to change the method of election." So, from then on, the Basic Law was really changed, and now the procedure is that Hong Kong cannot initiate anything. Before anything is done the Hong Kong Chief Executive has to write to the Standing Committee of the NPC and say

we think there is a need, and the Standing Committee will then decide if it is true, if there is a need to change the electoral methods.

So what happened in April of 2004 was that the Chinese government reneged on promises publicly made more than once, and then it also issued a decision saying that universal suffrage will not be the means for electing the Chief Executive in 2007 or the legislature in 2008, but that other things can change. For instance, the size of the election committee can change, and the size of the legislature can change, but the proportions of those elected directly by the public and those elected through the functional constituencies must remain the same. So right now it is 50/50, and the Standing Committee was saying it will have to remain 50/50.

After this, there was a big attack on democrats in Hong Kong. You will probably remember this. They were called "traitors." In particular, Martin Lee was called a "traitor," and then this Chinese official said not only was he a traitor, his father was also a traitor. Martin's father was a general of the Nationalist forces.

After the 2003 big protest march, I think that China decided that it needed to be more hands-on with Hong Kong, that it didn't really know what WAS going on in Hong Kong. They had trusted Tung Chee-hwa to run things, and they decided that they had to keep Hong Kong under a tighter leash. The Vice President Zeng Qinghong was given the portfolio of taking care of things in Hong Kong, and last year he made his first visit to Hong Kong to open Disneyland. I think it was an excuse for him to visit Hong Kong and talk to people and so forth, but he soon came up with sort of a new message, and this is to be non-confrontational. The message that he stressed was harmony.

In a speech that he gave at a dinner banquet, he used the word "harmony" seven times. At the same dinner, Donald Tsang gave a speech, and he used the word "harmony" four times. So, clearly, this is the new mood. The new mood is to maintain a spirit of harmony, and in that spirit, all the democrats were invited to his dinner -- all the democrats in the legislature, that is. All 60 members were invited, and this is the first time democrats had been invited to a meeting with a senior central government official.

Then the entire legislature was invited to go across the border to Guangdong, again, including all the democrats, which was a major move because at least 10 of them had not been able to go across the border since 1989 because of Tiananmen Square and the protests against this.

So the Chinese government had sort of decided on a new approach, and for a while, they were fearful that the democrats would get a majority in the legislature, in the

elections of September. After the elections were over, the democrats got 25 out of the 60 seats, but it was short of a majority, and the Chinese government, I think, became more relaxed. So this is their current position, although they have made it clear that they are still quite adamantly against the early introduction of universal suffrage.

Last month was the sixteenth anniversary of the promulgation of the Basic Law, and in Beijing, there was a seminar held where a number of people who are described as "guardians of the Basic Law" spoke. The guardians of the Basic Law are people who took part in the drafting, and now that some of them have died, younger people are being groomed to, I guess, take over Hong Kong affairs.

At that seminar, it was said that Hong Kong was not ready for democracy yet, that there were conditions that were still unmet, and I think one of them was that there was not enough patriotic education in Hong Kong, the people in Hong Kong lack a sense of patriotism, and that Article 23 legislation had not been passed. Remember, it was the Article 23 legislation that in 2003 gave rise to the tremendous protest march.

So the Chinese government's position is quite clear. They want harmony now. They still don't want to give in on early universal suffrage, but they are no longer calling people "traitors."

Because the Standing Committee said that you cannot change the proportion of directly elected legislators and the functionally elected ones, Donald Tsang came out with a political reform package that proposed doubling the size of the election committee to elect the Chief Executive from 800 to 1,600 people, and most of these new seats would go to people from district councils. There are about 500 district councilors. About 400 of them are directly elected and 100 appointed by the government, and the idea was to put all of them in the election committee. I think that that would have been a very good change, and that would have introduced a major element of elected people into the election committee.

He also proposed expanding the legislature from 60 to 70 seats. Because of the Chinese government's stricture on the proportions of the seats, five of the new seats would be directly elected and five functionally elected, but the functional ones would all come from the district councils, most of whom are directly elected. So that would be a major departure from the traditional definition of a functional constituency, which was very narrowly based. So, again, I thought this was a good thing, and also it would have opened up the legislature to new faces, expanding the seats from 60 to 70.

A lot of young people are interested, but they can't run. They don't have a chance

of winning because all of the incumbents don't want to give up their seats. So I think expanding the legislature would have been a good move. Unfortunately, this was defeated because the democrats all voted against it. The democrats said that they want a timetable, and this doesn't contain a timetable. So they voted against this, but they still don't have a timetable.

I think I am coming to the end of my time. Let me conclude by citing some other figures. I started off by telling you that 67 percent of the people want Donald Tsang to run for a second term. Well, 92 percent of the people want it to be a contested election. That is, they don't just want Donald Tsang to continue as Chief Executive, they want to see a contest, which to me is a very strong indication that people in Hong Kong still want democracy.

Then another survey by the Hong Kong Transition Project showed that if things were to go wrong in Hong Kong, a lot of people are prepared to leave -- 44 percent, in fact. This is only people who have the ability to leave. Apparently, 4 percent of people want to leave, but say that they don't have the ability to leave. Of those who say they will leave, two-thirds of them are among the wealthiest people in Hong Kong.

The majority of people with college degrees say that they will leave, and three-quarters of teenagers say that they will leave. So I think that this is very important because if the Chinese government were to make a mistake in Hong Kong, it could end up paying a very high cost with the outflow of the people that Hong Kong needs.

Why don't I stop there now and see if you have any questions.

[Applause.]

DR. BUSH: Thank you very much, Frank.

We will open it up to questions. Please identify yourself and wait for the mic. I will let you sort of field the questions.

MR. CHING: Okay. I only see one hand. Jeff?

AMBASSADOR. BADER: I am glad I get to ask the only question.

Frank, what do you think happened between those statements by Lu Ping that you cited in '93 and '94 and the decision in 2004? Do you think that the statements by Lu Ping and the MFA were sincere or insincere and that something happened in the interim, and if

so, what?

MR. CHING: Oh, I think they were sincere. I am very disappointed that Lu Ping hasn't come out to say anything because, even though he has retired, he is still around.

The Deputy Secretary-General of the NPC, QIAO XIAOYANG (delete: Sheng Huaren,) has said, "Regardless of who said what in the past, the ruling by the Standing Committee is definitive. This is the highest organ of state power." So everything that was said in the past is now, I guess, null and void.

I would imagine that they were sincere when making those statements in the 1990's. They did not expect to see events develop in Hong Kong the way they actually did, and the people who constitute the Chinese Government now who made the decisions may not even have been aware of Lu Ping having said this or the Foreign Ministry having said something, but I think that basically they decided that they had to have control over Hong Kong. The statements made in the '90s, the primary purpose was to reassure people about the future, reassure the people of Hong Kong, and also the international community about Hong Kong's future, but when it is a case of the Chinese government fearing that they will lose control, then that is more important than anything else. They want to be sure that they retain control.

Yes?

MR. McVADON: Eric McVadon, Institute for Foreign Policy Analysis.

Frank, I was thinking as you were speaking, are there discussions, concerns, interest in Hong Kong in the effect of the Hong Kong situation on Taiwan, sort of as an example or not an example or what have you? How does that discussion go?

MR. CHING: I am not sure there is much of a discussion in Hong Kong.

As you know, the original idea was that the special administrative region, the "one country, two systems" formula, was devised with Taiwan in mind, and because the British pressed China for a decision on the future of Hong Kong, China changed its priorities and decided to apply this to Hong Kong first and use it as a model for Taiwan, but I think Taiwan does not see it as a very inspiring model.

I don't think people in Hong Kong discuss this. Sometime they use it, and they say, "Well, if you want Taiwan to accept this idea, then you have to treat Hong Kong better," but I don't think there is any serious discussion of this idea.

Yes?

MS. MOHRMAN: Kathryn Mohrman from the Hopkins-Nanjing Center.

You have made reference several times to the massive demonstrations in 2003, and I am wondering how much we should look at those as a desire for democracy, how much should we look at them as frustration with Tung Chee-hwa or economic conditions or other factors, and so, therefore, what implications do those demonstrations have for the present time?

MR. CHING: Well, I think 90 percent, maybe, due to frustrations AND the state of the economy.

Those protests were not held in the name of democracy. They were held against the national security legislation being drafted to implement Article 23, and very clearly, people in Hong Kong were very unhappy over the way things had developed since 1997, not politically, but economically. Well, a lot of people had negative equity; they were unemployed. I think at that time, the unemployment rate was over 8 percent. So I think it was largely people being unhappy demonstrating, and it was not primarily a demonstration for democracy. The democrats tried to present it as that, but it wasn't that, really.

Yes, James?

DR. TANG: James Tang, Brookings.

Frank, I want to go back to your main theme that people are happy, yet there seems to be still a very strong desire for democratic change. The question to me and something I actually point to a lot is, how do you see this tension developing? Under what circumstances do you think people would find it very difficult to tolerate that kind of slow progress in democratization and then do something to push for it, or do you think because people in general are happy, or even if they are not that happy, but they get by and somehow there won't be strong political pressure for that kind of change until the political circumstances become very different or Beijing has changed its position? How do you see this?

MR. CHING: Well, you know, on Sunday, two days ago, there was a march in Hong Kong to commemorate the seventeenth anniversary of Tiananmen Square. 1,100 people showed up. That is a very tiny turnout for an event like this. There is going to be a demonstration on July 1st. I don't think there will be a large turnout.

I think to some extent, the Chinese government has succeeded in defusing (delete: diffusing) the situation by pumping up the Hong Kong economy, like through CEPA and through sending large numbers of Mainland tourists to Hong Kong, and once that element of economic unhappiness is gone, then it is very difficult to imagine a massive turnout of people purely to support democracy and nothing else, if there is no threat of Article 23 legislation coming back, but any combination of things could result in a large turnout. Bird flu, any major incident, could trigger a large turnout, but I think just the idea of people demonstrating for democracy alone would not attract that many people.

I would think that a minority of people already feel that they have waited too long for democracy and that it should come immediately. The Civic Party's position is that it should come as soon as possible.

I agree with that, but I think the Chinese government says that it has to be gradual and orderly progress. So I don't see the Chinese government changing their position, and I think that we will have to wait and see what comes out of the Commission of Strategic Development discussions.

I think it is important for China to recognize those discussions. Like Donald Tsang has said, "This commission is going to debate these things, and if they come out with a consensus, then we will act on that consensus." I think it is important for the Chinese government to endorse this idea that if the commission comes out with a roadmap, then the Chinese government would be bound to follow that roadmap, and at the end of that roadmap, there should be a timetable for universal suffrage.

[Tape change.]

MR. CHING: Yes?

MR. CHEN: Greg Chen, mayor's office in Washington, D.C.

Recently, President Bush met three people from China, Chinese house church leaders, and the next day, we heard that one of the seminaries in Hong Kong canceled or withdrew their invitation to one or two of them. What does this incident imply? Can you comment on that? So even in the seminary, they have to listen to the Chinese government’s voice?

MR. CHING: I'm sorry. I don't know about this. A seminary in Hong Kong canceled an invitation to them? I don't know about it. Sorry. Maybe somebody else does.

MR. CHEN: The invitation, we understand, was issued a while ago. Because of all the publicity of their meeting President Bush, I think the Chinese government protested before the meeting, asking Bush not to meet with them, and immediately after that, there was a withdrawal.

MR. CHING: Yes. I'm sorry. I will look into it, but offhand, I don't know the answer to your question.

Dave?

MR. BROWN: David Brown from SAIS.

Frank, you talked about the commission and how its work is going to evolve through the principles to models and then to a road map. My question is what role is Donald Tsang going to play when it comes time to define this roadmap because at that point it strikes me that either he is a completely neutral observer and says there isn't any consensus on where to go and so we can't make proposals or else he has to take some kind of a leadership role in trying to sort out and provide some direction to this. How do you think he is going to play this when the time comes?

MR. CHING: I don't know exactly, but he is the chairman of this committee.

MR. BROWN: Yes. So he can't duck.

MR. CHING: Right. I would hope that his intention is to actually come out with a consensus at the end of this process rather than simply be wasting time. If nothing emerges from this process, I think there will be a lot of frustrated people. So I imagine that Donald would want to have a consensus come out, if possible.

I am not a member. So I don't know how these meetings are actually conducted.

Yes?

DR. SWAINE: Michael Swaine, Carnegie Endowment.

If you look back on U.S. policy and commenting on what has been going on in Hong Kong over the last decade or so and if you look ahead, what do you think is an appropriate position that the U.S. government should take in trying to influence the kind of issue that you are talking about in Hong Kong, particularly public attitudes about the

question of democracy versus economic welfare?

MR. CHING: Well, it seems to me that the U.S. government has been doing the right thing so far in the comments that it makes in public.

Now, it is interesting to note that very often the U.S. consul general in Hong Kong would give a speech and comment on the slow pace of democracy, and the Chinese Foreign Ministry would issue a statement saying this is interference in our internal affairs.

I remember one year, there was a British consul general who gave a speech within a week of the U.S. consul general's speech, and he didn't talk about democracy. He talked about the economic situation in Hong Kong, and there was no protest.

So I feel that China protests only when it doesn't like what the person is saying. It is not really a matter of one person interfering and the other person not interfering, but I think so far the U.S. has played a generally positive role, and I think it is important for Hong Kong that outside governments and people continue to take an interest in Hong Kong and monitor the situation there, so that China will know that the eyes of the world are still on Hong Kong.

Yes?

DR. KAN: Shirley Kan, CRS

One of the most important things for development of democracy would be a free press, and people in Hong Kong enjoy a relatively free press compared to people in the Mainland. How well do you think the press in Hong Kong is doing, and then where might they improve? Has the imprisonment of Ching Cheong intimidated the press corps in Hong Kong to any degree?

Thanks.

MR. CHING: Well, to answer your last question first, I don't think the imprisonment of Ching Cheong has had any kind of effect on the free press in Hong Kong. If anything, there have been lots of articles and editorials calling for Ching Cheong to be released. So I don't think that is intimidation.

Also, I notice that some people say that this is an attack on freedom of the press, but the Ching Cheong case doesn't really bear on the press. They say that he was

engaging in espionage for Taiwan, which is not something that reporters do.

I think the New York Times case is much more related to the press because they suspect that he had given information to the Times that resulted in an article. With Ching Cheong, they are not questioning anything that has appeared in the print. They are not saying that he wrote anything that he should not have, that he had made use of confidential information to write stories. It seems to me, at least the publicly (delete: public) made charges, this is all about espionage. So I don't think this is pressure on the press as such.

I'm sorry. Your first question was on the state of the press in general. Let me tell you a story. Again, during the transition period, Lu Ping, the director of the Hong Kong and Macau Affairs Office, talking about the press, said, after 1997, the Hong Kong press will not be able to advocate Taiwan independence or Tibetan independence or Hong Kong independence, that before 1997, maybe the press could do that, but he said if somebody else advocates Taiwan independence, you can report it as news.

Now, in the year 2000, Chen Shui-bian was elected president in Taiwan, and China was very, very upset, and a senior Chinese official in Hong Kong came out and spoke to a group of journalists and said you should not report Taiwan independence news, that is, not just not advocate independence, but you shouldn't report it when somebody else advocates it because that is promoting Taiwan independence views. Subsequently, *Ming Pao*, which is a leading Chinese-language paper, published a long piece on the op-ed page supporting Taiwan independence, and a week or two later, they published another long piece opposing Taiwan independence. I thought that was wonderful because they were sending the message that the free press should be able to publish any kind of view, and I do not feel that the Hong Kong media was intimidated by that statement.

Another official came out and warned the business community not to do business with pro-independence Taiwanese, and I don't think the business community was intimidated. In fact, Tung was very upset and contacted the head of the liaison office at that time, and they both said that business would not be politicized.

Yes?

PARTICIPANT: Okay. I have two questions. One is to just follow what you just said about Taiwan. What does Taiwan feel about the situation in Hong Kong, whether it is good for them to be united?

Number two is basically what I want to ask. In the past years, since the return to China, have you noticed any improvement in the competency of the students' Chinese language? Achievement tests, we are talking about.

I remember when Wang Gungwu was the vice chancellor of Hong Kong University. He said his regret was that he wasn't able to do anything about improvement of their English, and now I would like to ask whether the students' accomplishment in Chinese language has improved dramatically or not?

Thank you.

MR. CHING: Thank you.

Well, I constantly hear comments to the effect that English standards are dropping in Hong Kong, but then the people in the government would always defend and say they are not really dropping. It is just that there is much greater demand for English now than before, and in the past, only, maybe, 4 percent of secondary school graduates went to university, and when they came out, they had very good English, but if you take the top 4 percent now, they still have very good English except now, because Hong Kong is a service economy, there is a much greater need for English speakers. Therefore, the average might be lower than what is desirable.

I was told recently that this problem is not just with the students' English, that it is also a problem with the students' Chinese -- that Hong Kong students basically cannot write in either English or Chinese. I think that this is probably (delete: so) true to a large extent.

So I am not aware of any major improvement in Chinese standards in Hong Kong, but it is also true that many more people now speak Mandarin than before. A lot of people have studied Mandarin, and on the streets, you hear Mandarin spoken, partly because there are a lot more Mainlanders and people from Taiwan IN (delete: and) Hong Kong, but Mandarin is spoken a lot more, and I think the Hong Kong government eventually will introduce Mandarin into the schools. I think that will be a good thing. They cannot just learn Cantonese.

PARTICIPANT: My first question was about Taiwan's reaction to Hong Kong.

MR. CHING: I don't think Taiwan thinks that Hong Kong is relevant, that what goes on in Hong Kong is relevant to Taiwan. I don't think anyone in Taiwan thinks, at least today, that they want to be part of China and "one country, two systems." I think

that would be a very, very tiny number.

I'm sorry. There is a person in the back.

MS. HO: Helen Ho, China Law One.

Frank, you gave actually several very good reasons as to why the public opinion may have improved. First, SARS was gone and has not come back. Article 23 was shelved and has not returned. A more effective Chief Executive has been appointed.

In fact, your topic, even though it is something that you said you just came up with, seems to represent the new slogan for China for Hong Kong as "Happy without Democracy," and in terms of the harmony approach, it seems to be working. So what you basically are saying is that unless something really terrible happens, unless the stock market tanks so much that the real estate dropped again and homes become negative equity again, otherwise there is really no major factor for sentiments to change. At the same time, there is really no force causing China to change. So is this going to be the new model?

MR. CHING: Actually, I think I am saying that China has to be very careful in managing Hong Kong because if it makes a mistake, there could be disastrous circumstances.

Right now things look very good, but that can change because of something. We cannot anticipate what that something is, but if something were to happen, a lot of people would become very unhappy again. This current state is not one that you can assume is going to go on indefinitely.

Warren?

MR. COHEN: Warren Cohen, UMBC and the Wilson Center.

Frank, I wondered about the NGOs. Has there been much interference in the operation of NGOs? Have they been effective in the areas of human rights and environmental change?

MR. CHING: In Hong Kong?

MR. COHEN: Yes.

MR. CHING: I don't think there has been any interference. I think NGOs in Hong Kong are pretty effective, and they are involved in all kinds of things, increasingly so, especially I think during the period when Tung Chee-hwa was in charge. Because the government wasn't doing anything, NGOs became much more active than previously.

Yes?

PARTICIPANT: Your last comment that this cannot go on indefinitely, that China needs to be very careful, could you compare this at all with the model in Singapore, where they could kind of economically "buy off" the population, as a term that I have heard used? Do you think China is trying to do this, follow that model with Hong Kong? It has worked in Singapore for a number of years. Could you draw any comparisons with that?

MR. CHING: Well, China has been saying for many years that Hong Kong is an economic city, not a political city, and people shouldn't be too preoccupied with politics, but only with making money. I think that to some extent, this is true, and to some extent, it works. I think the figures that we have seen today show that China has been successful to some extent in doing this.

What I am saying is that this is only part of the picture. There is another part of the picture that China has to be aware of, and it cannot simply ignore people's desire for democracy because it is still there.

DR. BUSH: I think that is the last question. Thank you very much. I think you have brought us up to date.

[Applause.]

DR. BUSH: And it confirmed that there are two sides to every story.

[Laughter.]

DR. BUSH: Thank you very much. We really appreciate your taking the time.

MR. CHING: Thank you.

DR. BUSH: Thanks.

[End of Roundtable Luncheon.]