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SUBJECT: Daily Digest 7/1: HONG KONG REVERTS TO CHINA

TO: Doris O. Matsui (Doris O. Matsui@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

In a torrent of editorials from all parts of the globe, analysts overseas

pondered the implications of yesterday's lowering of the Union Jack as

Britain

bade farewell to its last major colony and relinquished sovereignty of

Hong

Kong to mainland China. The tone of the press in the triad of countries

playing the major roles in this unprecedented event reflected predictable

sentiments. Beijing's official People's Daily bannered "the return of

Hong

Kong to the motherland," crowing: "The time for the Chinese nation to

cleanse

its century-old disgrace and feel proud and happy has come!" Its

commentary

also reflected the widespread perception that, after the reintegration of

the

former British colony, Taiwan would be next on Beijing's list of

reunification

targets. The concept of "one country, two systems," it said, paved the

way for

"achieving the motherland's complete reunification with the settlement of

...the Macao and Taiwan issues." In Britain, a sober voice in the conservative

Daily Mail described the handover scene: "The bands played. The flags came

down. And the heavens wept.... Goodbye to all that...and yes, to much else

besides.... That's how our empire has ended--not with a warm afterglow, but a

bitter twist." London's liberal Guardian also warned of the danger of forgetting about Hong Kong once the pomp and circumstance no longer hold the

media's attention: "The greatest betrayal would be if, after all the eulogies

to Hong Kong's way of life, the outside world lost interest because there were

no dramatic upheavals--and walked quietly away." In Hong Kong, the independent

South China Morning Post busied itself with practical matters. Its editor urged the new chief executive, Mr. Tung Chee-hwa, to "let the economy be," reminding him that the "major factors" in the former British colony's success

were "a clean and efficient civil service, respect for the rule of law and individual freedoms, a free and open media, and a level playing field for local and foreign businesses."

Elsewhere, observers generally agreed that China had a great deal to lose,

and

not much to gain, should it choose a repressive course in its future

treatment

of Hong Kong. A majority of writers concluded that any moves by China to

stifle the way of life the residents of the Special Administrative Region

have

enjoyed would destroy the vibrant economy that "homo hongkongiensis" has

built

up. A number of analysts also envisioned that the "virus" or "opium" of

Hong

Kong's capitalist life style would have a widespread effect on the

mainland,

causing China to become "more like Hong Kong," and not the reverse. Some

observers, however, thought that such a conclusion might be too

optimistic.

The liberal Melbourne Age, for example, called attention to the influx of

People's Liberation Army troops and equipment into Hong Kong and cited

Secretary Albright's statement that "the U.S. would keep a careful eye on

democracy" there. For its part, Taiwan's conservative, pro-unification

United

Daily News had harsh words for Beijing's "one country, two systems"

approach

toward Hong Kong. "If two systems are required, this must mean that

Beijing's

system...cannot meet the needs of the people," the paper opined, adding

that

Beijing should simply adopt the "one" system used in Britain's former

colony.

This survey is based on 95 reports from 32 countries, June 26 - July 1.

EDITOR: Kathleen J. Brahney

CHINA: "Warmly Greeting Return Of Hong Kong To The Motherland"

An editorial in the official, Communist Party People's Daily (Renmin

Ribao,

7/1) said, "At zero hour on 1 July 1997, people the world over listened to

the

solemn toll sounding in the East. Resounding throughout the world, it

solemnly

pronounced to the people on the five continents and the four seas: The

time for

the PRC government to reinstate its sovereignty over Hong Kong had come!

The

time for the Chinese nation to cleanse its century-old disgrace and feel

proud

and happy has come! With the completion of the Chinese and British

governments' handover ceremony and the proclamation for the establishment

of

the Hong Kong Special Administrative Region, the Chinese nation had

realized

its dream for Hong Kong's return that had gone on for more than a century,

and

also realized the long-cherished wish of people of several generations.... For this day, the Chinese government, giving the most importance to reunifying the motherland, came up with a realistic and practical way for achieving the motherland's complete reunification with the settlement of the Hong Kong, Macao and Taiwan issues on the basis of the 'one country, two systems' concept."

HONG KONG: "Tung's Challenges"

The independent English-language South China Morning Post opined (7/1), "For the next five years, the fate of Hong Kong will rest in the hands of Tung Chee-hwa.... While China has guaranteed that the existing way of life will be preserved, under the 'one country, two systems' concept, the dynamic nature of Hong Kong almost guarantees there will be significant changes in many aspects of life during Mr. Tung's tenure. The question is what will change, and how--and whether those changes will strengthen Hong Kong or weaken it as a thriving, free society which can be as great a success for the next 50 years as it has been for the last half century.... In the longer term, it will be Mr. Tung's task to maintain the momentum toward greater democracy, under the

timetable laid down by the Basic Law....

"For many, the key test of Mr. Tung's performance will be how he handles the evolution of Hong Kong's economy.... The Special Administrative Region has inherited some priceless bequests from Britain. Not least among these are a clean and efficient civil service, respect for the rule of law and individual freedoms, a free and open media, and a level playing field for local and foreign businesses. These have been major factors in Hong Kong's success. At present, their importance is universally recognised, with China pledging to allow them to continue.... Mr. Tung must preserve these values, and the whole of Hong Kong must stand behind him in doing so."

"Day Of Mixed Emotions"

According to the independent English-language South China Morning Post (7/1),

"While 100,000 people celebrated in Tiananmen Square, it was a day of mixed emotions here in Hong Kong. Undeterred by grey skies and rain, more than 1,000 people attended rallies organised by pro-democracy groups around the Legco

building. They sang songs and ignited a torch of democracy to show their determination to fight for greater freedoms. But an opinion poll carried out during the day for the South China Morning Post showed that 79 percent of respondents rated stability with less political freedom higher than more political freedom with a small risk to stability."

"Letting The Economy Be"

The independent South China Morning Post told its readers under the above headline (6/30): "To stay ahead, Hong Kong has to maintain its thriving relationship with the world, and prove to foreign companies that the bedrocks of its success--the rule of law, lack of corruption and a level playing field--are as strong and inviolable as ever. That guaranteed, the second vital component is the entrepreneurial spirit of the people.

"The present transition may be momentous in history, but Hong Kong has long been a city in transition. Hong Kong has flourished without an interventionist government, or with the kind of policies which proved successful for Singapore and elsewhere 15 years ago. Life has moved on since then. Geographically, strategically and economically Hong Kong is unique. It sets its own pace

by
adapting quickly to changing markets. Rather than being threatened by
emerging
economies, it is ideally placed to profit from them by concentrating on
higher
value activities and investing in education.... One area for change which
Mr.

Tung should address swiftly is our schools, which are crying out for
investment.... (If schools are improved)...the laissez-faire system which
has
served us so well will have even more reason to take on a fresh lease of
life
in the Special Administrative Region."

BRITAIN: "This Somber End To A Proud Story"

The conservative tabloid Daily Mail painted this picture (7/1): "The
bands
played. The flags came down. And the heavens wept.... Goodbye to all
that...and yes, to much else besides.... The best hope for the amazing
people
of Hong Kong, who have brought forth a commercial miracle from a few
barren
acres of rock, is that, with their drive and adaptability, they can
somehow
contrive to flourish in the bamboo cage to which they have been consigned
by a

desperately well-meaning Britain at its last colonial gasp. That's how
our
empire has ended--not with a warm afterglow, but a bitter twist."

"Will The East Be Red?"

The conservative Daily Telegraph led with the question above (7/1): "At
the
end of (the next) 50 years, we would hope that 'one country, two systems'
will
have become redundant. There will, rather, be 'one country, one system,'
and
that system will be Hong Kong's with the rule of law, freedom of speech
and
representative government.... To use a commercial expression familiar to
the
people of Hong Kong, we are looking for the biggest reverse takeover in
history."

"To Walk Away From Hong Kong Would Be Betrayal"

The liberal Guardian (7/1) editorialized: "China is most likely to damage
Hong Kong by inadvertence rather than through intent. An old leader may
take
offense at some imagined slight and no one may dare to contradict him.
Too
many mainlanders may try to cash in on the territory's prosperity;
jealous

provinces may seek to trim Hong Kong's success. Upheavals in a political system which must surely evolve in China--though no one knows quite how--would also impact unpredictably. Mainland China remains the biggest factor in Hong Kong's future.... Trimming and self-censorship will be Hong Kong's worst enemies, not secret directives from Beijing.... The greatest betrayal would be if, after all the eulogies to Hong Kong's way of life, the outside world lost interest because there were no dramatic upheavals--and walked quietly away."

"Chinese Promise To Preserve Laws And Democracy"

The conservative Times said (7/1): "Britain yielded Hong Kong, its most successful modern colony, to the government of China last night in ceremonies which were by turns extraordinarily emotional and austere.... Most importantly, the Chinese leader committed his country to allow Hong Kong to develop its democratic system in a manner suitable to the Hong Kong reality. Those were the words the Hong Kong people and the British representatives had hoped to hear. Once uttered, the atmosphere visibly warmed as Mr. Jiang went

on to reassure his audience that Hong Kong's importance as an economic center would be maintained."

"Hong Kong's Opportunity"

The independent Financial Times held (6/30): "Great responsibility now rests on the shoulders of Mr. Tung Chee-hwa, who replaces the British governor as chief executive.

"His commitment to hold elections for a legislative council within 12 months is reassuring. So was his willingness to reappoint most of the territory's top civil servants. His warnings about the limits to political protest and free debate are worrying. But he has an extraordinarily difficult path to tread between the interests of the people of Hong Kong, and the sensitivities of his ultimate masters in Beijing. Hong Kong's prosperity and the dynamism of its business community remain its greatest source of protection.... Beijing must understand that transparent government and respect for the rule of law in

Hong

Kong are essential to maintaining that prosperous link. Infection with corruption from the mainland would be fatal. But in the end, it seems unlikely

that 'one country, two systems' is a formula which can be preserved indefinitely. One system will prevail. Hong Kong's prosperity, and its ability to export it, could yet prove the decisive factor in determining the future of China."

"After The Fireworks, The Fate Of Democracy Unfolds"

The centrist Independent opined (6/30): "If recent events have shown Britain

has had little ability to carve Hong Kong's destiny in stone during these last

years of colonial rule, in the future it will have even less. The simple truth

is that China can do whatever it wants in Hong Kong. If it chose to send in

not 4,000, but half a million People's Liberation Army troops tomorrow, or to

jail Martin Lee and every member of the Democrats party, neither Britain nor

that genuine Pacific power, the United States, could do anything to stop it. To

suggest otherwise, to seek to protect democracy with grandiloquent

promises

that cannot be met, is merely to invite humiliation and charges of

betrayal

from those who took the pledges at face value.... With or without Hong

Kong,

relations between the West and Asia's emerging superpower will always be

prickly. Britain and its allies must scold China where necessary, call it

to

account before international bodies, and exert the maximum pressure to

keep

Hong Kong squarely in the international spotlight. If only every annual

meeting of the IMF could be held there, not just the one coming up this

autumn."

EAST ASIA AND PACIFIC

TAIWAN: "Contradictions And Unification"

The conservative, pro-unification United Daily News wrote (7/1): "Frankly

speaking, the 'one country, two systems' proposal designed by Beijing to

keep

Hong Kong 'unchanged for 50 years' may be only the lesser of two evils.

Nevertheless, to apply this method would naturally expose a defect that

even

Beijing would not want to admit, namely, if two systems are required, this

must

mean that Beijing's system is not good enough or that it cannot meet the

needs

of the people. Since mainland Chinese people are also human beings, why can't

Beijing simply use the same system as that used in Hong Kong, thereby making

'one country' have 'one system?...' The 'one country, two systems' policy is

especially designed for Taiwan, and Hong Kong is nothing but a subject of experiment. The concern of the people of Taiwan regarding the 'handover' is

focused more on the political side rather than the economic. The Beijing authorities should realize that when it cannot 'unify' all the

'contradictions'

existing in the 'one country, two systems,' it can hardly talk about the 'unification' of China."

JAPAN: "Keep Close Tabs On 'One Nation, Two Systems' Experiment"

Business-oriented Nihon Keizai editorialized (7/1), "Through Hong Kong, China

should learn more from the international community.... From now on, the Chinese should learn about international society and the rules of international business. The so-called 'China threat' theory still exists. No

matter how many times China skillfully denies that it is a threat, the uncertainty does not go away. China should become an active and enthusiastic

member of the international community and get accustomed to the system and rules. Britain's relationship with Hong Kong continues as the United Kingdom retains the right and responsibility of ensuring China fulfills its pledge of 'one nation, two systems' for the next fifty years. We hope the U.S. will also assume the role of a fair and moderate watchdog (of the process)."

"China Seeks Military Cooperation With The U.S."

Conservative Sankei's Washington correspondent Komori reported from Hong Kong (7/1), "China had reached agreement with the U.S. on allowing U.S. warships to visit Hong Kong even before Hong Kong's return to Chinese rule. With the actual reversion, further developments in U.S.-China military cooperation are being predicted. Closer U.S.-China security ties could have, in the long run, a negative effect on the U.S.-Japan alliance."

AUSTRALIA: "The Return Of Hong Kong"

The liberal Melbourne Age editorialized (7/1): "China is deploying 4,000

People's Liberation Army troops, backed by 21 armored vehicles,
helicopters
and warships in Hong Kong today, raising concerns by the British Foreign
Secretary, Mr. Robin Cook, and the U.S. Secretary of State, Dr. Madeleine
Albright, who said it was 'not the best first signal.' She said the
United
States would keep a careful eye on democracy in Hong Kong. So should
Australia."

"Now The Ball Is In China's Court"

The liberal Canberra Times (7/1) editorialized: "China knows that it is in
its
own interests, economically at least, for Hong Kong to continue to
thrive. It
is possible that, having the example of Hong Kong in front of it, and
Hong
Kong's secrets at its disposal, China's growing commerce and trade with
the
rest of the world may increasingly be modelled on the Hong Kong
experience."

INDONESIA: "The Sun Rises In Hong Kong"

The leading, independent Jakarta Post maintained (7/1): "The greater
concern
is not about what Beijing would do with Hong Kong, but what an

economically

powerful China...is capable of doing.... Possession of Hong Kong, and

all

that entails for China's budding economy, is bound to invigorate the

debate

even further.... Asian countries...[believe] that Beijing will not stop

at

Hong Kong and Taiwan, but will expand southward."

"Britain's Last Day In Hong Kong"

Independent Suara Pembaruan judged (6/30): "We understand why the West

and

Hong Kong citizens are worried about the planned detachment of 4,000

troops

from China's People Liberation Army troops. Although CEO Tung Chee-hwa

claimed that the troops only symbolize China's sovereignty over Hong Kong,

he

could not wipe out remembrance of the fear brought on by the Tiananmen

tragedy

in June 1989.... For the present, we do not believe our trade,

investment

and workers in Hong Kong will encounter problems. But, we will wait to

see

whether the fears over loss of democracy and human rights in Hong Kong

will

prove empty."

PHILIPPINES: "Hong Kong And The Mainland"

Columnist Jerry Barican wrote in the independent Manila Standard (7/1):

"There

are fears over the handover, and they are not illegitimate, but they may

have

less to do with democracy and civil liberties than with the threats of

crime

and corruption in China. These threats may gradually infect the Hong Kong

success story.... Less often asked, but perhaps as important to consider,

is

how the reunification will affect China. If this experiment of 'one

country,

two systems' is made to work with a minimum of disruption, this could have

a

profound effect on the willingness of China's ruling party to consider

granting

modest political reforms. If modest liberties are consistent with

stability in

Hong Kong, perhaps their adoption in the heartland will not seem as

threatening

to the leadership as before."

"History's Clock Ticking Away To Midnight June 30"

Columnist Art Borjal wrote in the third leading Philippine Star (6/29):

"China

is not going to change Hong Kong's way of life. Why would it do so when

Hong

Kong has constantly supplied the mainland with hard cash and a cash

cow?...

(As for) the anniversary of the Tiananmen massacre next year, the

democrats

will hold vigils and light candles to commemorate the young men and women

mowed

down by guns and tanks at the square. But will the Chinese administrators

allow that thing to happen right on their own turf?"

SINGAPORE: "What A Gem, Hong Kong!"

According to the pro-government Straits Times (7/1), "From today, Hong

Kong is

China's shopfront as of right. And what a ritzy shop it is! The British

nation's surrogate mourners--the Western media, human rights lobbyists and

crusading politicians in Washington and parts of the European Union--had

intimated what they wished to see happen to Hong Kong in the run-up to

July 1,

1997. An exodus of talent, the stock and property sectors on their knees,

civil unrest, hostile noises from Beijing.... China will no doubt again

thwart

the ill-wish of its detractors in the months and years ahead. It will not

permit Hong Kong to come to grief: This much can be accepted as a matter of national preservation. Provided the city is not used as a base for subversion,

President Jiang can be counted upon to keep his pledge that the central government would not meddle in Hong Kong affairs."

SOUTH KOREA: "New Greater China Economic Zone Emerges"

Conservative Chosun Ilbo (7/1) said in an editorial: "In addition to being the venue for experimenting with a new political system, Hong Kong will create a new economic phenomenon. China is likely to maintain the high level of investment in Hong Kong. Hong Kong's financial markets may prosper even more to the point of becoming the axis for the Greater China economic zone. We need to think about what it means to us to have the rise of a new powerful economic force controlled by the Chinese."

THAILAND: "Smooth Exchange Worthy Of Praise"

The largest-circulation, moderately conservative, English-language Bangkok Post remarked (7/1), "Despite sharp differences over key issues in the years

prior

to the handover, Beijing and London deserve praise for ensuring a smooth, honorable and dignified transition.... Since the rise of Deng Xiaoping,

China

has adopted a more open economic policy and its continued reaffirmation of this

stance will bolster the confidence of Southeast Asia, and the world, and demonstrate its determination to become not only a superpower, but also a global economic player. During negotiations leading up to the handover,

China

has built on this policy and adopted a pragmatic approach by promising that

under the 'one country, two systems' principle, the people of Hong Kong will

enjoy the right of self-determination. All China has to do is maintain this

pledge and allow the people of Hong Kong to continue the drive and initiative

that has attracted such overwhelming global investment.... Despite lingering

concerns, we welcome the return of Hong Kong to China as it represents a change

from the colonial past. But July 1, 1997, must also represent continuity and

progress, not only for Hong Kong and China, but for the rest of Southeast Asia

as well."

"One Country, Two Systems"--Panacea Or Double-Edged Sword?"

A front-page analysis in top-circulation Thai Rath commented (6/27):

"Embracing Hong Kong may prove to be a double-edged sword for China in the long run. Democracy in Hong Kong will gradually spread to China by osmosis, giving rise to reform movements of the middle and upper classes before finally spreading to the proletariat."

EUROPE

FRANCE: "The Virus Of Freedom"

Charles Lambroschini wrote in right-of-center Le Figaro (7/1): "Beijing's military initiatives are enough to discourage Hong Kong's population....

But

China has changed. For the last 20 years, under Deng Xiaoping, China has opted

for modernism. It is well aware that in ruining Hong Kong, it would not only

lose a fortune, but also destroy its links with the Western world....

Hong

Kong, therefore, has a good chance of converting Beijing, now that the virus of

freedom has reached China."

"The Two Enemies"

Pierre Haski wrote in left-of-center Liberation (6/30): "The major issue for the democrats is the question of political survival now that they are facing two 'enemies'--the Chinese authorities, who would like to see them disappear, and the consensus according to which nothing should be done to endanger the world of business. Hence the striking contrast between political and civil liberties which are dwindling, and the growing optimism of local and foreign business circles."

"Taiwan: Beijing's Diplomatic Objective"

Dominique Jung wrote in regional Les Dernieres Nouvelles d'Alsace (6/30): "If (President Jiang Zemin) manages to use Hong Kong's financial power and modernism to achieve progress in the rest of China, then he will have won. If, on the other hand, he wastes his energy fighting against 'dissidents'...he will

have lost the next step, a peaceful reunification with Taiwan, which is Beijing's real diplomatic objective."

"After Hong Kong, Taiwan"

Jean-Luc Domenach in regional Ouest France (6/26): "If China manages to take over Hong Kong without weakening its economic boom, it will be offering the world a much more credible image. It will also have made progress on another cause, Taiwan, which is its next objective."

GERMANY: "'Homo Hongkongiensis'"

Peter Satorius remarked in an editorial in centrist Sueddeutsche Zeitung of

Munich (7/1): "It is surprising that one essential factor, which will determine Hong Kong's future, has so far been mentioned only as an aside: It

is the human factor. With its six and a half million people, Hong Kong's citizens represent a marvelous mixture of intelligence, the drive for success,

and the will to survive. It was not money as such that made Hong Kong what it

is today, but the individuals who pursued happiness and found money....

But

Hong Kong's great work, the rise to the eighth strongest trade power in the world...would not have been possible without this species, 'homo hongkongiensis.'... For Hong Kong, the human factor will prove to be more important than the political factor."

"Hong Kong's New Masters"

Ulrich Schilling-Strack maintained in centrist General-Anzeiger of Bonn (7/1):

"The letters of the treaty are one case, but their practical implementation

another. Beijing does not miss an opportunity to present itself as the powerful new master of the former colony. The bitter controversy about the circumstances that accompanied the transfer ceremony offers a foretaste.

Without losing time, Beijing obviously wants to show who is the master of the

house. We had a foreboding of this approach before, and this is the real danger for the future of the enclave. It is true that the world watches events, but it is stealing away from its responsibility. The EU, too, for

economic reasons, gave up plans for a joint resolution which could back the

democracy movement in the city. This will not be without consequences.

"Even if Beijing strictly abides by the letters of the treaty, Hong Kong's future as a democratic island in a vast Communist empire is by no means certain."

"Hong Kong--A Trojan Horse?"

Winfried Scharlau commented on national ARD-TV's late evening newscast "Tagesthemen" (6/30): "As a separate administrative unit, Hong Kong will have the chance to preserve its life style and to continue its success if it avoids a confrontation with the Communist Party, and if it does not raise the question of power. As a Trojan horse, Hong Kong will not be able to pave the way for democracy in China, but as an engine of modernization and economic development, the city will be of use. Its usefulness for Beijing allowed the city to survive the Cold War. And its usefulness will now also be the only chance to master the future."

ITALY: "The First Step Toward A New Empire"

Ugo Tramballi commented in leading business Il Sole 24-Ore (7/1): "The protagonist is China, which yesterday wanted to become a power and that

today

is a power.... It is true that China still has a long way to go, but

there is

nothing like the people's self-esteem to make the hypothesis come

true....

Hong Kong's return...gives a political meaning to a decade-long ten

percent

economic growth rate.... In recent years we saw many countries move from

colonialism to independence and saw whole peoples abandon communism.... A

unique case, Hong Kong takes a different road: It leaves a

well-functioning

colonialism and enters communism.... Indeed, politically speaking, China

remains a communist country, even though it can be better defined as an

illiberal country.... In any case, it is fate that Hong Kong will become

a

Chinese city. What it will mean is up to China."

RUSSIA: "Chinese Victory Over A Great Power"

Alexander Platkovsky filed from Hong Kong for reformist Izvestia (7/1):

"One

can understand the Chinese: Having been through so much humiliation, they

are

celebrating a triumph by right. It is a victory--strategic and

moral--over a

great power. The West made a mistake, a fatal one. It viewed Chinese

communists as transients likely to quit the stage sooner or later. It was

wrong: The communists proved pragmatic and tenacious politicians."

"U.S. Fears China May Profit By Hong Kong"

Pavel Bogomolov wrote from London in neo-communist Pravda-Five (7/1):

"The

world press has worked tirelessly to inculcate in the public mind a

stereotype

idea--the trouble with Hong Kong reverting to Chinese rule, the media have

kept

hammering into our heads, is that its residents may lose their civil

rights and

freedoms. Taking an approach as simple and 'programmed' as that, you

cannot get

a broad, ideologically uninhibited picture of realities. The thing that

worries

the United States, if not the whole West, most is not that the

totalitarian

regime may senselessly destroy the 'capitalist paradise.' The advocates

of

global competition fear that, with Hong Kong retaining its status as one

of the

world's major banking and commercial centers, Beijing may profit by it

even

more than predicted by experts in Washington."

"Have Faith In The Pragmatic Chinese"

Banker Sergei Veremeyenko is quoted as saying in reformist,
business-oriented
Kommersant Daily (6/28): "It is with optimism that we are watching Hong
Kong
reverting to Chinese rule, if only because bankers always favor
integration,
provided it is peaceful. We are certain that it will go painlessly,
without
trouble. The Chinese are pragmatic. You can see that from the kind of
progress the economy of mainland China has made lately. They will not
destroy
that which makes it possible. Taiwan will come next, of course."

CANADA: "Nostalgia For A Democracy That Never Was"

Foreign affairs columnist Eric Margolis maintained in the conservative
Ottawa
Sun (6/30): "In time...Hong Kong will become much more like the rest of
China.... Toxic corruption will infuse industry and institutions;
personal
connections...will become more important than law. Bureaucrats will
inevitably get their hands on free enterprise and begin draining some of
its
blood. Political expression will be curbed.... Carping about voting
rights
in Hong Kong or threatening trade sanctions won't deter China's

inevitable

rise to economic, political and, one day, military might. Monday night

is

enormously historic. It truly marks China's debut as a world

superpower--

and, equally significant--signals the beginning of the decline of the

United

States as the dominant power in East Asia and the China Sea."

"Red Star Rises Over Hong Kong"

According to the liberal Toronto Star (6/30): "The winds of history blow

through Hong Kong today like a typhoon off the South China Sea.... If

China's

unelected rulers understand anything, they must know that the task of

earning

Hong Kong's trust begins now, as the city assumes its new role as a key

financial center for one of the largest economies on the planet.... China

too,

stands to gain, by leaving its newest citizens as free as possible. Left

unmolested, Hong Kong can only grow in importance to China.... The

Communist

Party mandarins in Beijing are used to running things with a politically

heavy

and economically corrupt hand.... Still, Chinese President Jiang Zemin

must

know, as he watches China's...flag rise over Victoria Harbor, that the

sturdy

people of Hong Kong can do what they do best only if they continue to enjoy the liberties they regard as their birthright. Give them elbow-room, and elbows will labor for the People's Republic."

"Freedom Checklist"

The liberal Ottawa Citizen asserted (6/30): "Hong Kong is the ultimate test for China, not just because the motherland hopes eventually to embrace Taiwan, or because harming Hong Kong hurts China itself, but because the whole world will be watching what happens to a healthy, free society after it is handed over to a repressive, paternalistic state. If China wishes to be seen as something other than a ruthless police state running roughshod over the rights of its own people, it can gain respect by leaving Hong Kong alone."

CZECH REPUBLIC: "Chinese Water Torture"

Largest circulation Mlada Fronta Dnes held (7/1), "Beijing has no intention of destroying Hong Kong. The territory can thus influence the Chinese dragon

with

an unimagined strength. This will be a slow and cautious process but its consequences could have an impact on the whole world after several decades."

BELGIUM: "China's Honor"

These were the thoughts of Philippe Paquet in conservative, Catholic La Libre

Belgique (7/1): "After a transition period which, since 1984, was mainly characterized by mutual distrust--or even, during the Patten years, by open

confrontation--Beijing will have to restore confidence, and the only way to

achieve this will be by scrupulously abiding by, not only the letter but also

the spirit, of the joint Chinese-British Declaration and of the Basic Law, which is considered Hong Kong's constitution. The prosperity and stability of

this 'special administrative region' is at stake, but it is, above all, in China's interest.... The communist authorities cannot fail in the former colony

if they want to keep their chances in their long-term project of national reunification with the nationalist island (of Taiwan)."

"The Hong Kong Model"

Foreign editor Axel Buyse noted in independent Catholic De Standaard

(7/1):

"There is a real chance that China will treat the goose that lays the

golden

eggs with the proper prudence.... Can the politically freer climate of

Hong

Kong and Taiwan spread to China?... Even without much direct interference

from

Beijing, Hong Kong will fall back upon the so-called Asian democracy model

and

become a kind of corporate state where the rulers allow a 'safe' margin of

opposition without jeopardizing their own positions. However, precisely

the

maintenance of that amount of freedom in the former Crown Colony might

turn out

to be of vital importance for all of China. Even though the 'model' is

not

pure, Hong Kong may have an enormous political impact. Rome, too, was not

built in one day."

"The Little Dragon Against The Chinese Ogre"

Patrick Dath-Delcambe held in conservative La Derniere Heure (7/1):

"China...cannot choke this economic lung from which many investments

necessary

to its own development are coming. Neither can it resort to force, which would jeopardize its chances of reunification with Taiwan. The Western world would be less inclined to close its eyes on a blunder in this capitalistic bastion. But China, it is true, is so unpredictable."

"If Beijing Fails In Hong Kong, Taiwan Will Drift Away"

Asian affairs writer Freddy De Pauw remarked in independent Catholic De Standaard (6/30), "China will care little about the outside world's opinion.

After Tiananmen, the official indignation also had few practical consequences.

However, Beijing is confronted with another problem: The concept of 'one country, two systems' was conceived as a model for the return of Taiwan.

If Beijing causes a mess in Hong Kong, Taiwan will drift further away."

MALTA: "End Of An Era"

The English-language Times of Malta pointed out (6/30): "China has been at pains to voice its determination to maintain Hong Kong's stability in the run-up to the handover to it of Britain's last major colony.... Officially

atheist China has promised to respect freedom of religion in Hong Kong...although some leaders of various faiths have expressed unease about their future."

HUNGARY: "China's Door"

Largest circulation national Nepszabadsag published this op-ed piece

(7/1):

"China is opening to the West because it needs it. That is why the door called

Hong Kong, opening to the West, is important for it. However, the movement of

the door is followed by concerned glances. Perhaps those tanks in Tiananmen

Square in 1989 should not have been in such a hurry, especially because the

noise of the tanks still echoes in Hong Kong--and not only Hong Kong's--ears.

Hong Kong might bring an unprecedented boom to China, and unprecedented troubles as well if tanks will be louder than the tinkling of the cash machines of the Bank of China."

NORWAY: "A New Era"

Leading tabloid VG commented (7/1), "It has happened. For the first time in

history a capitalist community has peacefully been taken over by a communist state. This is the beginning of a new era, both for China and Hong Kong. Nobody knows for certain how it will turn out. China has promised that Hong Kong will be allowed to keep its capitalist system for at least another 50 years under the 'one country, two systems' plan.... From now on, only the United States has the authority to put China under pressure if the Beijing leadership fails to honor its promises to Hong Kong."

"China's Responsibility To Hong Kong"

Social democratic Arbeiderbladet judged (7/1): "We doubt whether the citizens of Hong Kong and the Western countries will accept a reduction or removal of today's civil liberties in the Hong Kong. Both the Chinese and the rest of the world know that the takeover is a test on how the entire empire of China will develop in the coming years."

THE NETHERLANDS: "The Challenge Of Hong Kong"

Influential liberal De Volkskrant held (7/1), "There is reason for many a democrat in Hong Kong to fear Chinese repression.... This worst case

scenario

cannot be ruled out completely.... However, it is not likely to happen for the time being. China officially promised to have a 'one country, two systems' policy in Hong Kong.... Economically this would be in China's best interest."

"What Will The Chinese Communists Do With Hong Kong?"

Centrist Algemeen Dagblad asked (7/1), "What will the Chinese communists do with Hong Kong? There will not be many economic changes, for Beijing will not kill the goose with the golden eggs. And so, it will mainly be business as usual. However, one may doubt whether the political climate in the former British colony will be the same. Beijing has a tendency to restrict the freedom of its citizens. And it does not think that human rights and democracy are related.... Dissident views are nipped in the bud.... It is unlikely that such a repressive regime will passively watch the freedom of Hong Kong move northwards."

MIDDLE EAST

ISRAEL: "Millions Coerced"

Mass-appeal, pluralist Maariv editorialized (6/29): "The Hong Kong transfer is one of the most momentous events of the century.... That the handover is being carried out peacefully is being applauded as a glorious achievement of the new international order. However, the truth is that millions of Chinese residents of Hong Kong are being coerced into accepting Chinese rule without having any say about the matter. Beijing is promising to respect Hong Kong's free economy and civil liberties. And indeed, Chinese rulers have an interest in reaping the dividends of Hong Kong's international economy. It remains to be seen if this sound consideration would outweigh Beijing's fear of Hong Kong's psychological impact on the mainland."

EGYPT: "Tiny Product Of British Imperialism"

Board Chairman Mahfouz Al Ansari wrote in pro-government Al Gomhouriya (6/28):
"While Great Britain is preparing to respect its vows and agreements to

hand

over the rich island of Hong Kong to China, we find Netanyahu, whose country is a tiny product of British imperialism, has relinquished his vows...and is trying to revive imperialist theory."

SOUTH ASIA

INDIA: "Chinese Socialism Or Hong Kong's Laissez-Faire?"

An editorial in the centrist Hindu (7/1) pointed out: "As the celebration fever dies down over the next few months in Hong Kong and Beijing--and across the world in the Chinese diaspora--an element of suspense remains over whether there will be a reversal of history, the opium of Hong Kong's capitalist life style seeping across into the mainland, whether the socialism...will be overwhelmed by the laissez-faire swirls from the Pearl of the Orient....

"As it continues its economic strides, China must know the folly of killing the goose that lays the golden egg. That goose will continue to be Hong Kong for some years to come, until Shanghai and other centers of industrialization catch

up.... The announcement of elections next year to a new legislature for Hong Kong...emphasizes Beijing's desire to present its best face to the world and allay the fears of the island's lovers of democracy."

"Happy Coexistence Between Profit Motive And Welfarist Ideal"

The centrist Pioneer (7/1) commented editorially: "Had China not successfully implemented market socialism within, there would have been an irreconcilable mismatch between the economic systems. However, now that China itself is a huge island of capitalist prosperity guided by strait-jacketed political socialism, Hong Kong's entrepreneurs need have no irrational fears. At any rate, the delightfully hypocritical concept of 'one country, two systems' has already laid the foundation for a happy coexistence between the profit motive and the welfarist ideal.... (Yet) there is, indeed, a serious danger that under the prudish gaze of inscrutable Chinese Army commanders, Hong Kong may become all work and no play. But then, pragmatists as they are, Beijing's canny leaders may well turn a blind eye toward the island that lays golden eggs, and refrain from imposing the same killjoy norms they have in the

mainland."

"China Doomed To Democracy"

An analysis by T.J.S. George in Hong Kong (6/30) appeared under the headline

above in the right- of-center Indian Express, "Beijing has a big stake in maintaining Hong Kong in its present state of economic boom and relative political freedom. Any setback can seriously jeopardize its principal policy

goals, such as membership in the WTO, continuance of MFN status and reunification with Taiwan.... A loss in prestige is what China will be most anxious

to avoid just now. That is why, in the days ahead, China will become more like

Hong Kong instead of Hong Kong becoming more like China."

PAKISTAN: "New Era For Hong Kong"

The Karachi-based, independent Dawn put forth this view (6/30): "It goes to

the credit of both Britain and China that they have amicably agreed on a viable

medium for a peaceful and, hopefully, smooth transition. The 11th-hour bickering on the transfer of power formalities notwithstanding...some political

continuity has been ensured.... Many members of the Patten

administration,

including chief secretary Anson Chan, have been retained in the new

Special

Administrative Region government.... All this augurs well for Hong Kong

as

well as China. It is now for the West to facilitate the transition

process."

"China, Hong Kong And The West"

Muhammad Chaudhri penned this for the center-right Nation (6/28): "The

best

course open to the West is to give up the idea of turning Hong Kong from

an

'economic city' to a 'political city.' The problem is that the Western

powers

have not forgiven the Chinese for accepting communism."

BANGLADESH: "The Entire World Is Waiting"

Readers of conservative, Bangla-language Ittefaq (7/1) saw this editorial,

"Beijing has pledged to keep Hong Kong's capitalistic economy for the next

50

years. It is true that China's economy has found a solid base owing to

Hong

Kong's free trade.... Much of China's progress has come through Hong

Kong.

Therefore, the entire world...is waiting in earnest to see what will happen to Hong Kong's free market economy, how much autonomy it will now enjoy and how democracy will evolve. It also cannot be denied that the resolution of Taiwan, Tibet and East Turkistan issues depends on Beijing's success or failure in Hong Kong."

"End Of British Rule In Hong Kong"

Anti-West Inqilab insisted (6/30): "At least...the Chinese of Hong Kong have accepted this return with a positive outlook.... Hong Kong's return to the mainland will not create any serious problems...(and) will be beneficial for the entire Chinese nation. China's progress, especially its economic progress, will accelerate. We welcome Hong Kong's return to China."

"China's Credibility At Stake"

Pro-left Bhorer Kagoj held (6/30): "Many people are concerned over the future of democracy in Hong Kong.... China will not allow (human rights

violations in

Hong Kong)...because its credibility in the world is very important."

"Historic Handover"

The independent Daily Star featured this comment (6/30): "Hong Kong was nervous, naturally. And China played it cool. We are impressed by both.

And

if both make a go of it in the first days of the union, the world will

sigh

with relief. China is already more than half way in accepting the 'one state,

two systems' mantra. The world would now love it if China does a little more

and extends the mantra to 'one state, two political systems.'"

NEPAL: "The Real Problem For Hong Kong And China"

Government-owned Gorkhapatra (6/28) observed, "The time is not ripe yet

for

raising doubts about the Chinese commitment not to interfere in the existing

social values and capitalist system in Hong Kong and to enforce the doctrine of

one country, two systems.... By breaking its commitment, China will not like to

be looked down upon by the international community.... Efforts to

strengthen

its trade relations with America are continuing, and its concern about

Taiwan

is also there. To avoid these, China must act in accordance with its c

ommitments.... But one thing is certain that the real problem of

industrialized Hong Kong will begin soon. There are fundamental

differences in

mode of life, social well-being and living conditions between Hong Kong

and

China.... It is not easy to fill the gap.... China needs to bring about a

balance in this dual systems. Even a slight discrepancy in policy and

practice

will create dissatisfaction among the Hong Kong people, and the

dissatisfied

Hong Kong might also become a burden to China."

SRI LANKA: "Bitter Historial Paradoxes"

The independent Island told its readers (6/30): "The concern shown by the

British and other Western nations over the democratic rights of the people

of

Hong Kong under Chinese rule brings out many bitter historical paradoxes.

These defenders of human rights forget how the Chinese were treated in

the

heyday of Western imperialism, when notice boards were put up at public

parks

saying: 'Dogs and Chinese not permitted.' Another tragic irony is the

concern and efforts made to stop trafficking in drugs such as opium,
whereas a
century ago, the Chinese were butchered for resisting introduction of
opium
into their country.... (Yet) historical injustices committed on their
ancestors should not justify the present generation of Hong Kong people
being
deprived of the democratic rights they have enjoyed. The acid test of
how
democratic Hong Kong would be will be seen if genuine elections are held
soon
to Hong Kong's legislative assembly rather than continuing with the
present
assembly which is virtually a Beijing creation."

"Monster Swallowing The Golden Egg?"

An editorial comment in the independent Sunday Times maintained (6/29):

"For
the past few years, Western propagandists have apparently been trying to
paint
a picture of the golden egg being swallowed by a huge red monster.

"But we believe the people of Hong Kong...will be better off under China
with
its practical 'one country, two systems' policy."

AFRICA

NIGERIA: "Waiting Patiently Has Paid Off"

The Ibadan-based, government-owned Daily Sketch (7/1) said: "What we find significant in all this is the wait-and-watch policy that successive Chinese governments adopted in the matter of this territory.... It chose to believe, as many always do not, that 99 years is not forever, that one day China would gather under its wings a territory that rightly belongs to it. In another two years or so, Macao would also be handed back to China by Portugal."

"Some Form Of Hybridization"

Lagos's independent This Day editorialized (6/30): "The provision as contained in the Basic Law, in our view, should be the building block upon which a reunited China should be founded. A prosperous Hong Kong, we believe, is good for all of China. It is therefore expected that China should imbibe the best traditions available in Hong Kong with a view to improving the general well-being of the Chinese. As it returns to China, Hong Kong should also be

prepared to adjust to the reality of the situation in mainland China as the parent body would insulate Hong Kong completely from its own system. There is bound to be some form of hybridization which, in our considered opinion, would be in the mutual interest of both parts of China if properly harnessed. In aiming at this, neither China nor Hong Kong should allow itself to be teleguided by external interests."

LATIN AMERICA AND CARIBBEAN

ARGENTINA: "Hong Kong, Today"

An editorial in pro-government La Prensa argued (7/1), "Hong Kong's handover to China is being presented as an 'anticolonial conquest.' Oh, ironies of history! What about the anticolonial policy of the People's Republic of China? In other words, what about Tibet? Everybody knows, too, the scarce enthusiasm shown by Hong Kong inhabitants for going back to their original rulers, and how readily they would have continued belonging to the old colonial power, whose past mistakes they are happy to forgive.... We still have to see how China will comply with its pompous promises to respect 'human rights' and other Western eccentricities imported by the British to Hong

Kong."

"Window Into China"

Marcelo Cantelmi wrote for leading Clarin (6/29): "i(Hong Kong) has a free press and...has become used to coping with decisions removed from the kind of state centralism that rules Chinese society. This is a formidable challenge for Deng Xiaoping's heir, Jiang Zemin.... It remains to be seen whether China will fully incorporate Hong Kong or if it will be the other way around. The truth is that this process--as with the Berlin Wall that fell on both sides--will unavoidably be a two-way street."

BRAZIL: "How Much Is An Agreement Worth?"

Conservative O Estado de Sao Paulo observed (7/1): "(Even) if Hong Kong, as a colony, was never a bastion of representative democracy, its population enjoyed civil liberties that never existed in communist China. The Chinese regime already signalled that its tolerance for freedom of demonstration and information in Hong Kong will not be much more than what it has been in

China....

"The mixed system of economic opening in the special zones and strict control of civil liberties has functioned in China. Can one foresee the same success for a regime based on one country, two systems? The question is how far the Chinese are willing to go with this control and how the residents of Hong Kong will react to this loss of liberties."

"The New 'Great Wall Of China'"

In the view of conservative O Estado de S?o Paulo (6/30): "It would not be a surprising if, along with the transfer (of sovereignty to the People's Republic of China), Hong Kong were....surrounded by the great digital wall that the Chinese government presently uses to monitor the 150,000 Chinese...who have computers. There is a new Great Wall of China being built, which is greater and much more efficient than the original one."

JAMAICA: "Another Strong, Pro-Business Asian Regime?"

Regular columnist John Rapley wrote in the moderate, influential Daily

Gleaner

(6/27), "What is likely to emerge is a free market economy under a more or less authoritarian regime.... While the new Hong Kong administration will be nominally communist, it will parallel strong pro-business regimes that have governed East Asian neighbors like Singapore, Taiwan and South Korea. In fact, the new government of Hong Kong will be led by a billionaire shipping magnate, Tung Chee-hwa. Perhaps not surprisingly, one of Mr. Tung's heroes is said to be...Lee Kuan Yew.... (But) as Hong Kong continues to prosper, its business people may find that the strong state they once favored becomes too meddlesome. Beijing's control may gradually be pared back. Some day in the future, China's persecuted liberals may yet have the last laugh."

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Tuesday, July 1, 1997

HONG KONG REVERTS TO CHINA: NOW FOR THE TEST OF 'ONE COUNTRY, TWO SYSTEMS'

In a torrent of editorials from all parts of the globe, analysts overseas pondered the implications of yesterday's lowering of the Union Jack as Britain bade farewell to its last major colony and relinquished sovereignty of Hong Kong to mainland China. The tone of the press in the triad of countries playing the major roles in this unprecedented event reflected predictable sentiments. Beijing's official People's Daily bannered "the return of Hong Kong to the motherland," crowing: "The time for the Chinese nation to cleanse its century-old disgrace and feel proud and happy has come!" Its commentary also reflected the widespread perception that, after the reintegration of the former British colony, Taiwan would be next on Beijing's list of reunification targets. The concept of "one country, two systems," it said, paved the way for "achieving the motherland's complete reunification with the settlement of ...the Macao and Taiwan issues." In Britain, a sober voice in the conservative Daily Mail described the handover scene: "The bands played. The flags came down. And the heavens wept.... Goodbye to all that...and yes, to much else besides.... That's how our empire has ended--not with a warm afterglow, but a bitter twist." London's liberal Guardian also warned of the danger of forgetting about Hong Kong once the pomp and circumstance no longer hold the media's attention: "The greatest betrayal would be if, after all the eulogies to Hong Kong's way of life, the outside world lost interest because there were no dramatic upheavals--and walked quietly away." In Hong Kong, the independent South China Morning Post busied itself with practical matters. Its editor urged the new chief executive, Mr. Tung Chee-hwa, to "let the economy be," reminding him that the "major factors" in the former British colony's success were "a clean and efficient civil service, respect for the rule of law and individual freedoms, a free and open media, and a level playing field for local and foreign businesses."

Elsewhere, observers generally agreed that China had a great deal to lose, and not much to gain, should it choose a repressive course in its future treatment of Hong Kong. A majority of writers concluded that any moves by China to stifle the way of life the residents of the Special Administrative Region have enjoyed would destroy the vibrant economy that "homo hongkongiensis" has built up. A number of analysts also envisioned that the "virus" or "opium" of Hong Kong's capitalist life style would have a widespread effect on the mainland, causing China to become "more like Hong Kong," and not the reverse. Some observers, however, thought that such a conclusion might be too optimistic. The liberal Melbourne Age, for example, called attention to the influx of People's Liberation Army troops and equipment into Hong Kong and cited Secretary Albright's statement that "the U.S. would keep a careful eye on democracy" there. For its part, Taiwan's conservative, pro-unification United Daily News had harsh words for Beijing's "one country, two systems" approach toward Hong Kong. "If two systems are required, this must mean that Beijing's system...cannot meet the needs of the people," the paper opined, adding that Beijing should simply adopt the "one" system used in Britain's former colony.

This survey is based on 95 reports from 32 countries, June 26 - July 1.

EDITOR: Kathleen J. Brahney

CHINA: "Warmly Greeting Return Of Hong Kong To The Motherland"

An editorial in the official, Communist Party People's Daily (Renmin Ribao, 7/1) said, "At zero hour on 1 July 1997, people the world over listened to the solemn toll sounding in the East. Resounding throughout the world, it solemnly pronounced to the people on the five continents and the four seas: The time for the PRC government to reinstate its sovereignty over Hong Kong had come! The time for the Chinese nation to cleanse its century-old disgrace and feel proud and happy has come! With the completion of the Chinese and British governments' handover ceremony and the proclamation for the establishment of the Hong Kong Special Administrative Region, the Chinese nation had realized its dream for Hong Kong's return that had gone on for more than a century, and also realized the long-cherished wish of people of several generations.... For this day, the Chinese government, giving the most importance to reunifying the motherland, came up with a realistic and practical way for achieving the motherland's complete reunification with the settlement of the Hong Kong, Macao and Taiwan issues on the basis of the 'one country, two systems' concept."

HONG KONG: "Tung's Challenges"

The independent English-language South China Morning Post opined (7/1), "For the next five years, the fate of Hong Kong will rest in the hands of Tung Chee-hwa.... While China has guaranteed that the existing way of life will be preserved, under the 'one country, two systems' concept, the dynamic nature of Hong Kong almost guarantees there will be significant changes in many aspects of life during Mr. Tung's tenure. The question is what will change, and how--and whether those changes will strengthen Hong Kong or weaken it as a thriving, free society which can be as great a success for the next 50 years as it has been for the last half century.... In the longer term, it will be Mr. Tung's task to maintain the momentum toward greater democracy, under the timetable laid down by the Basic Law....

"For many, the key test of Mr. Tung's performance will be how he handles the evolution of Hong Kong's economy.... The Special Administrative Region has inherited some priceless bequests from Britain. Not least among these are a clean and efficient civil service, respect for the rule of law and individual freedoms, a free and open media, and a level playing field for local and foreign businesses. These have been major factors in Hong Kong's success. At present, their importance is universally recognised, with China pledging to allow them to continue.... Mr. Tung must preserve these values, and the whole of Hong Kong must stand behind him in doing so."

"Day Of Mixed Emotions"

According to the independent English-language South China Morning Post (7/1), "While 100,000 people celebrated in Tiananmen Square, it was a day of mixed emotions here in Hong Kong. Undeterred by grey skies and rain, more than 1,000 people attended rallies organised by pro-democracy groups around the Legco building. They sang songs and ignited a torch of democracy to show their determination to fight for greater freedoms. But an opinion poll carried out during the day for the South China Morning Post showed that 79 percent of respondents rated stability with less political freedom higher than more political freedom with a small risk to stability."

"Letting The Economy Be"

The independent South China Morning Post told its readers under the above headline (6/30): "To stay ahead, Hong Kong has to maintain its thriving relationship with the world, and prove to foreign companies that the bedrocks of its success--the rule of law, lack of corruption and a level playing field--are as strong and inviolable as ever. That guaranteed, the second vital component is the entrepreneurial spirit of the people.

"The present transition may be momentous in history, but Hong Kong has long been a city in transition. Hong Kong has flourished without an interventionist government, or with the kind of policies which proved successful for Singapore and

elsewhere 15 years ago. Life has moved on since then. Geographically, strategically and economically Hong Kong is unique. It sets its own pace by adapting quickly to changing markets. Rather than being threatened by emerging economies, it is ideally placed to profit from them by concentrating on higher value activities and investing in education....

One area for change which Mr. Tung should address swiftly is our schools, which are crying out for investment.... (If schools are improved)...the laissez-faire system which has served us so well will have even more reason to take on a fresh lease of life in the Special Administrative Region."

BRITAIN: "This Somber End To A Proud Story"

The conservative tabloid Daily Mail painted this picture (7/1): "The bands played. The flags came down. And the heavens wept.... Goodbye to all that...and yes, to much else besides.... The best hope for the amazing people of Hong Kong, who have brought forth a commercial miracle from a few barren acres of rock, is that, with their drive and adaptability, they can somehow contrive to flourish in the bamboo cage to which they have been consigned by a desperately well-meaning Britain at its last colonial gasp. That's how our empire has ended--not with a warm afterglow, but a bitter twist."

"Will The East Be Red?"

The conservative Daily Telegraph led with the question above (7/1): "At the end of (the next) 50 years, we would hope that 'one country, two systems' will have become redundant. There will, rather, be 'one country, one system,' and that system will be Hong Kong's with the rule of law, freedom of speech and representative government.... To use a commercial expression familiar to the people of Hong Kong, we are looking for the biggest reverse takeover in history."

"To Walk Away From Hong Kong Would Be Betrayal"

The liberal Guardian (7/1) editorialized: "China is most likely to damage Hong Kong by inadvertence rather than through intent. An old leader may take offense at some imagined slight and no one may dare to contradict him. Too many mainlanders may try to cash in on the territory's prosperity; jealous provinces may seek to trim Hong Kong's success. Upheavals in a political system which must surely evolve in China--though no one knows quite how--would also impact unpredictably. Mainland China remains the biggest factor in Hong Kong's future.... Trimming and self-censorship will be Hong Kong's worst enemies, not secret directives from Beijing.... The greatest betrayal would be if, after all the eulogies to Hong Kong's way of life, the outside world lost interest because there were no dramatic upheavals--and walked quietly away."

"Chinese Promise To Preserve Laws And Democracy"

The conservative Times said (7/1): "Britain yielded Hong Kong, its most successful modern colony, to the government of China last night in ceremonies which were by turns extraordinarily emotional and austere.... Most importantly, the Chinese leader committed his country to allow Hong Kong to develop its democratic system in a manner suitable to the Hong Kong reality. Those were the words the Hong Kong people and the British representatives had hoped to hear. Once uttered, the atmosphere visibly warmed as Mr. Jiang went on to reassure his audience that Hong Kong's importance as an economic center would be maintained."

"Hong Kong's Opportunity"

The independent Financial Times held (6/30): "Great responsibility now rests on the shoulders of Mr. Tung Chee-hwa, who replaces the British governor as chief executive.

"His commitment to hold elections for a legislative council within 12 months is reassuring. So was his willingness to reappoint most of the territory's top civil servants. His warnings about the limits to political protest and free debate are

worrying. But he has an extraordinarily difficult path to tread between the interests of the people of Hong Kong, and the sensitivities of his ultimate masters in Beijing. Hong Kong's prosperity and the dynamism of its business community remain its greatest source of protection.... Beijing must understand that transparent government and respect for the rule of law in Hong Kong are essential to maintaining that prosperous link. Infection with corruption from the mainland would be fatal. But in the end, it seems unlikely that 'one country, two systems' is a formula which can be preserved indefinitely. One system will prevail. Hong Kong's prosperity, and its ability to export it, could yet prove the decisive factor in determining the future of China."

"After The Fireworks, The Fate Of Democracy Unfolds"

The centrist Independent opined (6/30): "If recent events have shown Britain has had little ability to carve Hong Kong's destiny in stone during these last years of colonial rule, in the future it will have even less. The simple truth is that China can do whatever it wants in Hong Kong. If it chose to send in not 4,000, but half a million People's Liberation Army troops tomorrow, or to jail Martin Lee and every member of the Democrats party, neither Britain nor that genuine Pacific power, the United States, could do anything to stop it. To suggest otherwise, to seek to protect democracy with grandiloquent promises that cannot be met, is merely to invite humiliation and charges of betrayal from those who took the pledges at face value.... With or without Hong Kong, relations between the West and Asia's emerging superpower will always be prickly. Britain and its allies must scold China where necessary, call it to account before international bodies, and exert the maximum pressure to keep Hong Kong squarely in the international spotlight. If only every annual meeting of the IMF could be held there, not just the one coming up this autumn."

EAST ASIA AND PACIFIC

TAIWAN: "Contradictions And Unification"

The conservative, pro-unification United Daily News wrote (7/1): "Frankly speaking, the 'one country, two systems' proposal designed by Beijing to keep Hong Kong 'unchanged for 50 years' may be only the lesser of two evils. Nevertheless, to apply this method would naturally expose a defect that even Beijing would not want to admit, namely, if two systems are required, this must mean that Beijing's system is not good enough or that it cannot meet the needs of the people. Since mainland Chinese people are also human beings, why can't Beijing simply use the same system as that used in Hong Kong, thereby making 'one country' have 'one system?...' The 'one country, two systems' policy is especially designed for Taiwan, and Hong Kong is nothing but a subject of experiment. The concern of the people of Taiwan regarding the 'handover' is focused more on the political side rather than the economic. The Beijing authorities should realize that when it cannot 'unify' all the 'contradictions' existing in the 'one country, two systems,' it can hardly talk about the 'unification' of China."

JAPAN: "Keep Close Tabs On 'One Nation, Two Systems' Experiment"

Business-oriented Nihon Keizai editorialized (7/1), "Through Hong Kong, China should learn more from the international community.... From now on, the Chinese should learn about international society and the rules of international business. The so-called 'China threat' theory still exists. No matter how many times China skillfully denies that it is a threat, the uncertainty does not go away. China should become an active and enthusiastic member of the international community and get accustomed to the system and rules. Britain's relationship with Hong Kong continues as the United Kingdom retains the right and responsibility of ensuring China fulfills its pledge of 'one nation, two systems' for the next fifty years. We hope the U.S. will also assume the role of a fair and moderate watchdog (of the process)."

"China Seeks Military Cooperation With The U.S."

Conservative Sankei's Washington correspondent Komori reported from Hong Kong (7/1), "China had reached

agreement with the U.S. on allowing U.S. warships to visit Hong Kong even before Hong Kong's return to Chinese rule. With the actual reversion, further developments in U.S.-China military cooperation are being predicted. Closer U.S.-China security ties could have, in the long run, a negative effect on the U.S.-Japan alliance."

AUSTRALIA: "The Return Of Hong Kong"

The liberal Melbourne Age editorialized (7/1): "China is deploying 4,000 People's Liberation Army troops, backed by 21 armored vehicles, helicopters and warships in Hong Kong today, raising concerns by the British Foreign Secretary, Mr. Robin Cook, and the U.S. Secretary of State, Dr. Madeleine Albright, who said it was 'not the best first signal.' She said the United States would keep a careful eye on democracy in Hong Kong. So should Australia."

"Now The Ball Is In China's Court"

The liberal Canberra Times (7/1) editorialized: "China knows that it is in its own interests, economically at least, for Hong Kong to continue to thrive. It is possible that, having the example of Hong Kong in front of it, and Hong Kong's secrets at its disposal, China's growing commerce and trade with the rest of the world may increasingly be modelled on the Hong Kong experience."

INDONESIA: "The Sun Rises In Hong Kong"

The leading, independent Jakarta Post maintained (7/1): "The greater concern is not about what Beijing would do with Hong Kong, but what an economically powerful China...is capable of doing.... Possession of Hong Kong, and all that entails for China's budding economy, is bound to invigorate the debate even further.... Asian countries...[believe] that Beijing will not stop at Hong Kong and Taiwan, but will expand southward."

"Britain's Last Day In Hong Kong"

Independent Suara Pembaruan judged (6/30): "We understand why the West and Hong Kong citizens are worried about the planned detachment of 4,000 troops from China's People Liberation Army troops. Although CEO Tung Chee-hwa claimed that the troops only symbolize China's sovereignty over Hong Kong, he could not wipe out remembrance of the fear brought on by the Tiananmen tragedy in June 1989.... For the present, we do not believe our trade, investment and workers in Hong Kong will encounter problems. But, we will wait to see whether the fears over loss of democracy and human rights in Hong Kong will prove empty."

PHILIPPINES: "Hong Kong And The Mainland"

Columnist Jerry Barican wrote in the independent Manila Standard (7/1): "There are fears over the handover, and they are not illegitimate, but they may have less to do with democracy and civil liberties than with the threats of crime and corruption in China. These threats may gradually infect the Hong Kong success story.... Less often asked, but perhaps as important to consider, is how the reunification will affect China. If this experiment of 'one country, two systems' is made to work with a minimum of disruption, this could have a profound effect on the willingness of China's ruling party to consider granting modest political reforms. If modest liberties are consistent with stability in Hong Kong, perhaps their adoption in the heartland will not seem as threatening to the leadership as before."

"History's Clock Ticking Away To Midnight June 30"

Columnist Art Borjal wrote in the third leading Philippine Star (6/29): "China is not going to change Hong Kong's way of

life. Why would it do so when Hong Kong has constantly supplied the mainland with hard cash and a cash cow?... (As for) the anniversary of the Tiananmen massacre next year, the democrats will hold vigils and light candles to commemorate the young men and women mowed down by guns and tanks at the square. But will the Chinese administrators allow that thing to happen right on their own turf?"

SINGAPORE: "What A Gem, Hong Kong!"

According to the pro-government Straits Times (7/1), "From today, Hong Kong is China's shopfront as of right. And what a ritzy shop it is! The British nation's surrogate mourners--the Western media, human rights lobbyists and crusading politicians in Washington and parts of the European Union--had intimated what they wished to see happen to Hong Kong in the run-up to July 1, 1997. An exodus of talent, the stock and property sectors on their knees, civil unrest, hostile noises from Beijing.... China will no doubt again thwart the ill-wish of its detractors in the months and years ahead. It will not permit Hong Kong to come to grief: This much can be accepted as a matter of national preservation. Provided the city is not used as a base for subversion, President Jiang can be counted upon to keep his pledge that the central government would not meddle in Hong Kong affairs."

SOUTH KOREA: "New Greater China Economic Zone Emerges"

Conservative Chosun Ilbo (7/1) said in an editorial: "In addition to being the venue for experimenting with a new political system, Hong Kong will create a new economic phenomenon. China is likely to maintain the high level of investment in Hong Kong. Hong Kong's financial markets may prosper even more to the point of becoming the axis for the Greater China economic zone. We need to think about what it means to us to have the rise of a new powerful economic force controlled by the Chinese."

THAILAND: "Smooth Exchange Worthy Of Praise"

The largest-circulation, moderately conservative, English-language Bangkok Post remarked (7/1), "Despite sharp differences over key issues in the years prior to the handover, Beijing and London deserve praise for ensuring a smooth, honorable and dignified transition.... Since the rise of Deng Xiaoping, China has adopted a more open economic policy and its continued reaffirmation of this stance will bolster the confidence of Southeast Asia, and the world, and demonstrate its determination to become not only a superpower, but also a global economic player. During negotiations leading up to the handover, China has built on this policy and adopted a pragmatic approach by promising that under the 'one country, two systems' principle, the people of Hong Kong will enjoy the right of self-determination. All China has to do is maintain this pledge and allow the people of Hong Kong to continue the drive and initiative that has attracted such overwhelming global investment.... Despite lingering concerns, we welcome the return of Hong Kong to China as it represents a change from the colonial past. But July 1, 1997, must also represent continuity and progress, not only for Hong Kong and China, but for the rest of Southeast Asia as well."

"'One Country, Two Systems'--Panacea Or Double-Edged Sword?"

A front-page analysis in top-circulation Thai Rath commented (6/27): "Embracing Hong Kong may prove to be a double-edged sword for China in the long run. Democracy in Hong Kong will gradually spread to China by osmosis, giving rise to reform movements of the middle and upper classes before finally spreading to the proletariat."

EUROPE

FRANCE: "The Virus Of Freedom"

Charles Lambroschini wrote in right-of-center Le Figaro (7/1): "Beijing's military initiatives are enough to discourage

Hong Kong's population.... But China has changed. For the last 20 years, under Deng Xiaoping, China has opted for modernism. It is well aware that in ruining Hong Kong, it would not only lose a fortune, but also destroy its links with the Western world.... Hong Kong, therefore, has a good chance of converting Beijing, now that the virus of freedom has reached China."

"The Two Enemies"

Pierre Haski wrote in left-of-center Liberation (6/30): "The major issue for the democrats is the question of political survival now that they are facing two 'enemies'--the Chinese authorities, who would like to see them disappear, and the consensus according to which nothing should be done to endanger the world of business. Hence the striking contrast between political and civil liberties which are dwindling, and the growing optimism of local and foreign business circles."

"Taiwan: Beijing's Diplomatic Objective"

Dominique Jung wrote in regional Les Dernieres Nouvelles d'Alsace (6/30): "If (President Jiang Zemin) manages to use Hong Kong's financial power and modernism to achieve progress in the rest of China, then he will have won. If, on the other hand, he wastes his energy fighting against 'dissidents'...he will have lost the next step, a peaceful reunification with Taiwan, which is Beijing's real diplomatic objective."

"After Hong Kong, Taiwan"

Jean-Luc Domenach in regional Ouest France (6/26): "If China manages to take over Hong Kong without weakening its economic boom, it will be offering the world a much more credible image. It will also have made progress on another cause, Taiwan, which is its next objective."

GERMANY: "'Homo Hongkongiensis'"

Peter Satorius remarked in an editorial in centrist Sueddeutsche Zeitung of Munich (7/1): "It is surprising that one essential factor, which will determine Hong Kong's future, has so far been mentioned only as an aside: It is the human factor. With its six and a half million people, Hong Kong's citizens represent a marvelous mixture of intelligence, the drive for success, and the will to survive. It was not money as such that made Hong Kong what it is today, but the individuals who pursued happiness and found money.... But Hong Kong's great work, the rise to the eighth strongest trade power in the world...would not have been possible without this species, 'homo hongkongiensis.'... For Hong Kong, the human factor will prove to be more important than the political factor."

"Hong Kong's New Masters"

Ulrich Schilling-Strack maintained in centrist General-Anzeiger of Bonn (7/1): "The letters of the treaty are one case, but their practical implementation another. Beijing does not miss an opportunity to present itself as the powerful new master of the former colony. The bitter controversy about the circumstances that accompanied the transfer ceremony offers a foretaste. Without losing time, Beijing obviously wants to show who is the master of the house. We had a foreboding of this approach before, and this is the real danger for the future of the enclave. It is true that the world watches events, but it is stealing away from its responsibility. The EU, too, for economic reasons, gave up plans for a joint resolution which could back the democracy movement in the city. This will not be without consequences."

"Even if Beijing strictly abides by the letters of the treaty, Hong Kong's future as a democratic island in a vast Communist empire is by no means certain."

"Hong Kong--A Trojan Horse?"

Winfried Scharlau commented on national ARD-TV's late evening newscast "Tagesthemen" (6/30): "As a separate administrative unit, Hong Kong will have the chance to preserve its life style and to continue its success if it avoids a confrontation with the Communist Party, and if it does not raise the question of power. As a Trojan horse, Hong Kong will not be able to pave the way for democracy in China, but as an engine of modernization and economic development, the city will be of use. Its usefulness for Beijing allowed the city to survive the Cold War. And its usefulness will now also be the only chance to master the future."

ITALY: "The First Step Toward A New Empire"

Ugo Tramballi commented in leading business Il Sole 24-Ore (7/1): "The protagonist is China, which yesterday wanted to become a power and that today is a power.... It is true that China still has a long way to go, but there is nothing like the people's self-esteem to make the hypothesis come true.... Hong Kong's return...gives a political meaning to a decade-long ten percent economic growth rate.... In recent years we saw many countries move from colonialism to independence and saw whole peoples abandon communism.... A unique case, Hong Kong takes a different road: It leaves a well-functioning colonialism and enters communism.... Indeed, politically speaking, China remains a communist country, even though it can be better defined as an illiberal country.... In any case, it is fate that Hong Kong will become a Chinese city. What it will mean is up to China."

RUSSIA: "Chinese Victory Over A Great Power"

Alexander Platkovsky filed from Hong Kong for reformist Izvestia (7/1): "One can understand the Chinese: Having been through so much humiliation, they are celebrating a triumph by right. It is a victory--strategic and moral--over a great power. The West made a mistake, a fatal one. It viewed Chinese communists as transients likely to quit the stage sooner or later. It was wrong: The communists proved pragmatic and tenacious politicians."

"U.S. Fears China May Profit By Hong Kong"

Pavel Bogomolov wrote from London in neo-communist Pravda-Five (7/1): "The world press has worked tirelessly to inculcate in the public mind a stereotype idea--the trouble with Hong Kong reverting to Chinese rule, the media have kept hammering into our heads, is that its residents may lose their civil rights and freedoms. Taking an approach as simple and 'programmed' as that, you cannot get a broad, ideologically uninhibited picture of realities. The thing that worries the United States, if not the whole West, most is not that the totalitarian regime may senselessly destroy the 'capitalist paradise.' The advocates of global competition fear that, with Hong Kong retaining its status as one of the world's major banking and commercial centers, Beijing may profit by it even more than predicted by experts in Washington."

"Have Faith In The Pragmatic Chinese"

Banker Sergei Veremeyenko is quoted as saying in reformist, business-oriented Kommersant Daily (6/28): "It is with optimism that we are watching Hong Kong reverting to Chinese rule, if only because bankers always favor integration, provided it is peaceful. We are certain that it will go painlessly, without trouble. The Chinese are pragmatic. You can see that from the kind of progress the economy of mainland China has made lately. They will not destroy that which makes it possible. Taiwan will come next, of course."

CANADA: "Nostalgia For A Democracy That Never Was"

Foreign affairs columnist Eric Margolis maintained in the conservative Ottawa Sun (6/30): "In time...Hong Kong will become much more like the rest of China.... Toxic corruption will infuse industry and institutions; personal connections...will become more important than law. Bureaucrats will inevitably get their hands on free enterprise and

begin draining some of its blood. Political expression will be curbed.... Carping about voting rights in Hong Kong or threatening trade sanctions won't deter China's inevitable rise to economic, political and, one day, military might. Monday night is enormously historic. It truly marks China's debut as a world superpower-- and, equally significant-- signals the beginning of the decline of the United States as the dominant power in East Asia and the China Sea."

"Red Star Rises Over Hong Kong"

According to the liberal Toronto Star (6/30): "The winds of history blow through Hong Kong today like a typhoon off the South China Sea.... If China's unelected rulers understand anything, they must know that the task of earning Hong Kong's trust begins now, as the city assumes its new role as a key financial center for one of the largest economies on the planet.... China too, stands to gain, by leaving its newest citizens as free as possible. Left unmolested, Hong Kong can only grow in importance to China.... The Communist Party mandarins in Beijing are used to running things with a politically heavy and economically corrupt hand.... Still, Chinese President Jiang Zemin must know, as he watches China's...flag rise over Victoria Harbor, that the sturdy people of Hong Kong can do what they do best only if they continue to enjoy the liberties they regard as their birthright. Give them elbow-room, and elbows will labor for the People's Republic."

"Freedom Checklist"

The liberal Ottawa Citizen asserted (6/30): "Hong Kong is the ultimate test for China, not just because the motherland hopes eventually to embrace Taiwan, or because harming Hong Kong hurts China itself, but because the whole world will be watching what happens to a healthy, free society after it is handed over to a repressive, paternalistic state. If China wishes to be seen as something other than a ruthless police state running roughshod over the rights of its own people, it can gain respect by leaving Hong Kong alone."

CZECH REPUBLIC: "Chinese Water Torture"

Largest circulation Mlada Fronta Dnes held (7/1), "Beijing has no intention of destroying Hong Kong. The territory can thus influence the Chinese dragon with an unimagined strength. This will be a slow and cautious process but its consequences could have an impact on the whole world after several decades."

BELGIUM: "China's Honor"

These were the thoughts of Philippe Paquet in conservative, Catholic La Libre Belgique (7/1): "After a transition period which, since 1984, was mainly characterized by mutual distrust--or even, during the Patten years, by open confrontation--Beijing will have to restore confidence, and the only way to achieve this will be by scrupulously abiding by, not only the letter but also the spirit, of the joint Chinese-British Declaration and of the Basic Law, which is considered Hong Kong's constitution. The prosperity and stability of this 'special administrative region' is at stake, but it is, above all, in China's interest.... The communist authorities cannot fail in the former colony if they want to keep their chances in their long-term project of national reunification with the nationalist island (of Taiwan)."

"The Hong Kong Model"

Foreign editor Axel Buyse noted in independent Catholic De Standaard (7/1): "There is a real chance that China will treat the goose that lays the golden eggs with the proper prudence.... Can the politically freer climate of Hong Kong and Taiwan spread to China?... Even without much direct interference from Beijing, Hong Kong will fall back upon the so-called Asian democracy model and become a kind of corporate state where the rulers allow a 'safe' margin of opposition

without jeopardizing their own positions. However, precisely the maintenance of that amount of freedom in the former Crown Colony might turn out to be of vital importance for all of China. Even though the 'model' is not pure, Hong Kong may have an enormous political impact. Rome, too, was not built in one day."

"The Little Dragon Against The Chinese Ogre"

Patrick Dath-Delcambe held in conservative La Dernière Heure (7/1): "China...cannot choke this economic lung from which many investments necessary to its own development are coming. Neither can it resort to force, which would jeopardize its chances of reunification with Taiwan. The Western world would be less inclined to close its eyes on a blunder in this capitalistic bastion. But China, it is true, is so unpredictable."

"If Beijing Fails In Hong Kong, Taiwan Will Drift Away"

Asian affairs writer Freddy De Pauw remarked in independent Catholic De Standaard (6/30), "China will care little about the outside world's opinion. After Tiananmen, the official indignation also had few practical consequences. However, Beijing is confronted with another problem: The concept of 'one country, two systems' was conceived as a model for the return of Taiwan. If Beijing causes a mess in Hong Kong, Taiwan will drift further away."

MALTA: "End Of An Era"

The English-language Times of Malta pointed out (6/30): "China has been at pains to voice its determination to maintain Hong Kong's stability in the run-up to the handover to it of Britain's last major colony.... Officially atheist China has promised to respect freedom of religion in Hong Kong...although some leaders of various faiths have expressed unease about their future."

HUNGARY: "China's Door"

Largest circulation national Nepszabadsag published this op-ed piece (7/1): "China is opening to the West because it needs it. That is why the door called Hong Kong, opening to the West, is important for it. However, the movement of the door is followed by concerned glances. Perhaps those tanks in Tiananmen Square in 1989 should not have been in such a hurry, especially because the noise of the tanks still echoes in Hong Kong--and not only Hong Kong's--ears. Hong Kong might bring an unprecedented boom to China, and unprecedented troubles as well if tanks will be louder than the tinkling of the cash machines of the Bank of China."

NORWAY: "A New Era"

Leading tabloid VG commented (7/1), "It has happened. For the first time in history a capitalist community has peacefully been taken over by a communist state. This is the beginning of a new era, both for China and Hong Kong. Nobody knows for certain how it will turn out. China has promised that Hong Kong will be allowed to keep its capitalist system for at least another 50 years under the 'one country, two systems' plan.... From now on, only the United States has the authority to put China under pressure if the Beijing leadership fails to honor its promises to Hong Kong."

"China's Responsibility To Hong Kong"

Social democratic Arbeiderbladet judged (7/1): "We doubt whether the citizens of Hong Kong and the Western countries will accept a reduction or removal of today's civil liberties in the Hong Kong. Both the Chinese and the rest of the world know that the takeover is a test on how the entire empire of China will develop in the coming years."

THE NETHERLANDS: "The Challenge Of Hong Kong"

Influential liberal De Volkskrant held (7/1), "There is reason for many a democrat in Hong Kong to fear Chinese repression.... This worst case scenario cannot be ruled out completely.... However, it is not likely to happen for the time being. China officially promised to have a 'one country, two systems' policy in Hong Kong.... Economically this would be in China's best interest."

"What Will The Chinese Communists Do With Hong Kong?"

Centrist Algemeen Dagblad asked (7/1), "What will the Chinese communists do with Hong Kong? There will not be many economic changes, for Beijing will not kill the goose with the golden eggs. And so, it will mainly be business as usual. However, one may doubt whether the political climate in the former British colony will be the same. Beijing has a tendency to restrict the freedom of its citizens. And it does not think that human rights and democracy are related.... Dissident views are nipped in the bud.... It is unlikely that such a repressive regime will passively watch the freedom of Hong Kong move northwards."

MIDDLE EAST

ISRAEL: "Millions Coerced"

Mass-appeal, pluralist Maariv editorialized (6/29): "The Hong Kong transfer is one of the most momentous events of the century.... That the handover is being carried out peacefully is being applauded as a glorious achievement of the new international order. However, the truth is that millions of Chinese residents of Hong Kong are being coerced into accepting Chinese rule without having any say about the matter. Beijing is promising to respect Hong Kong's free economy and civil liberties. And indeed, Chinese rulers have an interest in reaping the dividends of Hong Kong's international economy. It remains to be seen if this sound consideration would outweigh Beijing's fear of Hong Kong's psychological impact on the mainland."

EGYPT: "Tiny Product Of British Imperialism"

Board Chairman Mahfouz Al Ansari wrote in pro-government Al Gomhouriya (6/28): "While Great Britain is preparing to respect its vows and agreements to hand over the rich island of Hong Kong to China, we find Netanyahu, whose country is a tiny product of British imperialism, has relinquished his vows...and is trying to revive imperialist theory."

SOUTH ASIA

INDIA: "Chinese Socialism Or Hong Kong's Laissez-Faire?"

An editorial in the centrist Hindu (7/1) pointed out: "As the celebration fever dies down over the next few months in Hong Kong and Beijing--and across the world in the Chinese diaspora--an element of suspense remains over whether there will be a reversal of history, the opium of Hong Kong's capitalist life style seeping across into the mainland, whether the socialism...will be overwhelmed by the laissez-faire swirls from the Pearl of the Orient....

"As it continues its economic strides, China must know the folly of killing the goose that lays the golden egg. That goose will continue to be Hong Kong for some years to come, until Shanghai and other centers of industrialization catch up.... The announcement of elections next year to a new legislature for Hong Kong...emphasizes Beijing's desire to present its best face to the world and allay the fears of the island's lovers of democracy."

"Happy Coexistence Between Profit Motive And Welfarist Ideal"

The centrist Pioneer (7/1) commented editorially: "Had China not successfully implemented market socialism within, there would have been an irreconcilable mismatch between the economic systems. However, now that China itself is a huge island of capitalist prosperity guided by strait-jacketed political socialism, Hong Kong's entrepreneurs need have no irrational fears. At any rate, the delightfully hypocritical concept of 'one country, two systems' has already laid the foundation for a happy coexistence between the profit motive and the welfarist ideal.... (Yet) there is, indeed, a serious danger that under the prudish gaze of inscrutable Chinese Army commanders, Hong Kong may become all work and no play. But then, pragmatists as they are, Beijing's canny leaders may well turn a blind eye toward the island that lays golden eggs, and refrain from imposing the same killjoy norms they have in the mainland."

"China Doomed To Democracy"

An analysis by T.J.S. George in Hong Kong (6/30) appeared under the headline above in the right- of-center Indian Express. "Beijing has a big stake in maintaining Hong Kong in its present state of economic boom and relative political freedom. Any setback can seriously jeopardize its principal policy goals, such as membership in the WTO, continuance of MFN status and reunification with Taiwan.... A loss in prestige is what China will be most anxious to avoid just now. That is why, in the days ahead, China will become more like Hong Kong instead of Hong Kong becoming more like China."

PAKISTAN: "New Era For Hong Kong"

The Karachi-based, independent Dawn put forth this view (6/30): "It goes to the credit of both Britain and China that they have amicably agreed on a viable medium for a peaceful and, hopefully, smooth transition. The 11th-hour bickering on the transfer of power formalities notwithstanding...some political continuity has been ensured.... Many members of the Patten administration, including chief secretary Anson Chan, have been retained in the new Special Administrative Region government.... All this augurs well for Hong Kong as well as China. It is now for the West to facilitate the transition process."

"China, Hong Kong And The West"

Muhammad Chaudhri penned this for the center-right Nation (6/28): "The best course open to the West is to give up the idea of turning Hong Kong from an 'economic city' to a 'political city.' The problem is that the Western powers have not forgiven the Chinese for accepting communism."

BANGLADESH: "The Entire World Is Waiting"

Readers of conservative, Bangla-language Ittefaq (7/1) saw this editorial, "Beijing has pledged to keep Hong Kong's capitalistic economy for the next 50 years. It is true that China's economy has found a solid base owing to Hong Kong's free trade.... Much of China's progress has come through Hong Kong. Therefore, the entire world...is waiting in earnest to see what will happen to Hong Kong's free market economy, how much autonomy it will now enjoy and how democracy will evolve. It also cannot be denied that the resolution of Taiwan, Tibet and East Turkistan issues depends on Beijing's success or failure in Hong Kong."

"End Of British Rule In Hong Kong"

Anti-West Inqilab insisted (6/30): "At least...the Chinese of Hong Kong have accepted this return with a positive outlook.... Hong Kong's return to the mainland will not create any serious problems...(and) will be beneficial for the entire Chinese nation. China's progress, especially its economic progress, will accelerate. We welcome Hong Kong's return to China."

"China's Credibility At Stake"

Pro-left Bhorer Kagoj held (6/30): "Many people are concerned over the future of democracy in Hong Kong.... China will not allow (human rights violations in Hong Kong)...because its credibility in the world is very important."

"Historic Handover"

The independent Daily Star featured this comment (6/30): "Hong Kong was nervous, naturally. And China played it cool. We are impressed by both. And if both make a go of it in the first days of the union, the world will sigh with relief. China is already more than half way in accepting the 'one state, two systems' mantra. The world would now love it if China does a little more and extends the mantra to 'one state, two political systems.'"

NEPAL: "The Real Problem For Hong Kong And China"

Government-owned Gorkhapatra (6/28) observed, "The time is not ripe yet for raising doubts about the Chinese commitment not to interfere in the existing social values and capitalist system in Hong Kong and to enforce the doctrine of one country, two systems.... By breaking its commitment, China will not like to be looked down upon by the international community.... Efforts to strengthen its trade relations with America are continuing, and its concern about Taiwan is also there. To avoid these, China must act in accordance with its commitments.... But one thing is certain that the real problem of industrialized Hong Kong will begin soon. There are fundamental differences in mode of life, social well-being and living conditions between Hong Kong and China.... It is not easy to fill the gap.... China needs to bring about a balance in this dual systems. Even a slight discrepancy in policy and practice will create dissatisfaction among the Hong Kong people, and the dissatisfied Hong Kong might also become a burden to China."

SRI LANKA: "Bitter Historial Paradoxes"

The independent Island told its readers (6/30): "The concern shown by the British and other Western nations over the democratic rights of the people of Hong Kong under Chinese rule brings out many bitter historical paradoxes. These defenders of human rights forget how the Chinese were treated in the heyday of Western imperialism, when notice boards were put up at public parks saying: 'Dogs and Chinese not permitted.' Another tragic irony is the concern and efforts made to stop trafficking in drugs such as opium, whereas a century ago, the Chinese were butchered for resisting introduction of opium into their country.... (Yet) historical injustices committed on their ancestors should not justify the present generation of Hong Kong people being deprived of the democratic rights they have enjoyed. The acid test of how democratic Hong Kong would be will be seen if genuine elections are held soon to Hong Kong's legislative assembly rather than continuing with the present assembly which is virtually a Beijing creation."

"Monster Swallowing The Golden Egg?"

An editorial comment in the independent Sunday Times maintained (6/29): "For the past few years, Western propagandists have apparently been trying to paint a picture of the golden egg being swallowed by a huge red monster."

"But we believe the people of Hong Kong...will be better off under China with its practical 'one country, two systems' policy."

AFRICA

NIGERIA: "Waiting Patiently Has Paid Off"

The Ibadan-based, government-owned Daily Sketch (7/1) said: "What we find significant in all this is the wait-and-watch policy that successive Chinese governments adopted in the matter of this territory.... It chose to believe, as many always do not, that 99 years is not forever, that one day China would gather under its wings a territory that rightly belongs to it. In another two years or so, Macao would also be handed back to China by Portugal."

"Some Form Of Hybridization"

Lagos's independent This Day editorialized (6/30): "The provision as contained in the Basic Law, in our view, should be the building block upon which a reunited China should be founded. A prosperous Hong Kong, we believe, is good for all of China. It is therefore expected that China should imbibe the best traditions available in Hong Kong with a view to improving the general well-being of the Chinese. As it returns to China, Hong Kong should also be prepared to adjust to the reality of the situation in mainland China as the parent body would insulate Hong Kong completely from its own system. There is bound to be some form of hybridization which, in our considered opinion, would be in the mutual interest of both parts of China if properly harnessed. In aiming at this, neither China nor Hong Kong should allow itself to be teleguided by external interests."

LATIN AMERICA AND CARIBBEAN

ARGENTINA: "Hong Kong, Today"

An editorial in pro-government La Prensa argued (7/1), "Hong Kong's handover to China is being presented as an 'anticolonial conquest.' Oh, ironies of history! What about the anticolonial policy of the People's Republic of China? In other words, what about Tibet? Everybody knows, too, the scarce enthusiasm shown by Hong Kong inhabitants for going back to their original rulers, and how readily they would have continued belonging to the old colonial power, whose past mistakes they are happy to forgive.... We still have to see how China will comply with its pompous promises to respect 'human rights' and other Western eccentricities imported by the British to Hong Kong."

"Window Into China"

Marcelo Cantelmi wrote for leading Clarín (6/29): "i(Hong Kong) has a free press and...has become used to coping with decisions removed from the kind of state centralism that rules Chinese society. This is a formidable challenge for Deng Xiaoping's heir, Jiang Zemin.... It remains to be seen whether China will fully incorporate Hong Kong or if it will be the other way around. The truth is that this process--as with the Berlin Wall that fell on both sides--will unavoidably be a two-way street."

BRAZIL: "How Much Is An Agreement Worth?"

Conservative O Estado de Sao Paulo observed (7/1): "(Even) if Hong Kong, as a colony, was never a bastion of representative democracy, its population enjoyed civil liberties that never existed in communist China. The Chinese regime already signalled that its tolerance for freedom of demonstration and information in Hong Kong will not be much more than what it has been in China....

"The mixed system of economic opening in the special zones and strict control of civil liberties has functioned in China. Can one foresee the same success for a regime based on one country, two systems? The question is how far the Chinese are willing to go with this control and how the residents of Hong Kong will react to this loss of liberties."

"The New 'Great Wall Of China'"

In the view of conservative O Estado de São Paulo (6/30): "It would not be a surprising if, along with the transfer (of

sovereignty to the People's Republic of China), Hong Kong were...surrounded by the great digital wall that the Chinese government presently uses to monitor the 150,000 Chinese...who have computers. There is a new Great Wall of China being built, which is greater and much more efficient than the original one."

JAMAICA: "Another Strong, Pro-Business Asian Regime?"

Regular columnist John Rapley wrote in the moderate, influential Daily Gleaner (6/27), "What is likely to emerge is a free market economy under a more or less authoritarian regime.... While the new Hong Kong administration will be nominally communist, it will parallel strong pro-business regimes that have governed East Asian neighbors like Singapore, Taiwan and South Korea. In fact, the new government of Hong Kong will be led by a billionaire shipping magnate, Tung Chee-hwa. Perhaps not surprisingly, one of Mr. Tung's heroes is said to be...Lee Kuan Yew.... (But) as Hong Kong continues to prosper, its business people may find that the strong state they once favored becomes too meddlesome. Beijing's control may gradually be pared back. Some day in the future, China's persecuted liberals may yet have the last laugh."

##

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SUBJECT: Daily Digest: HONG KONG JOINS CHINA

TO: Doris O. Matsui (Doris O. Matsui@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

In the days following the transfer of Hong Kong to Chinese sovereignty,

two new

themes emerged in the foreign media's assessment of the "new reality" of a

China that also includes one of the world's freest and most vibrant

economic

centers. The first was speculation on what effect the "virus" of Hong

Kong's

"freewheeling" lifestyle and economy might have on the mainland. Of equal

interest to overseas analysts were Beijing's intentions toward Taiwan

following

statements out of Beijing that "the 'one country, two systems'

formula...can

also work for Taiwan." Dailies in Taipei were quick to counter that

Taiwan

was "absolutely not another Hong Kong" and argued strongly in favor of

"self-determination" for its 21 million people. "Hong Kong's

residents...were

never consulted," the liberal, pro-independence Liberty Times intoned,

adding,

"We cannot but remain highly concerned and alert." Following are the

major

trends in the commentary.

THE HONG KONG 'VIRUS': China's official papers confirmed comment

elsewhere

that Hong Kong's economy was bound to have a profound effect on the

Chinese

mainland. "As the major channel between China and international markets,

Hong

Kong will...(bring) international capital to China's interior and...(help

transport) China's commodities to world markets," a writer for Shanghai's

Wenhui Daily asserted, citing the important "national interests" that Hong

Kong

held for the mainland. A majority of analysts elsewhere sounded the theme

that

China was likely to become "more like Hong Kong" than the reverse. Some

warned

that the "infusion" of the "opium" of freedom--both economic and

political--from Hong Kong into China could prove problematic for Beijing's

leaders. The predominant conclusion, however, was that it was in China's

best

interest not to crack down on Hong Kong "once the fireworks (of the

handover

ceremony) fade away."

TAIWAN THE NEXT 'TARGET' FOR 'REUNIFICATION'?: Foreign observers

generally

agreed that any missteps on Beijing's part in applying the "one country,
two
systems" model in Hong Kong would bode very ill for an eventual
"reunification"
with Taiwan. A number of writers, however, argued that the Hong Kong
formula
would never work in Taiwan because the differences between the two were
too
great. A pundit in Bangkok's elite Naew Na, for example, pointed out that
"the
repossession of Hong Kong, a leased territory," was quite different from
the
case of Taiwan, which has regarded itself as an independent nation since
the
time of General Chiang Kai-shek. "China's offer of the 'one country, two
systems'...will not be able to quench the Taiwanese thirst for greater
freedom
under democratic rule," the paper warned. In the words of the
conservative
Ottawa Sun, "The time has come to help put a defensive wedge between
Taiwan and
Red China by recognizing Taiwan as a democratic reality which must be
helped,
not hindered. It's a debate which should begin today. If not
yesterday."

This survey is based on 59 reports from 23 countries, June 30 - July 3.

EDITOR: Kathleen J. Brahney

EAST ASIA AND PACIFIC

CHINA: "Rumors Are Stopped By Wise Men, Facts Speak Louder Than Words"

Noting that the reversion of Hong Kong "made a great impact on the U.S. media,"

Dong Jun wrote in the official Communist Party Liberation Daily (Jiefang Ribao,

7/2): "Hong Kong's return to Chinese sovereignty marks the final retreat of

Western colonial rule in Southeast Asia. Some conservatives in the United States have been unhappy about this and have reacted with threatening predictions about the future of Hong Kong. Similar views have also been heard

in the American media. Televisions programs on Hong Kong are creating a tense

and pessimistic atmosphere. But these programs were unsuccessful....

When a

Chinese-American or a Hong Kong resident was interviewed and gave unsatisfactory answers, some senior news anchors are embarrassed."

"Inland Chinese Economy Crucial To Hong Kong's Long-Term Prosperity"

Huang Renwei, of the Shanghai International Studies Research Center, observed

in the official Shanghai Municipal Wenhui Daily (Wenhui Bao, 7/2): "As the major channel between China and international markets, Hong Kong will be responsible for bringing international capital to China's interior and for transporting China's commodities to world markets.... The pivotal role played by Hong Kong in capital and commodity flows has laid the foundation for the international financial center whose function is the utilization and allocation of capital.... A combination of the highest level of free trade in Hong Kong and a more open China will be an important contributor to regional economic development.... In the next five to 10 years, China will become more active in APEC's free trade process and the WTO, thereby providing opportunities to develop an even bigger market.... As for China, maintaining Hong Kong as an international financial and trade center is one of its largest national interests. So there is no doubt that the policies of 'one country, two systems,' 'Hong Kong ruled by Hong Kong people,' and the 'high degree of autonomy' for the Special Administrative Region will be carried out."

HONG KONG: "Lofty Ambitions"

The independent, English-language South China Morning Post editorialized (7/2): "If he succeeds in fulfilling three quarters of the pledges in his first speech as leader of the SAR government, Chief Executive Tung Chee-hwa's term in office will far outclass the performance of any previous Hong Kong government. His aims are ambitious. In some areas they may prove rather too ambitious. There were times when his words had the ring of a politician seeking election, rather than a leader who has the future of 6.3 million people in his hands. But Mr. Tung has one advantage that most government heads only dream of. The Hong Kong coffers are full to overflowing, and he can well afford to spend a modest portion of that money in neglected areas which are crying out for cash. With a surplus of \$320 billion at his disposal, there is no need to dig deep into the funds to find sufficient money to significantly improve education, housing and care of the elderly. Most people would agree that of those three, education is the main priority. It is the wellspring of economic success, and since the economy is another of the chief executive's major targets, he is prepared to upgrade every aspect of the current system,

from the
quality of teaching staff to the curriculum itself. The difficulty in
this
particular endeavor is that money alone cannot solve the greatest
problem."

TAIWAN: "Nothing To Be Happy About As Hong Kong Falls Again"

This comment ran in the liberal, pro-independence Commons Daily (7/2):
"The
will of the more than six million Hong Kong residents, which is the most
crucial factor, was never consulted or respected. Therefore, we have
nothing
to be happy about. The tragedy of Hong Kong is just about to start. We
cannot
but remain highly concerned and alert."

"Taiwan Absolutely Not Another Hong Kong--Refuting Jiang Zemin"

The liberal, pro-independence Liberty Times took exception to Chinese
President
Jiang Zemin's words about Taiwan and ran this comment (7/2): "Actually,
the
simplest common sense or logic tells us that the unification of East and
West
Germany is but 'one nation one system.' In a similar fashion, Hong Kong

should

renounce its capitalism and adopt socialism after its handover to China.

Despite this logic, China separates Hong Kong from its mainland. Does this

mean that China admits that 'socialism with Chinese characteristics' is

inferior to 'Hong Kong's capitalism?' Taiwan is a sovereign nation. Its

president and parliamentarians are elected by the people. Taiwan's future

should be decided by its 21.4 million people. After all, 'the core of

freedom

is the fundamental principle of self-determination."

"Keep An Eye On U.S. Policy"

Asking "why was the Taiwan Relations Act set aside in Albright's remarks?"

in

its sub-heading, the conservative, pro-unification United Daily News

concluded

(7/2): "If Taipei cannot work out an argument to convince the United

States

otherwise, the United States will conduct a strategic dialogue with China

concerning Taiwan, based on the guiding principles of the three

communiques,

this will exert increasing pressure on Taipei, and the outcome might even

go

beyond Taipei's expectation."

"PRC Capital May Arrive Through Hong Kong"

The conservative, pro-unification China Post maintained (7/2): "What Taiwan really needs to be concerned about is that mainland China may seek to infiltrate the local economy using the advantage of Hong Kong's greater economic integration with the Chinese mainland, a development that is certain to happen with the reversion of the territory to Beijing rule."

"Can International Pressure Ensure Hong Kong's Freedom And Rule of Law?"

Tsai Hung-ming, executive secretary at the Chinese National Federation of Industries, penned this for the liberal, pro-independence Commons Daily (7/2):

"In fact, both Hong Kong local businesses and foreign firms in the territory all have ambiguous feelings toward the international community's concern over Hong Kong. They...very much welcome the international community's surveillance over Beijing's Hong Kong policy, but...do not want the United States or other countries to overdo it and thereby sacrifice their interests."

AUSTRALIA: "Model Democracy Won't Happen"

The international editor for the national, conservative Australian (7/2)

commented, "It is folly to believe that Hong Kong under China is going to become a model democracy. That won't happen and the issue is how the West then reacts. This is important to the future path of the Australia-U.S. relations, which saw a symbolic difference of opinion during the handover ceremony. If Hong Kong becomes a focus for a deeper dispute between the United States and China over human rights then, depending upon the source of the dispute, Australia and the United States might experience a growing gulf."

INDONESIA: "After The July 1st Handover Of Hong Kong"

Readers of leading, independent Kompas saw this editorial (7/3): "Somehow democratic tradition has become deeply rooted in the former British colony and Hong Kong citizens are able to criticize political parties. In China, people do not enjoy such freedom and the Hong Kong handover will give rise to confusion among other Chinese citizens. One likely solution is application of two different kinds of treatment for the newly joined citizens.

"Yet, should the democratic tradition be allowed to continue, Beijing's leaders

would have reason to worry that their leadership status will be endangered."

"Hong Kong Citizens Are Individualistic"

Pro-government Berita Buana (7/2) editorialized: "Hong Kong citizens are individualistic in the good sense, that is, everyone is supposed to work hard, independent even from their own parents and relatives. This credo has given birth to liberalism.... China should see this reality...and not change drastically Hong Kong's social, political and administrative systems. Let Hong Kong go on as it has done...to avoid chaos and even bloodshed."

PHILIPPINES: "Ominous"

In the view of the liberal Today (7/3): "Aside from the momentary sympathy shown by the world to the (Hong Kong) democrats' last hour of prominence, (Martin) Lee and company will find little support from the outside world henceforth. Britain and the United States tried to mount a symbolic protest by not attending the inauguration of the new Hong Kong government, but their move found no support from their allies--or even from (Hong Kong's) citizens, who

are eager to curry favor with the new regime."

"Crystal Ball Gazing"

Columnist Antonio Abaya wrote in third leading Philippine Star (7/3): "My guess is that in...50 years, it will be China that will become more and more like Hong Kong, rather than the other way around. One can already sense that Shanghai, Guandong, Xiamen, Shenzhen and other Chinese cities are fast morphing into competing enclaves of capitalism, while there is absolutely no sign at all that any part of Taiwan is on its way to organizing itself into a Maoist people's commune."

"China Has Solemn Promises To Keep"

Former ambassador Oscar Villadolid wrote in the independent Manila Standard (7/3): "Although he has already upset Hong Kong democrats by mandating a provisional legislature under his hand-picked Chief Executive Tung Chee-hwa, he has agreed to 'free' elections in May, 1998.... If China's track record in promises is to be the gauge of what the SAR can expect, then the people of Hong

Kong are in for a disappointment."

"Pathetic Sideshow"

Former Philippine envoy to Europe J.V. Cruz wrote in the independent

Manila

Chronicle (7/2): "One of the most pathetic sideshows at the turnover

rites was

the 'boycott' by British Prime Minister Tony Blair and U.S. Secretary of

State

Madeleine Albright of the ceremony marking the induction of the

provisional

legislature.... They weren't missed at all.... The Western media are

full of

China-bashers.... And a great deal of China-bashing is nothing but

undiluted

racism. So the Western media will not relax its 'vigil' on Hong Kong and

will

keep hoping that the Special Administrative Region will stumble in its

administration of the territory."

SOUTH KOREA: "A Great Future For Jiang Zemin"

Moderate Hankook Ilbo (7/3) commented: "Hong Kong returned to China,

making

President Jiang Zemin more confident than ever. At the time of Deng

Xiaoping's death, his future looked uncertain, with many speculating that

he

would lose in a power struggle.... However...it is great political

advantage

for him that Hong Kong returned to China, and his future is no longer in

the

dark."

"U.S. And China-Taiwan Relations"

Anti-establishment Hankyoreh Shinmun (7/2) commented: "The Taiwanese

attitude

toward the prospect of reunification with China will be decided by

China--how

well it performs in Hong Kong..... If Hong Kong's stability falters, that

will

lead dissidents to move to Taiwan to fight for their cause there.... The

United States is the only country that can make a difference on

China-Taiwan

relations. It may well be that relations of the two Chinese states are

already

moving according to a direction and timetable set by the United States."

THAILAND: "Taiwan, China's Next Target"

Charnnarit Boonparord observed in elite Naew Na (7/3): "Reunification

with

Taiwan, China's next aim, will run into many complexities due to the striking differences between Taiwan and Hong Kong.... Taiwan, a political refuge for General Chiang Kai-shek and his Kuomintang followers after they fled late Chairman Mao Zedong's assaults in 1949...has always regarded itself as an independent nation.... China's offer of the 'one country, two systems'...will not be able to quench the Taiwanese thirst for greater freedom under democratic rule.... Moreover, the repossession of Hong Kong, a leased territory, was more simply achieved when the lease contract expired.... All told, the China-Taiwan reunification, though inevitable, is still far beyond the horizon."

"China's Strategy After July 1, 1997"

Academic Vorasak Mahattanobon commented in elite, business-oriented Phujatkarn (7/3): "The return of Hong Kong means much more to China than having recovered a long-lost son. For the latter has not only grown up and matured, but is also prospering and ready to share its wealth with and impart know-how to mother China.... (Having gained more confidence as a result,) China definitely

will
not compromise when it comes to future claims over contentious natural
resources.... Boosted by Hong Kong, China will concentrate more on its
conflicts with the United States and other Western countries, especially
conflicts over human rights and democratic ideology.... When and if a
conflict erupts, China's first reaction will likely be to turn to its
friends
in Southeast Asia. After all, these friends share more or less similar
political views with China."

"Improper For Outsiders To Pressure China"

The lead editorial of the elite Siam Post emphasized (7/2): "With total
sovereignty over Hong Kong, China has a legitimate right to determine
whether
to shut Hong Kong in or retain its status quo. It would be improper for
outsiders to pressure China to keep Hong Kong open only to be like
them....

China has a mandate to formulate a Hong Kong policy for the best interests
of
the Chinese and China as a whole."

EUROPE

BRITAIN: "Blair Adopts Jaw-Jaw Approach"

Ian Black, diplomatic editor of the liberal Guardian, remarked (7/2): "As

the

British government contemplates the post-handover period, it is sharply

aware

that although its economic interest in, and moral commitment to, the

former

colony remains strong, its ability to influence events has been badly weake

ned.... Britain's strongest support comes from the United States, the

only

other country to boycott the swearing-in ceremony of the

Beijing-appointed

provisional legislature. But the United States learned the hard way that

EU

partners with significant trading interests were not keen to upset China

by

following suit."

"Sealed With A Golden Kiss"

In the editorial view of the conservative Times (7/2): "Anyone who claims

to

know what will happen to Hong Kong is a fool. I doubt if even Chinese

President

Jiang Zemin, has a clue.... (The) optimism (that) exists about the future

autonomy of Hong Kong is rooted in one quality alone--that Beijing's

rulers

are too greedy to 'kill the golden goose.' It is a shaky foundation for civil liberty. Thus did Attila approach the gates of Rome."

GERMANY: "Capitalist Tail Wagging The Communist Dog?"

Right-of-center Nuernberger Zeitung noted (7/2): "In order to convince Taiwan, Beijing must now show its better profile. But this will strengthen the self-confidence and the Western democratic and capitalist thinking of the Hong Kong Chinese. However, such a development cannot be without effect on the Chinese special economic zones, and thus on China as a whole. It cannot be ruled out that the whole process that Beijing set in motion in establishing the special economic zones will get out of control...with the taking over of Hong Kong.... It cannot be ruled out that, some day in future, the capitalist tail will wag the communist dog."

"Hong Kongers Will Have To Heed Beijing Now"

Right-of-center Berliner Kurier asserted (7/2): "After fire crackers and fireworks chased away the 'evil spirits,' the moment of truth has come

for
Hong Kong. Li Peng's announcement that every criticism will be
considered in
future an 'interference in internal Chinese affairs' is directed not only
at
the countries abroad. It is also a warning signal for the citizens of the
former crown colony to use the tone that is set by Beijing."

"Messages"

Right-of-center Deister- und Weserzeitung of Hamelin read the tea leaves
this
way (7/2): "A political event in history which offers nothing to
celebrate has
hardly ever been celebrated in such a pompous way as Hong Kong's
unification
with (China). Only the rulers in Beijing have reason to cheer. However,
what
they have to offer...is an ambiguous message. To the outside the message
is:
Not too much will change, calm down! And to the inside: Freedom will be
restricted and everything else will be ordered.... The people in Taiwan,
in
particular, are watching with dismay the ceremonies from Hong Kong. They
consider themselves the booty of the mainland Chinese and feel rejected by
the
countries of the West."

ITALY: "Hong Kong"

An editorial in provocative, classical liberal daily Il Foglio (7/3):

"China's

policy allows for growing penetration by Western economic and social models

into its territory, which is still ruled according to Communist principles. It

is possible that China will be 'contaminated' by the reunification with

Hong

Kong more than viceversa."

"Taiwan's Turn Now"

A report from Hong Kong in left-leaning, influential La Repubblica pointed out

(7/2): "If there were still doubts on the meaning attributed by China to

Hong

Kong's reunification with its motherland, Chinese Prime Minister Li Peng

yesterday expressed his opinion: The island of Taiwan will also have to be

'reunified' after Macao, a Portuguese colony, has been reabsorbed in

1999....

In sum, the reconquest of Hong Kong is only the first step in the process

of

rebuilding a Great China."

"Reunification With Taiwan Not Imminent"

Ugo Tramballi commented in leading business Il Sole-24 Ore (7/2): "If Taiwan

declares its independence, China would automatically declare war, notwithstanding a technologically inadequate army: This is a never hidden

matter of principle. And the Americans would be involved in their umpteenth

Asian conflict.... But, except for the delicate moment in which they were pronounced, there is nothing new in Li Peng's words. The Chinese know that

reunification with Taiwan, if it ever takes place--and they have no doubts about it in Beijing--is not for the immediate future."

RUSSIA: "Communist Regime In Hong Kong"

Fyodor Pogodin lamented in reformist, business-oriented Kommersant Daily (7/3):

"No matter what Beijing says or promises, the European-style democracy in Hong

Kong is going to be replaced by a communist regime, with the rulers customarily

prevailing over the law and the state being in control of people's private

life."

"Decolonizing May Hurt"

Vladimir Simonov filed from London for reformist, youth-oriented

Moskovskiy

Komsomolets (7/3): "By and large, Britain looks good in that 156-year-old

story. A selfish owner, she was also a doting parent, weaning and raising

what

became known as Asia's New York. And when she decided to leave it, she

did so

in a noble way. Margaret Thatcher is probably right to have called this a

natural process of decolonization. But Hong Kong is perhaps one of those

rare

cases when being decolonized hurts."

"Land-Gathering Costly"

Andrei Smirnov judged in reformist Segodnya (7/2): "Land-gathering may

prove

costly for Beijing. Regaining Hong Kong, not to speak of the

multi-million-strong Taiwan, may ruin China's political system. The

experiment

of combining totalitarian politics with limited economic freedom,

successful to

date, may fail in the end."

"Greatest Event Since U.S. Ouster From Vietnam"

Andrei Krushinsky filed from Beijing for neo-communist Pravda-Five (7/2):

"Hong Kong, whatever its political system, is now part of Communist China

de

facto. Geopolitically, this is the most serious event in East Asia since

the

Americans were driven out of Vietnam in the mid-1970s."

BELGIUM: "After Hong Kong Handover, Beijing Evaluates Risks"

Special correspondent Eric Meyer analyzed in independent Le Soir (7/3):

"President Jiang Zemin's wisdom may have a very pragmatic reason. Earlier

this

year, he resorted to his first 'secret weapon' to convince the Party to

let him

rule the country: the campaign for a 'socialist spiritual society', which

described Jiang as the regime's third intellectual guide--after Mao

and Deng--and which made him the 'heart' of the Party, whom everyone had

to

obey. This immodest attempt of self-proclamation did not work out...

"The Hong Kong handover appears to be Jiang's last trump card...(before)

the

15th congress of the Party in October as the one who will have to

successfully

consolidate Deng Xiaoping's succession. Calling on Taiwan--as he did

yesterday--to join a rejuvenated and, at last, united China is the new motto.

No threat, no 'new deal', and, above all, no response to Taipei's request to be treated as an equal."

CANADA: "Time To Recognize Taiwan As A Democratic Reality"

In the words of the conservative Ottawa Sun (7/3), "Whither Hong Kong? Whither Shanghai? And, whither too, Taiwan?... Like Hong Kong, Taiwan is an economic powerhouse. Like Hong Kong, Taiwan has embraced democracy.

But, unlike Hong Kong, Taiwan is in no rush, and has no treaty deadline, to return its power to China. And that's a very big difference....

Perhaps the time has come to help put a defensive wedge between Taiwan and Red China by recognizing Taiwan as a democratic reality which must be helped, not hindered. It's a debate which should begin today. If not yesterday."

"The Cold Truth"

An editorial in the left-of center Vancouver Sun (7/2) said, "If China maintains the jewel that is Hong Kong with its free and free-wheeling

character, it will not be because of unreliable and inconsistent

international

pressure. It will not be because of sensitivity toward the Hong Kong people. It will be because it is in its own self-interest not to screw up."

"To Preserve Freedoms In Hong Kong"

International affairs columnist Marcus Gee commented in the leading Globe and

Mail (7/2): "As the whole world looked on, the leader of the world's most populous nation made a solemn promise to guarantee Hong Kong's autonomy and

respect the civil rights enshrined in its new local constitution, the Basic

Law... Can he mean it? Will China's leaders really allow the six million

Chinese citizens of Hong Kong to enjoy liberties that would land other Chinese

in jail?... Hong Kong will not have full representative democracy, but it

will have demonstrations, free speech and, with luck, the rule of law...

The greatest fear of democrats here is not that Beijing will crush Hong Kong's freedom, but that it will be surrendered bit by bit by people in Hong Kong."

"The End Of Democracy May Turn Hong Kong Into A 'Velvet Jail'"

Editor Diane Francis contended in the business-oriented Financial Post

(7/2):

"Reality set in when a few thousand members of the People's Liberation Army

moved in with their tanks just in case there were riots. There were none....

(But) the protesters at the festivities on July 1 reinforced the fears

felt by

many. The suspension of democracy and the rule of law may end up turning

Hong Kong into a 'velvet jail,' a Singapore with its rules and regulations,

but without any electoral input.... What problems will accompany the new order in Hong Kong are unknown. There will be difficulties, and any disruption

there or on the mainland will create great economic volatility."

"Post-Handover Hangover"

Columnist-at-large Matthew Fisher had this to say in the conservative Ottawa Sun

(7/2): "It's impossible to figure out exactly what there is for Hong

Kongers

to celebrate after Britain's departure... Because they don't know how

else

to behave, the ham-fisted emperors in Beijing have decided that their

political

act in Hong Kong will be to have their hand-picked provisional

legislature

rush through laws in the middle of the night to limit freedom of speech

and

freedom of assembly. The second act is to be a show of force.... It

might be

worth recalling how difficult and emotionally wrenching it has been for

West

and East Germany to reintegrate after far less time apart than Hong Kong

and

China.... Hong Kong's tycoons insist everyone understands each other

because

'we're all Chinese.' They may not be so optimistic when the fireworks

fade

away."

"The Return Of Hong Kong"

The leading Globe and Mail noted (6/30): "How China treats Hong

Kong...will

tell us how the Chinese would act toward Taiwan, as it contemplates

reunion

with China. Logically, China has every reason to honor its promises; to do otherwise would run against its self-interest."

"Hong Kong And China--Fire And Ice"

In the view of French-language sovereignist Le Devoir (7/2): "How will the fire of Hong Kong and the ice of Beijing live together in the future? Will there...be an explosion or suffocation?... (Beijing's) leaders will not hesitate one second if a movement of the type of Tiananmen--or any 'liberal' contamination from Hong Kong--starts to take shape seriously."

HUNGARY: "How Will China Change?"

Second-largest circulation Nepszava featured this op-ed piece (7/2):

"China's

interests to the contrary, there is another thing that guarantees that the Communist model will not be introduced in Hong Kong: The fact that, in reality, China has already turned its back on this model. In China, the retreating Communist ideology is being replaced by nationalism, which, obviously, makes the neighbors of the huge country concerned. All this raises the possibility that the bipolar world order will be reborn in the near

future,
with Moscow to be replaced by Beijing."

SOUTH ASIA

INDIA: "PLA Misses Opportunity to Improve Image As Hong Kong Is Flooded"

The independent Times of India ran this analysis (7/3) by Hong Kong correspondent Harvey Stockwin: "On the second day of the Hong Kong Special

Administrative Region (HKSAR), all the celebrations of the territory's reunification were cut short by a tropical storm, torrential rain and widespread floods.... The newly-arrived 4,700 strong garrison of China's People

Liberation Army, Navy and Air Force clearly missed an opportunity to offer to

help with a little supportive civic action.... An offer to help in battling

the floods and landslides, had it been made today, could only have improved the

PLA's image.... There is no sign at all as yet that the PLA has learnt the

importance of public relations, or that it has appointed a detachment of professional public relations personnel to help them in their challenging role

of becoming part of the Hong Kong Special Administrative Region--and eliminating the deep suspicions which linger from the PLA role in the

Beijing

Massacre."

"Hope In Hong Kong"

An editorial in the pro-economic reforms Business Standard pointed out

(7/2):

"The pimple on China's backside, as Mao Tse Tung once referred to Hong

Kong, is

now a part of the main body.... The political event is over, but the

economic

ramifications of the merger will only begin to unfold now.... Much will

depend

on the management of economic relations as well as the internal economic

management in Beijing, even though the Chinese government has assured the

world

that it has no intention of upsetting the existing system in Hong Kong.

But as

everyone knows, the Chinese political system is different and subject to

unexpected pulls and pressures. So even if it suits China not to mess

about

with Hong Kong, the possibility cannot be ruled out.... But Hong Kong is

used

to reversing the roles. As a colony, it...reversed the rules of

colonialism:

It was...wealthier than its ruler. Now from the periphery, it could

change the

center."

"U.S. To Monitor Transition In Hong Kong"

The centrist Hindu ran this comment by its Washington correspondent,

Sridhar

Krishnaswami (7/2): "The formal handover of Hong Kong by Britain is

perhaps an

opportunity for the Clinton administration to start a China debate that

would

seek to not only to lay out the broad parameters of policy with that East

Asian

giant, but also in negating some of the tendencies that have crept up in

American foreign policy in the last four years of the Clinton

presidency....

Worried about lack of access to a mega-market for American business,

Washington

deliberately looked the other way when it came to critical issues such as

proliferation of weapons or technologies of mass destruction to Iran and

Pakistan. And in the realm of human rights and democracy, the Clinton

administration, while being extremely comfortable in picking loud fights

in

public with smaller nations...was essentially mute in its criticism of

China.

To the contrary, it argued that increased trade and economic interactions would loosen the political environment--as if this would not, and only sanctions will, as far as Cuba and Myanmar are concerned."

"Hong Kong's First Days--Reassuring Notes From Tung, Jiang"

Writing from Hong Kong, F.J. Khergamvala proposed this analysis in the centrist

Hindu (7/2): "The Hong Kong Special Administrative Region began its first day

on a note of reassurance from China and its newly chosen authorities in Hong

Kong, in word and in deed. Whether this suggests a new political sophistication on Beijing's part or a tactical move before the world's media

remains to be seen.... It might not be far-fetched to say that if Mr. Tung

Chee-hwa believes that democratic reforms are a minority view, it is he who may

lack an understanding of the street in Hong Kong.... The most charitable thing

that can be said about his remarks is that Tung, whose mind has recently been

preoccupied in guessing about what Beijing thinks is best for Hong Kong, may

have decided to address the masters in China and sound populist at home at

the
same time. In fact, quite surprisingly the message delivered to Hong
Kong's
people by President...Jiang Zemin was far more reassuring.... In the
past,
Jiang has attributed Hong Kong's success principally to its connections
with
China; today, without naming Britain, he said that other factors
responsible
included 'its well developed legal system and highly efficient team of
civil
service, and its effective economic management and civic administration.'
Doubtless this is the British legacy and the Chinese leader stood tall to
acknowledge it. Broadly, the Jiang message was to address all shades of
opinion and people of diverse callings."

PAKISTAN: "Hong Kong Wins Freedom"

An editorial in Islamabad's rightist Pakistan Observer asserted (7/2):

"The
peaceful transfer of Hong Kong to China is a matter of special rejoicing
for
Pakistan, first because China is a time-tested friend, and second,
(because) it
ends vestiges of colonialism in the region.... The return of Hong Kong
will
give a further boost to China's eminence as a world power particularly in

the
economic domain."

"The Asian Century"

This was the editorial view of the centrist News (7/2): "At one second
past
midnight Tuesday, Hong Kong returned to its motherland after more than a
century and a half of being a British colony.... China's reclamation of
Hong
Kong--one of the most prosperous and dynamic economies in the world--sets
the
stage for China's emergence to the status of an economic superpower....
We, in
Pakistan, can only derive the greatest satisfaction from our all-weather
friend's rise to greater heights--both economically and politically. "

NEPAL: "Hong Kong Will Forge Ahead"

The government-owned Rising Nepal predicted (7/2): "With the Basic Law
authorising Hong Kong people a high degree of autonomy, they are now the
masters of their own destiny.

"Considering the Hong Kong people's vitality, dynamism, business acumen,
and
entrepreneurship, all of which helped transform it to one of the world's
financial centers, there is every reason to expect Hong Kong, as a Special

Administrative Region of China, to forge ahead in the days to come."

"A Bright Future For Hong Kong"

This was the view of the independent Kathmandu Post (7/1): "The Western media's virtual obsession with Hong Kong is...a classic example of how the West tries ever so subtly to impose its values all over the world.... If so much of hullabaloo has been created on a previously agreed upon Hong Kong handover, the Taiwan question, (which is) still unsettled, can be expected to have much wider repercussions. If handled properly, Hong Kong's future prospects looks immensely bright indeed.... The lifestyle of Hong Kong's citizens might have to change under Chinese rule. But considering how China has been able to cope with the present times despite being a communist state, the indication is that it will probably, by and large, leave Hong Kong alone."

AFRICA

SOUTH AFRICA: "Taiwan Will Be Watching"

According to the independent, centrist Pretoria News (7/1): "When the

Union

Jack was lowered for the last time [over Hong Kong]...it ended a period of humiliation for China and put into place one of the final pieces of its national jigsaw. The next will be Macau in 1999 and then maybe Taiwan, and perhaps sooner rather than later.... The Taiwanese...will not entertain reunification with China at this stage. But none will be looking more closely to the Hong Kong experience than the Taiwanese. And none are more aware of Taiwanese scrutiny than the Chinese leadership. Under the Basic Law...commercial and social life in Hong Kong will not change.... China has so carefully developed its own wealth-producing areas it is hardly likely to spoil such a delectable one handed to it on a plate."

"The Ball Is In Beijing's Court Now"

The liberal, independent Star argued (7/2): "The international community faces two major problems in dealing with China. It dares not ignore that country's sensitivity to the colonial past.... On the other hand, as China seeks to establish its place within the comity of nations, those nations should insist that international rules (also on human rights) apply. [President] Jiang

has
hinted that he understands this.... Now Beijing has to show the world
that
this was more than rhetoric."

"Hong Kong's Special Status"

In the view of the black, independent Sowetan (7/2): "Among the fears of
investors is that under Chinese rule Hong Kong could lose its
attractiveness
because of bureaucracy associated with communist governments. However,
China
has recognized this and given Hong Kong special status.... For the sake
of the
economic progress of China, it is hoped that this special status remains
so
that capital, which is very liquid, is not rechannelled away from China to
Tokyo or Singapore."

NIGERIA: "New Hope For Freedom In China"

The respected independent Guardian judged (7/2): "The lowering of the
British
Union Jack...in Hong Kong...is a signal of both change and continuity....
China owes it to herself and to the rest of the skeptical world (to see)
that
the unique challenges of the Hong Kong experiment are not mismanaged in a

narrow, iron-fisted politicization. Hong Kong represents a new hope for liberty and freedom in all China."

"Hong Kong's Future Seems Assured"

The Port Harcourt-based independent Daily Sunray asserted (7/2: "The transformations in China show clearly that the world should not be pessimistic about Hong Kong's future. If anything, China would like to put its better foot forward to reassure Macao and Taiwan. If China sends the wrong signals in Hong Kong, then the 'one country, two systems' policy will be hard to sell to the Taiwanese. As China basks in the glory of taking back Hong Kong, it should respect the treaty guiding the historic handover. It is in its interest to do this. The world is watching to confirm its fears."

LATIN AMERICA AND CARIBBEAN

ARGENTINA: "The New Hong Kong Experiment"

An editorial in leading Clarin said (7/3), "The transfer of Hong Kong's sovereignty to the People's Republic of China... is, together with the collapse of the Berlin Wall and the disintegration of the Soviet Union,

one of

the events which marks the end of this century and shows the essence of

the

world's great transformations.... A new experiment starts off: that of a

small

state which, with a special status under the political jurisdiction of

the

last communist power, represents one of the booming models of advanced

capitalism, as the seventh trading power in the world. In this case,

globalization also has to do with a multipolar world; attention moves to

Asia

and the economies of the Pacific, and commercial interests pull down

geopolitical barriers and political controls which no longer have to do

with

today's realities."

BRAZIL: "Hong Kong Antidote"

Center-right O Estado de Sao Paulo ran this analysis on its op-ed page

(7/2):

"The risks of absorption of the prosperous island [Hong Kong] by the

bureaucratic sea (of China) are more similar to those still being

experienced

in the traumatic union of the two Germanies, for this is also a case where

bureaucratic venom has blocked the arteries of a race accustomed to

productive

and organized work.... Let us hope that Hong Kong's prosperity becomes an

antidote capable of convincing the Chinese to throw their old practice of paralyzing collectivism into the Pacific."

HONDURAS: "Hong Kong"

Independent, business-oriented El Nuevo Dia remarked (6/30): "At least with regard to economic issues, we predict that China will take no steps to harm the treasure it is about to receive. To the contrary, the more optimistic among us believe that China will try to assimilate the best of what it has to offer."

BARBADOS: "The Eyes Of The World Are On China"

This editorial comment appeared in the moderate Advocate (6/30): "The eyes of the international community will be on China, whose 'one country, two systems' policy will be put to the test."

##===== ATTACHMENT 1 =====
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id <01IKSV33RYKG0050BT@PMDF.EOP.GOV> for Matsui_d@a1.eop.gov; Thu, 03 Jul 1997 13:20:58 -0500 (EST)

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X-Lotus-Type: Daily Digest
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#XP\ P6QyP#Bill Richey, Branch Chief Media Reaction (R/MR), #:x2PkCXP# #XP\
P6QyP#Richey@usia.gov, (202) 6196511 Ann Pincus,
Director, (2
02) 6196511

X` hp x (##Xn\ P6Qy&P#Thursday, July 3, 1997
X` hp x (#%
HONG KONG JOINS CHINA: CAN 'ONE COUNTRY, TWO SYSTEMS' WORK FOR TAIWAN?

X` hp x (#In the days following the transfer of Hong Kong to Chinese sovereign
ty, two
new themes emerged in the foreign media's assessment of the "new realit
y" of
a China that also includes one of the world's freest and most vibrant
eco
nomic centers. The first was speculation on what effect the "virus" of
Hong Ko
ng's "freewheeling" lifestyle and economy might have on the mainland.
Of equal
interest to overseas analysts were Beijing's intentions toward

Taiwan following statements out of Beijing that "the 'one country, two systems' formula...can also work for Taiwan." Dailies in Taipei were quick to counter that Taiwan was "absolutely not another Hong Kong" and argued strongly in favor of "self-determination" for its 21 million people. "Hong Kong's residents...were never consulted," the liberal, pro-independence Liberty Times intoned, adding, "We cannot but remain highly concerned and alert." Following are the major trends in the commentary.

THE HONG KONG 'VIRUS': China's official papers confirmed comment elsewhere that at Hong Kong's economy was bound to have a profound effect on the Chinese mainland and. "As the major channel between China and international markets, Hong Kong will...(bring) international capital to China's interior and...(help transport) China's commodities to world markets," a writer for Shanghai's Wenhui Daily asserted, citing the important "national interests" that Hong Kong held for the mainland. A majority of analysts elsewhere sounded the theme that China was likely to become "more like Hong Kong" than the reverse. Some warned that the "infusion" of the "opium" of freedom—both economic and political—from Hong Kong into China could prove problematic for Beijing's leaders. The predominant conclusion, however, was that it was in China's best interest not to crack down on Hong Kong "once the fireworks (of the handover ceremony) fade away."

TAIWAN THE NEXT 'TARGET' FOR 'REUNIFICATION'?: Foreign observers generally agreed that any missteps on Beijing's part in applying the "one country, two systems" model in Hong Kong would bode very ill for an eventual "reunification" with Taiwan. A number of writers, however, argued that the Hong Kong formula would never work in Taiwan because the differences between the two were too great. A pundit in Bangkok's elite Naew Na, for example, pointed out that "the repossession of Hong Kong, a leased territory," was quite different from the case of

Taiwan, which has regarded itself as an independent nation since the time of General Chiang Kaishek. "China's offer of the 'one country, two systems'...will not be able to quench the Taiwanese thirst for greater freedom under democratic rule," the paper warned. In the words of the conservative Ottawa Sun, "The time has come to help put a defensive wedge between Taiwan and Red China by recognizing Taiwan as a democratic reality which must be helped, not hindered. It's a debate which should begin today. If not yesterday."

This survey is based on 59 reports from 23 countries, June 30 - July 3.

EDITOR: Kathleen J. Brahney

EAST ASIA AND PACIFIC

CHINA: "Rumors Are Stopped By Wise Men, Facts Speak Louder Than Words"
Xinhua (#

Noting that the reversion of Hong Kong "made a great impact on the U.S. media,

" Dong Jun wrote in the official Communist Party Liberation Daily (Jiefang Ribao, 7/2): "Hong Kong's return to Chinese sovereignty marks the final retreat of

Western colonial rule in Southeast Asia. Some conservatives in the United States

have been unhappy about this and have reacted with threatening predictions a

bout the future of Hong Kong. Similar views have also been heard in the American

media. Television programs on Hong Kong are creating a tense and pessimistic

atmosphere. But these programs were unsuccessful.... When a Chinese American

or a Hong Kong resident was interviewed and gave unsatisfactory answers, some

senior news anchors are embarrassed."

Xinhua (#

"Inland Chinese Economy Crucial To Hong Kong's Long-Term Prosperity"

Huang Renwei, of the Shanghai International Studies Research Center, observed in the official Shanghai Municipal Wenhui Daily (Wenhui Bao, 7/2): "As the major

or channel between China and international markets, Hong Kong will be responsible

for bringing international capital to China's interior and for transporting

China's commodities to world markets.... The pivotal role played by Hong Kong in capital and commodity flows has laid the foundation for the international financial center whose function is the utilization and allocation of capital....

A combination of the highest level of free trade in Hong Kong and a more open China will be an important contributor to regional economic development.... In the next five to 10 years, China will become more active in APEC's free trade process and the WTO, thereby providing opportunities to develop an even bigger market.... As for China, maintaining Hong Kong as an international financial and trade center is one of its largest national interests. So there is no doubt that the policies of 'one country, two systems,' 'Hong Kong ruled by Hong Kong people,' and the 'high degree of autonomy' for the Special Administrative Region will be carried out."

X` hp x (#

X` hp x (# HONG KONG: "Lofty Ambitions"

The independent, Englishlanguage South China Morning Post editorialized (7/2):

"If he succeeds in fulfilling three quarters of the pledges in his first speech as leader of the SAR government, Chief Executive Tung Cheehwa's term in office will far outclass the performance of any previous Hong Kong government. His aims are ambitious. In some areas they may prove rather too ambitious. There were times when his words had the ring of a politician seeking election, rather than a leader who has the future of 6.3 million people in his hands. But Mr.

Tung has one advantage that most government heads only dream of. The Hong Kong coffers are full to overflowing, and he can well afford to spend a modest portion of that money in neglected areas which are crying out for cash. With a surplus of \$320 billion at his disposal, there is no need to dig deep into the funds to find sufficient money to significantly improve education, housing and care of the elderly.

Most people would agree that of those three, education is the main priority.

It is the wellspring of economic success, and since the economy is another of the chief executive's major targets, he is prepared to upgrade every aspect of the current system, from the quality of teaching staff to the curriculum itself. The difficulty in this particular endeavor is that money alone cannot solve the greatest problem."

TAIWAN: "Nothing To Be Happy About As Hong Kong Falls Again"

This comment ran in the liberal, proindependence Commons Daily (7/2): "The will of the more than six million Hong Kong residents, which is the most crucial factor, was never consulted or respected. Therefore, we have nothing to be happy about. The tragedy of Hong Kong is just about to start. We cannot but remain highly concerned and alert."

"Taiwan Absolutely Not Another Hong Kong Refuting Jiang Zemin"

The liberal, proindependence Liberty Times took exception to Chinese President Jiang Zemin's words about Taiwan and ran this comment (7/2): "Actually, the simplest common sense or logic tells us that the unification of East and West Germany is but 'one nation one system.' In a similar fashion, Hong Kong should renounce its capitalism and adopt socialism after its handover to China. Despite this logic, China separates Hong Kong from its mainland. Does this mean that China admits that 'socialism with Chinese characteristics' is inferior to 'Hong Kong's capitalism?' Taiwan is a sovereign nation. Its president and parliamentarians are elected by the people. Taiwan's future should be decided by its 21.4 million people. After all, 'the core of freedom is the fundamental principle of selfdetermination.'"

"Keep An Eye On U.S. Policy"

Asking "why was the Taiwan Relations Act set aside in Albright's remarks?" in its subheading, the conservative, pronunification United Daily News concluded (7/2): "If Taipei cannot work out an argument to convince the

United States otherwise, the United States will conduct a strategic dialogue with China concerning Taiwan, based on the guiding principles of the three communiques, this will exert increasing pressure on Taipei, and the outcome might even go beyond Taipei's expectation."

"PRC Capital May Arrive Through Hong Kong"

X` hp x (#

The conservative, prounification China Post maintained (7/2): "What Taiwan really needs to be concerned about is that mainland China may seek to infiltrate the local economy using the advantage of Hong Kong's greater economic integration with the Chinese mainland, a development that is certain to happen with the reversion of the territory to Beijing rule."

"Can International Pressure Ensure Hong Kong's Freedom And Rule of Law?"

X` hp x (#Tsai Hungming, executive secretary at the Chinese National Federation of

Industries, penned this for the liberal, proindependence Commons Daily (7/

2): "In fact, both Hong Kong local businesses and foreign firms in the territory

all have ambiguous feelings toward the international community's concern over

Hong Kong. They...very much welcome the international community's surveillance

over Beijing's Hong Kong policy, but...do not want the United States or other

countries to overdo it and thereby sacrifice their interests."

X` hp x (# AUSTRALIA: "Model Democracy Won't Happen"

X` hp x (#

The international editor for the national, conservative Australian (7/2) commented,

"It is folly to believe that Hong Kong under China is going to become a

model democracy. That won't happen and the issue is how the West then reacts.

This is important to the future path of the AustraliaU.S. relations, which saw

a symbolic difference of opinion during the handover ceremony. If Hong Kong becomes

a focus for a deeper dispute between the United States and China over human

rights then, depending upon the source of the dispute, Australia and the Un

ited States might experience a growing gulf."

INDONESIA: "After The July 1st Handover Of Hong Kong"

X` hp x (#Readers of leading, independent Kompas saw this editorial (7/3): "Somehow democratic tradition has become deeply rooted in the former British colony and Hong Kong citizens are able to criticize political parties. In China, people do not enjoy such freedom and the Hong Kong handover will give rise to confusion among other Chinese citizens. One likely solution is application of two different kinds of treatment for the newly joined citizens.

"Yet, should the democratic tradition be allowed to continue, Beijing's leaders would have reason to worry that their leadership status will be endangered."

"Hong Kong Citizens Are Individualistic"

X` hp x (#

Progovernment Berita Buana (7/2) editorialized: "Hong Kong citizens are individualistic in the good sense, that is, everyone is supposed to work hard, independent even from their own parents and relatives. This credo has given birth to liberalism.... China should see this reality...and not change drastically Hong Kong's social, political and administrative systems. Let Hong Kong go on as it has done...to avoid chaos and even bloodshed."

PHILIPPINES: "Ominous"

In the view of the liberal Today (7/3): "Aside from the momentary sympathy shown by the world to the (Hong Kong) democrats' last hour of prominence, (Martin Lee and company will find little support from the outside world henceforth. Britain and the United States tried to mount a symbolic protest by not attending the inauguration of the new Hong Kong government, but their move found no support from their allies even from (Hong Kong's) citizens, who are eager to curry favor with the new regime."

"Crystal Ball Gazing"

Columnist Antonio Abaya wrote in third leading Philippine Star (7/3): "My guess is that in...50 years, it will be China that will become more and more like Hong Kong, rather than the other way around. One can already sense that Shanghai, Guangdong, Xiamen, Shenzhen and other Chinese cities are fast morphing into competing enclaves of capitalism, while there is absolutely no sign at all that any part of Taiwan is on its way to organizing itself into a Maoist people's commune."

"China Has Solemn Promises To Keep"

Former ambassador Oscar Villadolid wrote in the independent Manila Standard (7/3): "Although he has already upset Hong Kong democrats by mandating a provisional legislature under his handpicked Chief Executive Tung Cheehwa, he has agreed to 'free' elections in May, 1998.... If China's track record in promises is to be the gauge of what the SAR can expect, then the people of Hong Kong are in for a disappointment."

"Pathetic Sideshow"

Former Philippine envoy to Europe J.V. Cruz wrote in the independent Manila Chronicle (7/2): "One of the most pathetic sideshows at the turnover rites was the 'boycott' by British Prime Minister Tony Blair and U.S. Secretary of State Madeleine Albright of the ceremony marking the induction of the provisional legislature.... They weren't missed at all.... The Western media are full of China bashers.... And a great deal of Chinabashing is nothing but undiluted racism.

So the Western media will not relax its 'vigil' on Hong Kong and will keep hoping that the Special Administrative Region will stumble in its administration of the territory."

SOUTH KOREA: "A Great Future For Jiang Zemin"

Moderate Hankook Ilbo (7/3) commented: "Hong Kong returned to China, making President Jiang Zemin more confident than ever. At the time of Deng

Xiaoping's death, his future looked uncertain, with many speculating that he would lose in a power struggle.... However...it is great political advantage for him that Hong Kong returned to China, and his future is no longer in the dark."

"U.S. And ChinaTaiwan Relations"

Antiestablishment Hankyoreh Shinmun (7/2) commented: "The Taiwanese attitude toward the prospect of reunification with China will be decided by China how well it performs in Hong Kong..... If Hong Kong's stability falters, that will lead dissidents to move to Taiwan to fight for their cause there.... The United States is the only country that can make a difference on ChinaTaiwan relations.

It may well be that relations of the two Chinese states are already moving according to a direction and timetable set by the United States."

THAILAND: "Taiwan, China's Next Target"

Charnnarit Boonparord observed in elite Naew Na (7/3): "Reunification with Taiwan, China's next aim, will run into many complexities due to the striking differences between Taiwan and Hong Kong.... Taiwan, a political refuge for General Chiang Kaishek and his Kuomintang followers after they fled late Chairman Mao Zedong's assaults in 1949...has always regarded itself as an independent nation.... China's offer of the 'one country, two systems'...will not be able to quench the Taiwanese thirst for greater freedom under democratic rule.... Moreover, the repossession of Hong Kong, a leased territory, was more simply achieved when the lease contract expired.... All told, the ChinaTaiwan reunification, though inevitable, is still far beyond the horizon."

"China's Strategy After July 1, 1997"

Academic Vorasak Mahattanobon commented in elite, businessoriented Phujatkarn (7/3): "The return of Hong Kong means much more to China than

having recovered
a longlost son. For the latter has not only grown up and
matured, but is also
prospering and ready to share its wealth with and impart
knowhow to mother Chi
na.... (Having gained more confidence as a result,)
China definitely will not
compromise when it comes to future claims over
contentious natural resources...
. Boosted by Hong Kong, China will
concentrate more on its conflicts with the
United States and other Western
countries, especially conflicts over human rig
hts and democratic
ideology.... When and if a conflict erupts, China's first
reaction will
likely be to turn to its friends in Southeast Asia. After all,
these
friends share more or less similar political views with China."

"Improper For Outsiders To Pressure China"

The lead editorial of the elite Siam Post emphasized (7/2): "With total
sover
eignty over Hong Kong, China has a legitimate right to determine whether
to shu
t Hong Kong in or retain its status quo. It would be improper for
outsiders to
pressure China to keep Hong Kong open only to be like them....
China has a ma
ndate to formulate a Hong Kong policy for the best interests of
the Chinese and
China as a whole."

EUROPE

BRITAIN: "Blair Adopts JawJaw Approach"

Ian Black, diplomatic editor of the liberal Guardian, remarked (7/2): "As
the
British government contemplates the posthandover period, it is sharply
aware t
hat although its economic interest in, and moral commitment to, the
former colo
ny remains strong, its ability to influence events has been badly
weakened....
Britain's strongest support comes from the United States, the
only other count
ry to boycott the swearingin ceremony of the
Beijingappointed provisional legi
slature. But the United States learned the
hard way that EU partners with sign
ificant trading interests were not keen to
upset China by following suit."

"Sealed With A Golden Kiss"

In the editorial view of the conservative Times (7/2): "Anyone who claims to know what will happen to Hong Kong is a fool. I doubt if even Chinese President Jiang Zemin, has a clue.... (The) optimism (that) exists about the future autonomy of Hong Kong is rooted in one quality alone that Beijing's rulers are too greedy to 'kill the golden goose.' It is a shaky foundation for civil liberty. Thus did Attila approach the gates of Rome."

Xinhua (# GERMANY: "Capitalist Tail Wagging The Communist Dog?"
Xinhua (#

Rightofcenter Nuernberger Zeitung noted (7/2): "In order to convince Taiwan, Beijing must now show its better profile. But this will strengthen the self-confidence and the Western democratic and capitalist thinking of the Hong Kong Chinese. However, such a development cannot be without effect on the Chinese special economic zones, and thus on China as a whole. It cannot be ruled out that the whole process that Beijing set in motion in establishing the special economic zones will get out of control...with the taking over of Hong Kong.... It cannot be ruled out that, some day in future, the capitalist tail will wag the communist dog."

"Hong Kongers Will Have To Heed Beijing Now"

Rightofcenter Berliner Kurier asserted (7/2): "After fire crackers and fireworks chased away the 'evil spirits,' the moment of truth has come for Hong Kong. Li Peng's announcement that every criticism will be considered in future an 'interference in internal Chinese affairs' is directed not only at the countries abroad. It is also a warning signal for the citizens of the former crown colony to use the tone that is set by Beijing."

"Messages"

Rightofcenter Deister und Weserzeitung of Hamelin read the tea leaves this

way
(7/2): "A political event in history which offers nothing to celebrate
has hardly ever been celebrated in such a pompous way as Hong Kong's
unification with
(China). Only the rulers in Beijing have reason to cheer.
However, what they have to offer...is an ambiguous message. To the outside
the message is: Not
too much will change, calm down! And to the inside:
Freedom will be restricted and everything else will be ordered.... The
people in Taiwan, in particular, are watching with dismay the ceremonies from
Hong Kong. They consider themselves the booty of the mainland Chinese and
feel rejected by the countries of the West."

X' hp x (# ITALY: "Hong Kong"

X' hp x (#An editorial in provocative, classical liberal daily Il Foglio (7/3)
:
"China's policy allows for growing penetration by Western economic and social
models into its territory, which is still ruled according to Communist
principles. It is possible that China will be 'contaminated' by the
reunification with Hong Kong more than viceversa."

"Taiwan's Turn Now"

A report from Hong Kong in left-leaning, influential La Repubblica pointed
out
(7/2): "If there were still doubts on the meaning attributed by China to
Hong Kong's reunification with its motherland, Chinese Prime Minister Li
Peng yesterday expressed his opinion: The island of Taiwan will also have to
be 'reunified'
' after Macao, a Portuguese colony, has been reabsorbed in
1999.... In sum, the
reconquest of Hong Kong is only the first step in the
process of rebuilding a
Great China."

"Reunification With Taiwan Not Imminent"

Ugo Tramballi commented in leading business Il Sole24 Ore (7/2): "If Taiwan
d

declares its independence, China would automatically declare war, notwithstanding a technologically inadequate army: This is a never hidden matter of principle. And the Americans would be involved in their umpteenth Asian conflict....

But, except for the delicate moment in which they were pronounced, there is nothing new in Li Peng's words. The Chinese know that reunification with Taiwan, if it ever takes place and they have no doubts about it in Beijing is not for the immediate future."

RUSSIA: "Communist Regime In Hong Kong"

Fyodor Pogodin lamented in reformist, business-oriented Kommersant Daily (7/3):

"No matter what Beijing says or promises, the European-style democracy in Hong Kong is going to be replaced by a communist regime, with the rulers customarily prevailing over the law and the state being in control of people's private life."

"Decolonizing May Hurt"

Vladimir Simonov filed from London for reformist, youth-oriented Moskovskiy Komсомоlets (7/3): "By and large, Britain looks good in that 156-year-old story. A

selfish owner, she was also a doting parent, weaning and raising what became known as Asia's New York. And when she decided to leave it, she did so in a noble way. Margaret Thatcher is probably right to have called this a natural process of decolonization. But Hong Kong is perhaps one of those rare cases when being decolonized hurts."

"Land Gathering Costly"

Andrei Smirnov judged in reformist Segodnya (7/2): "Land gathering may prove costly for Beijing. Regaining Hong Kong, not to speak of the multimillion-strong

Taiwan, may ruin China's political system. The experiment of combining totalitarian politics with limited economic freedom, successful to date, may fail in the end."

"Greatest Event Since U.S. Ouster From Vietnam"

Andrei Krushinsky filed from Beijing for neocommunist PravdaFive (7/2):
"Hong Kong, whatever its political system, is now part of Communist China de facto.
Geopolitically, this is the most serious event in East Asia since the Americans were driven out of Vietnam in the mid 1970s."

BELGIUM: "After Hong Kong Handover, Beijing Evaluates Risks"

Special correspondent Eric Meyer analyzed in independent Le Soir (7/3):
"President Jiang Zemin's wisdom may have a very pragmatic reason. Earlier this year, he resorted to his first 'secret weapon' to convince the Party to let him rule the country: the campaign for a 'socialist spiritual society', which described Jiang as the regime's third intellectual guide after Mao and Deng and which made him the 'heart' of the Party, whom everyone had to obey.
This immodest attempt of selfproclamation did not work out...

"The Hong Kong handover appears to be Jiang's last trump card...(before) the 15th congress of the Party in October as the one who will have to successfully consolidate Deng Xiaoping's succession. Calling on Taiwan as he did yesterday to join a rejuvenated and, at last, united China is the new motto. No threat, no 'new deal', and, above all, no response to Taipei's request to be treated as an equal."

CANADA: "Time To Recognize Taiwan As A Democratic Reality"

X' hp x (#
X' hp x (#In the words of the conservative Ottawa Sun (7/3), "Whither Hong Kong?
Whither Shanghai? And, whither too, Taiwan?... Like Hong Kong, Taiwan is an economic powerhouse. Like Hong Kong, Taiwan has embraced democracy.

But, unlike Hong Kong, Taiwan is in no rush, and has no treaty deadline, to return its power to China. And that's a very big difference.... Perhaps the time has come to help put a defensive wedge between Taiwan and Red China by recognizing Taiwan as a democratic reality which must be helped, not hindered.

It's a debate which should begin today. If not yesterday."

"The Cold Truth"

An editorial in the leftof center Vancouver Sun (7/2) said, "If China maintain
s the jewel that is Hong Kong with its free and freewheeling character, it will
not be because of unreliable and inconsistent international pressure. It wil
l not be because of sensitivity toward the Hong Kong people. It will be beca
use it is in its own selfinterest not to screw up."

"To Preserve Freedoms In Hong Kong"

International affairs columnist Marcus Gee commented in the leading Globe and Mail (7/2): "As the whole world looked on, the leader of the world's most
popu
lous nation made a solemn promise to guarantee Hong Kong's autonomy and
respec
t the civil rights enshrined in its new local constitution, the Basic Law...
Can he mean it? Will China's leaders really allow the six million
Chinese ci
tizens of Hong Kong to enjoy liberties that would land other
Chinese in jail?..
. Hong Kong will not have full representative democracy,
but it will have de
monstrations, free speech and, with luck, the rule of
law... The greatest fe
ar of democrats here is not that Beijing will crush
Hong Kong's freedom, but t
hat it will be surrendered bit by bit by people in
Hong Kong."

"The End Of Democracy May Turn Hong Kong Into A 'Velvet Jail'"

Editor Diane Francis contended in the businessoriented Financial Post (7/2):
"Reality set in when a few thousand members of the People's Liberation Army
mov
ed in with their tanks just in case there were riots. There were none....
(Bu
t) the protesters at the festivities on July 1 reinforced the fears felt
by man
y. The suspension of democracy and the rule of law may end up
turning Hong K
ong into a 'velvet jail,' a Singapore with its rules and
regulations, but with
out any electoral input.... What problems will
accompany the new order in Hon
g Kong are unknown. There will be
difficulties, and any disruption there or on

the mainland will create great economic volatility."

"PostHandover Hangover"

Columnist at large Matthew Fisher had this to say in the conservative Ottawa Sun

(7/2): "It's impossible to figure out exactly what there is for Hong Kongers to celebrate after Britain's departure... Because they don't know how else to behave, the hamfisted emperors in Beijing have decided that their political act in Hong Kong will be to have their handpicked provisional legislature rush through laws in the middle of the night to limit freedom of speech and freedom of assembly. The second act is to be a show of force.... It might be worth recalling how difficult and emotionally wrenching it has been for West and East Germany to reintegrate after far less time apart than Hong Kong and China... . Hong Kong's tycoons insist everyone understands each other because 'we're all Chinese.' They may not be so optimistic when the fireworks fade away."

"The Return Of Hong Kong"

The leading Globe and Mail noted (6/30): "How China treats Hong Kong...will tell us how the Chinese would act toward Taiwan, as it contemplates reunion with China. Logically, China has every reason to honor its promises; to do otherwise would run against its selfinterest."

X` hp x (# "Hong Kong And China Fire And Ice"

In the view of French language sovereignist Le Devoir (7/2): "How will the fire of Hong Kong and the ice of Beijing live together in the future? Will there..be an explosion or suffocation?... (Beijing's) leaders will not hesitate one second if a movement of the type of Tiananmen or any 'liberal' contamination from Hong Kong starts to take shape seriously."

HUNGARY: "How Will China Change?"

X' hp x (#

X' hp x (#Secondlargest circulation Nepszava featured this oped piece (7/2):

"China's interests to the contrary, there is another thing that guarantees

that

the Communist model will not be introduced in Hong Kong: The fact that,

in re

ality, China has already turned its back on this model. In China, the

retreat

ing Communist ideology is being replaced by nationalism, which,

obviously, make

s the neighbors of the huge country concerned. All this

raises the possibility

that the bipolar world order will be reborn in the

near future, with Moscow to

be replaced by Beijing."

X' hp x (#SOUTH ASIA

INDIA: "PLA Misses Opportunity to Improve Image As Hong Kong Is Flooded"

The independent Times of India ran this analysis (7/3) by Hong Kong

correspond

ent Harvey Stockwin: "On the second day of the Hong Kong Special

Administrativ

e Region (HKSAR), all the celebrations of the territory's

reunification were cu

t short by a tropical storm, torrential rain and

widespread floods.... The new

lyarrived 4,700 strong garrison of China's

People Liberation Army, Navy and Air

Force clearly missed an opportunity to

offer to help with a little supportive

civic action.... An offer to help in

battling the floods and landslides, had i

t been made today, could only have

improved the PLA's image.... There is no si

gn at all as yet that the PLA has

learnt the importance of public relations, or

that it has appointed a

detachment of professional public relations personnel

to help them in their

challenging role of becoming part of the Hong Kong Specia

l Administrative

Regionand eliminating the deep suspicions which linger from th

e PLA role in

the Beijing Massacre."

"Hope In Hong Kong"

An editorial in the proeconomic reforms Business Standard pointed out (7/2):

"The pimple on China's backside, as Mao Tse Tung once referred to Hong Kong,

is

now a part of the main body.... The political event is over, but the

economic

ramifications of the merger will only begin to unfold now.... Much will depend on the management of economic relations as well as the internal economic management in Beijing, even though the Chinese government has assured the world that it has no intention of upsetting the existing system in Hong Kong. But as everyone knows, the Chinese political system is different and subject to unexpected pulls and pressures. So even if it suits China not to mess about with Hong Kong, the possibility cannot be ruled out.... But Hong Kong is used to reversing the roles. As a colony, it...reversed the rules of colonialism: It was...wealthier than its ruler. Now from the periphery, it could change the center."

"U.S. To Monitor Transition In Hong Kong"

The centrist Hindu ran this comment by its Washington correspondent, Sridhar Krishnaswami (7/2): "The formal handover of Hong Kong by Britain is perhaps an opportunity for the Clinton administration to start a China debate that would seek to not only to lay out the broad parameters of policy with that East Asian giant, but also in negating some of the tendencies that have crept up in American foreign policy in the last four years of the Clinton presidency.... Worried about lack of access to a megamarket for American business, Washington deliberately looked the other way when it came to critical issues such as proliferation of weapons or technologies of mass destruction to Iran and Pakistan. And in the realm of human rights and democracy, the Clinton administration, while being extremely comfortable in picking loud fights in public with smaller nations..was essentially mute in its criticism of China. To the contrary, it argued that increased trade and economic interactions would loosen the political environments if this would not, and only sanctions will, as far as Cuba and Myanmar are concerned."

"Hong Kong's First Days Reassuring Notes From Tung, Jiang"

Writing from Hong Kong, F.J. Khargamvala proposed this analysis in the centrist Hindu (7/2): "The Hong Kong Special Administrative Region began its first day on a note of reassurance from China and its newly chosen authorities in Hong Kong, in word and in deed. Whether this suggests a new political sophistication on Beijing's part or a tactical move before the world's media remains to be seen.... It might not be farfetched to say that if Mr. Tung Cheehwa believes that democratic reforms are a minority view, it is he who may lack an understanding of the street in Hong Kong.... The most charitable thing that can be said about his remarks is that Tung, whose mind has recently been preoccupied in guessing about what Beijing thinks is best for Hong Kong, may have decided to address the masters in China and sound populist at home at the same time. In fact, quite surprisingly the message delivered to Hong Kong's people by President Jiang Zemin was far more reassuring.... In the past, Jiang has attributed Hong Kong's success principally to its connections with China; today, without naming Britain, he said that other factors responsible included 'its well developed legal system and highly efficient team of civil service, and its effective economic management and civic administration.' Doubtless this is the British legacy and the Chinese leader stood tall to acknowledge it. Broadly, the Jiang message was to address all shades of opinion and people of diverse callings."

PAKISTAN: "Hong Kong Wins Freedom"

An editorial in Islamabad's rightist Pakistan Observer asserted (7/2): "The peaceful transfer of Hong Kong to China is a matter of special rejoicing for Pakistan, first because China is a time-tested friend, and second, (because) it ends the vestiges of colonialism in the region.... The return of Hong Kong will give a further boost to China's eminence as a world power particularly

in the economic domain."

"The Asian Century"

This was the editorial view of the centrist News (7/2): "At one second past midnight Tuesday, Hong Kong returned to its motherland after more than a century and a half of being a British colony.... China's reclamation of Hong Kongone of the most prosperous and dynamic economies in the worldsets the stage for China's emergence to the status of an economic superpower.... We, in Pakistan, can only derive the greatest satisfaction from our allweather friend's rise to greater heightsboth economically and politically. "

NEPAL: "Hong Kong Will Forge Ahead"

The governmentowned Rising Nepal predicted (7/2): "With the Basic Law authorising Hong Kong people a high degree of autonomy, they are now the masters of their own destiny.

"Considering the Hong Kong people's vitality, dynamism, business acumen, and entrepreneurship, all of which helped transform it to one of the world's financial centers, there is every reason to expect Hong Kong, as a Special Administrative Region of China, to forge ahead in the days to come."

"A Bright Future For Hong Kong"

This was the view of the independent Kathmandu Post (7/1): "The Western media's virtual obsession with Hong Kong is...a classic example of how the West tries ever so subtly to impose its values all over the world.... If so much of hullabaloo has been created on a previously agreed upon Hong Kong handover, the Taiwan question, (which is) still unsettled, can be expected to have much wider repercussions. If handled properly, Hong Kong's future prospects looks immensely bright indeed.... The lifestyle of Hong Kong's citizens might have to change under Chinese rule. But considering how China has been able to cope with the present times despite being a communist state,

the indication is that it will probably, by and large, leave Hong Kong alone."

AFRICA

SOUTH AFRICA: "Taiwan Will Be Watching"

X' hp x (#According to the independent, centrist Pretoria News (7/1): "When the Union Jack was lowered for the last time [over Hong Kong]...it ended a period of humiliation for China and put into place one of the final pieces of its national jigsaw. The next will be Macau in 1999 and then maybe Taiwan, and perhaps sooner rather than later.... The Taiwanese...will not entertain reunification with China at this stage. But none will be looking more closely to the Hong Kong experience than the Taiwanese. And none are more aware of Taiwanese scrutiny than the Chinese leadership. Under the Basic Law...commercial and social life in Hong Kong will not change.... China has so carefully developed its own wealth-producing areas it is hardly likely to spoil such a delectable one handed to it on a plate."

X' hp x (#
"The Ball Is In Beijing's Court Now"

The liberal, independent Star argued (7/2): "The international community faces two major problems in dealing with China. It dares not ignore that country's sensitivity to the colonial past.... On the other hand, as China seeks to establish its place within the comity of nations, those nations should insist that international rules (also on human rights) apply. [President] Jiang has hinted that he understands this.... Now Beijing has to show the world that this was more than rhetoric."

"Hong Kong's Special Status"

In the view of the black, independent Sowetan (7/2): "Among the fears of investors is that under Chinese rule Hong Kong could lose its attractiveness because of bureaucracy associated with communist governments. However, China has rec

ognized this and given Hong Kong special status.... For the sake of the econom
ic progress of China, it is hoped that this special status remains so that capi
tal, which is very liquid, is not rechannelled away from China to Tokyo or Sing
apore."

NIGERIA: "New Hope For Freedom In China"

The respected independent Guardian judged (7/2): "The lowering of the British
Union Jack...in Hong Kong...is a signal of both change and continuity.... Chi
na owes it to herself and to the rest of the skeptical world (to see) that the
unique challenges of the Hong Kong experiment are not mismanaged in a narrow,
ironfisted politicization. Hong Kong represents a new hope for liberty and fre
edom in all China."

"Hong Kong's Future Seems Assured"

The Port Harcourtbased independent Daily Sunray asserted (7/2: "The transfor
mations in China show clearly that the world should not be pessimistic about H
ong Kong's future. If anything, China would like to put its better foot forwar
d to reassure Macao and Taiwan. If China sends the wrong signals in Hong Kong
, then the 'one country, two systems' policy will be hard to sell to the Taiwa
nese. As China basks in the glory of taking back Hong Kong, it should respect
the treaty guiding the historic handover. It is in its interest to do this.
The world is watching to confirm its fears."

LATIN AMERICA AND CARIBBEAN

ARGENTINA: "The New Hong Kong Experiment"

An editorial in leading Clarin said (7/3), "The transfer of Hong Kong's sove
reignty to the People's Republic of China... is, together with the collapse of
the Berlin Wall and the disintegration of the Soviet Union, one of the events
which marks the end of this century and shows the essence of the world's grea
t transformations.... A new experiment starts off: that of a small state which

, with a special status under the political jurisdiction of the last communist power, represents one of the booming models of advanced capitalism, as the seventh trading power in the world. In this case, globalization also has to do with a multipolar world; attention moves to Asia and the economies of the Pacific, and commercial interests pull down geopolitical barriers and political controls which no longer have to do with today's realities."

BRAZIL: "Hong Kong Antidote"

Centerright O Estado de Sao Paulo ran this analysis on its oped page (7/2):

"The risks of absorption of the prosperous island [Hong Kong] by the bureaucratic sea (of China) are more similar to those still being experienced in the traumatic union of the two Germanies, for this is also a case where bureaucratic venom has blocked the arteries of a race accustomed to productive and organized work.... Let us hope that Hong Kong's prosperity becomes an antidote capable of convincing the Chinese to throw their old practice of paralyzing collectivism into the Pacific."

HONDURAS: "Hong Kong"

Independent, business-oriented El Nuevo Dia remarked (6/30): "At least with regard to economic issues, we predict that China will take no steps to harm the treasure it is about to receive. To the contrary, the more optimistic among us believe that China will try to assimilate the best of what it has to offer."

BARBADOS: "The Eyes Of The World Are On China"

This editorial comment appeared in the moderate Advocate (6/30): "The eyes of the international community will be on China, whose 'one country, two systems' policy will be put to the test."

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CREATION DATE/TIME: 8-JUL-1997 11:34:00.00

SUBJECT: Daily Digest 7/8: ALBANIAN ELECTIONS

TO: Doris O. Matsui (Doris O. Matsui@eop [UNKNOWN])
READ:UNKNOWN

TEXT:

Observers in Europe, Asia and Latin America expressed surprise at the

"fairer

and smoother than expected" rounds of legislative elections held in

Albania on

June 29 and July 6. Most commentators were in agreement with the judgment

that

"Europe's poorest nation," plagued by violence and a collapsed state for

months, has taken--via these elections--a "first positive step" away from

chaos

toward "normalcy" and "stability." The liberal Montreal Gazette pointed

out

that "having an elected government that is widely considered legitimate

would

help bring order to Albania." Analysts went on to say, however, that

Albania

faces serious economic, political and social problems, and it remains to

be

seen whether the victors in the elections--the Socialist Party, led by

Fatos

Nano--can meet the challenges and restore peace and order to the country.

For

some writers, the Socialist Party and its pedigree was reason for concern.

Rome's left-leaning, influential La Repubblica noted: "It cannot be taken for

granted that the winners have the ability to govern the country.... It is a

political class whose DNA is in the Communist Party which brought the country

into bankruptcy." Others were less concerned. Berlin's right-of-center Die

Welt averred: "With an overwhelming majority, the people brought the former

Communists back to power, but this does not mean that the Albanians think in

socialist terms. They were mainly interested in getting rid of conservative

President Berisha." Several opinionmakers said the future of the country also

depends a great deal on whether the Albanian people themselves are prepared to

"confront a harsh economic reality which they have not yet wanted to acknowledge." Many analysts determined that the international community's commitment will have to continue if Albania is to make further progress.

Dailies in Tirana were rather predictable in their comment on the elections,

with losing Democratic Party papers charging that the voting was

"manipulated"

by the OSCE--the international observers--and was therefore, unfair.

Socialist

Party papers, however, deemed their side's victory as "fair" and

"deserved."

Meanwhile, a considerable number of commentators weighed in with much less

optimistic assessments of the elections and of the situation in Albania.

They

did not subscribe to the notion that the elections were free and fair.

Right-of-center Frankfurter Allgemeine suggested that "violence and fear

were

the reasons for many Albanians to go to the polls or to stay away from

them."

In London, the conservative Daily Telegraph seemingly echoed pro-Berisha

Albania

of Tirana's line of thought about the OSCE: "If you want to make a

rigged

election respectable, call in international observers. That is the lesson

of

the latest such exercise, the parliamentary poll in Albania.... The

behavior

of the multinational bodies...has been a disgrace. Elections should be

serious, properly conducted affairs, not travesties of democracy which

monitors condone for the sake of ensuring their continued existence."

Budapest's influential Magyar Hirlap ran the gloomiest observation: "It

does

not matter who won, because success is just temporary. For a few months to come the adversaries will accuse each other, and when the foreign troops leave, fights will start again with renewed strength. And Europe will be watching anxiously--that is all it can do."

This survey is based on 32 reports from 13 countries, June 30-July 8.

EDITOR: Diana McCaffrey

EUROPE

ALBANIA: "Democratic Party's Insane Attempts To Justify Defeat"

Top-circulation, Socialist Party Zeri I Popullit contended (7/6):

"Following

the defeat of the Democratic Party [PD] and the Socialists' deserved victory,

Sali Berisha's newspapers Albania and Rilindja Demokratike have started revanchist ravings. Their language, as ever, exceeds the bounds of political

decency. They insult the Albanian authorities and politicians, and even European institutions, and are clearly sick over their 29 June defeat.

The PD

and Sali Berisha were not defeated, as it is claimed, by the 'great manipulation' prepared with the help of the OSCE or in the manner that they attempt excuse through irresponsible statements about the 'great

victory.' It

was not the speeches of Lalumiere and of the 'hooligan' Helsinki

committees, as

yesterday's edition of Albania claims, that inspired the people's great

'no' of

29 June and of today. The insane propaganda that is being spread about

the PD

and Sali Berisha being removed from power because 'the OSCE and others

acted to

close the Albanian file' is intended to step up tensions and even to

justify

the recent clashes organized by the PD-ites and the monarchists, which are

as

illegal as they are dangerous for stability. This behavior merely pours

gasoline on the flames, with the sole ultimate goal of preventing the Socia

lists from coming to power at any price.... They are trying to say, 'We,

in

fact, won, or would have won, but Europe had decided on the victory of the

Socialists in advance.' In this insanity, which Sali thinks people

believe,

they go to the point of issuing brazen claims of supposed premeditated

forgeries, prepared reports, and prearranged victories. In any case, in

all

these things, Sali Berisha is merely making a final attempt to persuade

himself, 'I am not to blame. I did everything I could.'"

"OSCE Responsible For Crisis"

Pro-Berisha Albania held (7/5): "Albania is continuing to confront the greatest crisis in its modern history. The elections of June 29 offered at least an opportunity to start to recover from the anarchy and the absence of a state in the full meaning of the word, but this crisis has only been deepened by the addition of new ingredients. The country is in total anarchy and Albania has been turned into an ungovernable territory. This is not only because the Communists were returned to power with a majority that is suicidal for the country and also thoroughly suspicious. First of all, 29 June failed because of the Albanians themselves and their political parties and politicians.... Public order fell into the hands of the so-called committees and other political gangs, not to mention the gangs of ordinary criminals and thieves who had broken down the prison gates. The task of the government was to prepare elections, but this will doubtless remain a unique case in history in which a government led the country to elections while unable to secure its own integrity in any corner of Albania. The coalition formula did not function,

and there is no doubt that this so-called national reconciliation

government

will go down in Albanian history as a government that barely existed.

(This is

not because of the capacities of the members of the Fino cabinet and the

prime

minister himself, who made up an admirable core of the government.)...

Second, the OSCE and other institutions, or rather the people standing

behind

them, remain the culprits for the unsolved Albanian crisis. The OSCE has

failed in the most disgraceful fashion ever since 26 May 1996. The OSCE

and

the other protagonists behind it are the great manipulators of what

happened in

Albania. This is not a matter of the election results, although this was

the

greatest manipulation ever perpetrated at the Albanians' expense. First,

the

OSCE and its legal and non-legal institutions closed their eyes to what

was

happening in Albania. The OSCE and those who stand behind it pushed

Albania

into elections while fully aware that elections could not be held in

Albania.

The government of national reconciliation should have performed its

function

and should have prepared the country for elections. This did not happen,

through no fault of the government. However, the OSCE and others hurried to close the Albanian file. This is not only because the entirely abortive Vranitzky [OSCE] mission had to announce its own brilliant success.... The Vranitzky mission would have been endangered by a possible win for the Democratic Party, which many institutions and countries had predicted.

"This was why the greatest possible rigging was prepared with the help of the OSCE and the ready-made infrastructure, in order to defeat the Democratic Party at all costs.... Now the speeches of Lalumiere and the hooligan Helsinki committees were ready. The elections were sufficient and acceptable. After them, the Albanian crisis has been greatly sharpened because of the manipulation of the referendum, and the country needs to start to govern itself."

ITALY: "Albanian Emergency Not Over Yet"

A commentary by Alberto Flores d'Arcais in left-leaning, influential La Repubblica read (7/2): "The first phase of the Italy-led international mission to Albania concluded positively with last Sunday's elections.... The OSCE representatives and the international observers concluded that the

elections

took place in an 'adequate and acceptable' fashion. This is no minor result if

one thinks of the atmosphere of violence which reigned in Tirana, Durazzo and

Vlore until two months ago.... However, it would be silly to fool ourselves

that the 'Albanian case' has been resolved as a result of the elections.

Italian Foreign Minister Andreatta announced yesterday that a decree for the

extension of the multinational mission until August 12 is going to be presented to parliament soon. Perhaps it will be necessary to extend it even

further, if a few conditions are not met by that date."

"Tirana Turns A New Page But It Still Needs Us"

Foreign Affairs Under Secretary Piero Fassino wrote on the front-page of PDS

(leading government party) L'Unita (7/1): "A first challenge was won: Albanian

elections were fair.... Now we need to move to a second round, a stage which

is not less complex and difficult than the previous one and which will still

require great tenacity and commitment. Indeed, the international

community

should not make the mistake of thinking that its task ends with the elections.... Whatever will be its government...Albania needs a joint effort of shared responsibility that makes everyone, both the winners and the losers, feel active participants in Albania's rebirth."

"Two Tests For The Winners"

A front-page commentary by Paolo Garimberti in left-leaning, influential La Repubblica read (7/1): "It cannot be taken for granted that the winners have the ability to govern the country.... It is a political class whose DNA is in the Communist Party which brought the country into bankruptcy.... The fair play it showed yesterday might be the beginning of a new era. But it might also be a sleigh of hand to dazzle international critics.... It is unlikely that Tirana's rulers will be able to rebuild an institutional and government system by themselves. European military protection is nearly over...but not the political one.... Indeed it is just at the beginning. Italy will be

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the front line."

"Congratulations From U.S."

A report from Rome in centrist, top-circulation Corriere della Sera indicated

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coming from the United States for the role played by the Italy-led multinational force."

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Aldo Rizzo commented on the front page of Turin's centrist, influential La

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serious but isolated incidents. The Italian government and the OSCE were right in pursuing these elections at all costs.... The Albanians responded

positively and went to the polls in large numbers, thus showing their desire

for normalcy and the rule of law. However, this is simply a first step.

The democratic and civil reconstruction of Albania lies ahead and thinking that we

will soon be able to wash our hands of Albania would be a mistake....

"The Albanian situation is such that neither of the two main political

parties

will be able to govern by itself and ignore the other half of the country

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various disruptive forces."

GERMANY: "Civil War Avoided, But Normalcy Will Take Years"

Boris Kalnoky observed in an editorial in right-of-center Die Welt of

Berlin

(7/2), "With an overwhelming majority, the people brought the former

Communists back to power, but this does not mean that the Albanians think

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patience: the reconstruction of the banking sector and the economy. He must evade a solution of the second problem: The disarmament of the people. It is likely that he will not even give it a try but allow the Albanians to keep their weapons on the condition they register them and not use them any more. The third problem is the division of the country. And Nano, a man from the south, is not welcome in the north.... If Berisha's 'democrats' had won the elections, a civil war would have been unavoidable. Hopefully, Albania has now averted this fate, but a return to normalcy and to a functioning state will take years."

"First Step To Stability"

Barbara Oertel pointed out in an editorial in left-of-center Die Tageszeitung of Berlin (7/2), "The elections brought Albania a little bit closer to normalcy, but this is only a first step to stability. No more. This is still a lot, at least in Albania."

"Can Socialists Govern Albania?"

Johann Georg Reissmueller judged in an editorial in right-of-center Frankfurter Allgemeine (7/1), "Nobody can really say that these were orderly elections in Albania. Violence and fear were the reasons for many Albanians to go to the polls or to stay away from them.... It may be possible that these elections were not much better than the fraudulent elections from May of 1996, but, nevertheless, the outcome of this election will now determine the future government. Time has run out for Berisha and his 'Democratic Party.'

But it remains to be seen whether Nano and his 'Socialists,' the former Communists, will be able to govern the country in a halfway productive way.

Mainly in the south, large regions are under the control of gangs. If Nano

shares power with them, he will have lost right from the start. If he attacks

them, terror can spread like a brush fire.... If the Italian-led European force were not in the country, the situation would even be worse. Its mere

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"Fairer, Smoother Elections Than We Could Expect"

In the opinion of left-of-center Frankfurter Rundschau (7/1), "The elections in

Albania took a fairer and smoother course than we could expect after the bitter

political controversies and organizational deficiencies. The revolt of the

defeated that many people were afraid of has so far not taken place.

But

with these elections, Albania has at best the chance for a return to domestic

peace and political stability.... Socialist election winner Nano will now set

the tone.... If Nano repeated Berisha's mistakes and marginalized the opposition, this would have disastrous consequences for Albania."

BRITAIN: "Albania Descends Into Tragi-Comedy"

A commentary in the conservative Times held (7/3): "Albania yesterday descended into the chaos of a comical banana republic as President Berisha

marshaled his guard, police and special police units to defend the capital,

Tirana--and his prime minister, Bashkim Fino, ordered them to stand down....

The president, angered that his security coup seemed not to be working, called

a press conference. It clarified nothing, in particular the small matter of

how long he would remain president, given that at least two thirds of the country had just voted against him."

"Transition In Tirana"

The conservative Times commented (7/3): "Albania's problems will not end with

Mr. Berisha's ousting.... The international community may have hoped that these elections would end the need for outside involvement in Europe's poorest nation. That ambition is unlikely to be realized."

"Strife On Road To Freedom"

The liberal Guardian observed (7/3): "The election produced at least three

welcome results. The better side won, and did so decisively with a two-thirds

majority in parliament. Fatos Nano's Socialists are in charge of a broad-based

center-left coalition which includes the Social Democrats and the Democratic

Alliance.... Its program promises to abolish the executive presidency and transform Albania into a parliamentary democracy with an independent judiciary."

"Free, But Not Fair"

The conservative Daily Telegraph's editorial maintained (7/2), "If you want to make a rigged election respectable, call in international observers. That is the lesson of the latest such exercise, the parliamentary poll in Albania.

Catherine Lalumiere, leader of a Council of Europe mission, has declared Sunday's vote to be 'adequate and acceptable at this stage.' Once, observers would pronounce an election 'free and fair' or withhold their approval.

Last month, that crude distinction was refined to 'free but not fair' by the Organization for Security and Cooperation in Europe (OSCE) in its verdict on Croatia's presidential poll. Now, Mme. Lalumiere has taken the process a stage further with her new formulation.... The behavior of the multinational bodies...has been a disgrace. Elections should be serious, properly conducted

affairs, not travesties of democracy which monitors condone for the sake of ensuring their continued existence."

"Socialists Usher In New Albania"

The centrist Independent (7/1) noted, "Albania's five turbulent years under

President Sali Berisha were heading towards a swift and remarkably graceful

conclusion yesterday as the ruling Democratic Party suffered a crashing election defeat at the hands of its Socialist rivals and the president, surprising almost everyone, accepted the result without a murmur."

FRANCE: "A Socialist Victory For Albania"

Right-of-center Les Echos' editorial said (7/1): "Like many other Eastern European nations, Albania has succumbed to the pendulum syndrome, bringing

back the Communists to power under their new Socialist name....

Electoral

fever is not yet ready to subside, promising more skirmishes for the presidential elections.... With their promise to reimburse those who lost

their savings, the Socialists will be hard pressed to find the necessary funds.... Everything will depend on the new government's ability to force the

Albanian people to confront a harsh economic reality which they have not yet wanted to acknowledge."

RUSSIA: "Great Expectations"

Gennady Sysoyev pointed out in reformist weekly Moskovskiye Novosti (7/8):

"After the elections, Albania has a chance to turn the situation around and overcome the crisis. Expectations are great, as is the price Albanians will have to pay for failing them."

"Monarchy Would Be Good For Albania"

Valeria Sycheva suggested in reformist Segodnya (7/1): "Monarchical metamorphosis would probably be good for Albania. It is not that things could not be worse in that country. It is that Albania's future heavily depends on the EU. As a monarchy, it might win more condescension from European institutions."

CANADA: "Albania Lurches Forward"

According to the liberal Montreal Gazette (7/4): "Albania...still has some distance to go before Westerners would recognize it as a healthy democracy.... Communist dictatorship took a giant step forward this week by holding parliamentary elections that may just result in a peaceful change of government.... Having an elected government that is widely considered legitimate would help bring order to Albania.... Outsiders have every reason to wish the incoming government well, though, and not just for the sake of Albanians. An unstable and anarchic Albania is a problem for surrounding countries.... Albania faces some difficult challenges. But this week, at least, there was a rare glimmer of optimism."

HUNGARY: "King Might Be Only Guarantee For Albania"

In the view of conservative Magyar Nemzet (7/2), "The deteriorated relations between the left and right are the worst things conceivable, and in the person of the king [the Albanians] will find the only guarantee, acceptable by both

sides, for the unity of the country and the restoration of law and order....

What is at stake now, after the elections, is whether the, at least seemingly,

legitimized winners and the losers will be able to cooperate, or whether...the

liquidation of the adversaries...(or) the questioning of the results will continue. If this happens, then the current dozen lives lost daily will only

be a 'beautiful dream,' and the country will sink into chaos."

"It Does Not Matter Who Won"

Influential Magyar Hirlap (7/1) observed, "After communism's collapse there was

hope that the state could finally progress on a new path. But few seemed to

believe that the right direction was towards Europe. Five years ago, when illusory freedom arrived in Albania, Communists forced into opposition hardly

thought they would again be back in power so soon. And they would not have

been, had the Democrats been working for the benefit of the people. But they

never did. It does not matter who won, because success is only temporary.

For a few months to come the adversaries will accuse each other, and when

the
foreign troops leave, fights will start again with renewed strength. And
Europe will be watching anxiously--that is all it can do."

THE NETHERLANDS: "OK"

An editorial in centrist Algemeen Dagblad said (7/2), "Given the unreal
situation, the parliamentary elections in Albania went OK. This is more
than
we could have expected. But it is no reason for optimism.... Observers
of the
European Council called the election results a base for a stable
democracy.
They are prematurely judging the developments.... By voting Berisha out,
the
people opted for peace and security. Apparently they trust that the
Communists, who now call themselves Socialists, want to work at it. This
is
rather naive. For the Communists have dirty hands. However, there is
hardly
an alternative, because politicians with a clean record are scarce in
Albania."

SPAIN: "A More Hopeful Future"

Liberal ABC said (7/2): "The relative normality of the legislative

elections

of Albania will allow this small, poor European country a more hopeful future. Now the international community--especially Europe--will have to work

hard to free the 3.5 million citizens of Albania from their problems. No one

believed that these elections would be perfect; the OSCE has declared them

'adequate and acceptable,' although the final report will not be released until

after the second round, this Sunday. The clear and apparently clean victory of

Fatos Nano's Socialists and his allies will give him a comfortable majority in

the parliament, which probably will be consolidated after the second round.

The change of power is now a fact. But the clear route for Albania is impos

sible while Berisha, one of those most responsible for bringing his country to

chaos, continues in the presidency. It is necessary that he recognize the

defeat of his Democratic Party and resign as he promised during the campaign.

A cohabitation with a prime minister who was jailed for four years because of

corruption is not viable.... It would be useful following the elections

to

open an international conference on Albania, an effort which failed this past

May. European countries and the United States should all participate instead

of ignoring the problems of southern Europe.... Collective action is necessary

as the stability of Albania is in the interest of all Europeans."

EAST ASIA AND PACIFIC

CHINA: "New Government Will Face Many Problems"

The official Shanghai Communist Party Liberation Daily (Jiefang Ribao, 7/3)

concluded: "Though the situation in Albania is still chaotic, the overall voting process seemed quite smooth. Voter turnout was estimated to have been as

high as 70 percent. The OSCE, the United States and other Western countries

responsible for monitoring the polling recognized the legitimacy of this election. The media think that faulty economic policies and the economic crisis resulting from such policies were the major reasons that the Democratic

Party lost this election. Albania is one of the least developed countries in

the world. When the Democratic Party came to power in 1992, it adopted

'economic shock therapy'...though such policies stimulated investment to some extent, the country lacked the capacity to provide loans.... But the newly founded government will still face many problems. First, it has to start to disarm the populace and rebuild the police and the military. Second, the Democratic Party's shortcomings and the crisis have caused great loss to the Albanian economy, making it more difficult to restart the economy."

INDONESIA: "Elections Results Expected To Provide Peace In Albania"

Leading independent Kompas commented under the headline above (7/2): "It should be interesting to see whether the Albanians deal cooperatively with the international peace-keeping forces...whose presence made it possible to secure elections. Many are hopeful that through orderly and secure elections the Albanians will solve their own problems in a democratic way."

LATIN AMERICA

ARGENTINA: "New Era In Albania"

Fernando Elenberg wrote in business-oriented El Cronista (7/1): " It was

certainly not a 'model' election but, under the present circumstances, it could not have been one either. In fact, things turned out much better than what we had feared on Saturday. The true challenge begins now. The riddle is whether these sacrifices will be made or not. In spite of the changes in political slogans, things have not varied much. The Socialist Party which was victorious on Sunday is nothing but a genetic mutation of the old Albanian

Communist Party, one of the most retrograde (examples) of 'real

Socialism.'" ##===== ATTACHMENT 1 =====
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P6QyP#Richey@usia.gov, (202) 6196511 Ann Pincus,
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ALBANIAN ELECTIONS: FIRST STEP TOWARD STABILITY, BUT CAN SOCIALISTS GOVERN?

Observers in Europe, Asia and Latin America expressed surprise at the "fairer
and smoother than expected" rounds of legislative elections held in Albania
on
June 29 and July 6. Most commentators were in agreement with the judgment
that
"Europe's poorest nation," plagued by violence and a collapsed state for
month
s, has taken via these elections a "first positive step" away from
chaos toward "
normalcy" and "stability." The liberal Montreal Gazette
pointed out that "hav
ing an elected government that is widely considered
legitimate would help bring
order to Albania." Analysts went on to say,
however, that Albania faces ser
ious economic, political and social problems,
and it remains to be seen whether
the victors in the election the Socialist
Party, led by Fatos Nano can meet the
challenges and restore peace and order
to the country. For some writers, the
Socialist Party and its pedigree was
reason for concern. Rome's left-leaning,
influential La Repubblica noted:
"It cannot be taken for granted that the winn
ers have the ability to govern
the country.... It is a political class whose D
NA is in the Communist Party
which brought the country into bankruptcy." Othe
rs were less concerned.
Berlin's right-of-center Die Welt averred: "With an ov
erwhelming majority,

the people brought the former Communists back to power, but this does not mean that the Albanians think in socialist terms. They were mainly interested in getting rid of conservative President Berisha." Several opinionmakers said the future of the country also depends a great deal on whether the Albanian people themselves are prepared to "confront a harsh economic reality which they have not yet wanted to acknowledge." Many analysts determined that the international community's commitment will have to continue if Albania is to make further progress. Dailies in Tirana were rather predictable in their comment on the elections, with losing Democratic Party papers charging that the voting was "manipulated" by the OSCE, the international observers and was therefore, unfair. Socialist Party papers, however, deemed their side's victory as "fair" and "deserved."

Meanwhile, a considerable number of commentators weighed in with much less optimistic assessments of the elections and of the situation in Albania. They did not subscribe to the notion that the elections were free and fair. Right of center Frankfurter Allgemeine suggested that "violence and fear were the reasons for many Albanians to go to the polls or to stay away from them." In London, the conservative Daily Telegraph seemingly echoed pro-Berisha Albania of Tirana's line of thought about the OSCE: "If you want to make a rigged election respectable, call in international observers. That is the lesson of the latest such exercise, the parliamentary poll in Albania.... The behavior of the multinational bodies...has been a disgrace. Elections should be serious, properly conducted affairs, not travesties of democracy which monitors condone for the sake of ensuring their continued existence." Budapest's influential Magyar Hirlap ran the gloomiest observation: "It does not matter who won, because success is just temporary. For a few months to come the adversaries will accuse each other, and when the foreign troops leave, fights will start again with renewed

trength. And Europe will be watching anxiously that is all it can do."
This survey is based on 32 reports from 13 countries, June 30/July 8.
EDITOR: Diana McCaffrey

EUROPE

X' hp x (#

ALBANIA: "Democratic Party's Insane Attempts To Justify Defeat"

Top circulation, Socialist Party Zeri I Popullit contended (7/6): "Following the defeat of the Democratic Party [PD] and the Socialists' deserved victory, Sali Berisha's newspapers Albania and Rilindja Demokratike have started revanchist ravings. Their language, as ever, exceeds the bounds of political decency. They insult the Albanian authorities and politicians, and even European institutions, and are clearly sick over their 29 June defeat. The PD and Sali Berisha were not defeated, as it is claimed, by the 'great manipulation' prepared with the help of the OSCE or in the manner that they attempt excuse through irresponsible statements about the 'great victory.' It was not the speeches of Lalumi and of the 'hooligan' Helsinki committees, as yesterday's edition of Albani claims, that inspired the people's great 'no' of 29 June and of today. The insane propaganda that is being spread about the PD and Sali Berisha being removed from power because 'the OSCE and others acted to close the Albanian file' is intended to step up tensions and even to justify the recent clashes organized by the PDites and the monarchists, which are as illegal as they are dangerous for stability. This behavior merely pours gasoline on the flames, with the sole ultimate goal of preventing the Socialists from coming to power at any price.. They are trying to say, 'We, in fact, won, or would have won, but Europe had decided on the victory of the Socialists in advance.' In this insanity, which Sali thinks people believe, they go to the point of issuing brazen claims of supposed premeditated forgeries, prepared reports, and prearranged victories. In any case, in all these things, Sali Berisha is merely making a final attempt

pt to persuade himself, 'I am not to blame. I did everything I could.'"

"OSCE Responsible For Crisis"

ProBerisha Albania held (7/5): "Albania is continuing to confront the greatest crisis in its modern history. The elections of June 29 offered at least an opportunity to start to recover from the anarchy and the absence of a state in the full meaning of the word, but this crisis has only been deepened by the addition of new ingredients. The country is in total anarchy and Albania has been turned into an ungovernable territory. This is not only because the Communists were returned to power with a majority that is suicidal for the country and also so thoroughly suspicious. First of all, 29 June failed because of the Albanians themselves and their political parties and politicians.... Public order fell into the hands of the so-called committees and other political gangs, not to mention the gangs of ordinary criminals and thieves who had broken down the prison gates. The task of the government was to prepare elections, but this will doubtless remain a unique case in history in which a government led the country to elections while unable to secure its own integrity in any corner of Albania. The coalition formula did not function, and there is no doubt that this so-called national reconciliation government will go down in Albanian history as a government that barely existed. (This is not because of the capacities of the members of the Fino cabinet and the prime minister himself, who made up an admirable core of the government.)... Second, the OSCE and other institutions, or rather the people standing behind them, remain the culprits for the unsolved Albanian crisis. The OSCE has failed in the most disgraceful fashion ever since 26 May 1996. The OSCE and the other protagonists behind it are the great manipulators of what happened in Albania. This is not a matter of the election results, although this was the greatest manipulation ever perpetrated at the Albanians

' expense. First, the OSCE and its legal and nonlegal institutions closed their eyes to what was happening in Albania. The OSCE and those who stand behind it pushed Albania into elections while fully aware that elections could not be held in Albania. The government of national reconciliation should have performed its function and should have prepared the country for elections. This did not happen, through no fault of the government. However, the OSCE and others hurried to close the Albanian file. This is not only because the entirely abortive Vranitzky [OSCE] mission had to announce its own brilliant success.... The Vranitzky mission would have been endangered by a possible win for the Democratic Party, which many institutions and countries had predicted.

"This was why the greatest possible rigging was prepared with the help of the OSCE and the readymade infrastructure, in order to defeat the Democratic Party at all costs.... Now the speeches of Lalumiere and the hooligan Helsinki committees were ready. The elections were sufficient and acceptable. After them, the Albanian crisis has been greatly sharpened because of the manipulation of the referendum, and the country needs to start to govern itself."

ITALY: "Albanian Emergency Not Over Yet"

A commentary by Alberto Flores d'Arcais in left-leaning, influential *L'Espresso* (7/2): "The first phase of the Italian-led international mission to Albania concluded positively with last Sunday's elections.... The OSCE representatives and the international observers concluded that the elections took place in an 'adequate and acceptable' fashion. This is no minor result if one thinks of the atmosphere of violence which reigned in Tirana, Durazzo and Vlore until two months ago.... However, it would be silly to fool ourselves that the 'Albanian case' has been resolved as a result of the elections. Italian Foreign Minister Andreotti announced

yesterday that a decree for the extension of the multinational mission until August 12 is going to be presented to parliament soon. Perhaps it will be necessary to extend it even further, if a few conditions are not met by that date."

"Tirana Turns A New Page But It Still Needs Us"

Foreign Affairs Under Secretary Piero Fassino wrote on the frontpage of PDS (leading government party) L'Unita (7/1): "A first challenge was won: Albanian elections were fair.... Now we need to move to a second round, a stage which is not less complex and difficult than the previous one and which will still require great tenacity and commitment. Indeed, the international community should not make the mistake of thinking that its task ends with the elections.... What ever will be its government...Albania needs a joint effort of shared responsibility that makes everyone, both the winners and the losers, feel active participants in Albania's rebirth."

"Two Tests For The Winners"

A frontpage commentary by Paolo Garimberti in leftleaning, influential Repubblica read (7/1): "It cannot be taken for granted that the winners have the ability to govern the country.... It is a political class whose DNA is in the Communist Party which brought the country into bankruptcy.... The fair play it showed yesterday might be the beginning of a new era. But it might also be a sleight of hand to dazzle international critics.... It is unlikely that Tirana's rulers will be able to rebuild an institutional and government system by themselves. European military protection is nearly over...but not the political one. ... Indeed it is just at the beginning. Italy will be in the front line."

"Congratulations From U.S."

A report from Rome in centrist, topcirculation Corriere della Sera indicated (7/1): "Satisfaction (in Italy) is even stronger following the

congratulations coming from the United States for the role played by the Italy-led multinational force."

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Aldo Rizzo commented on the front page of Turin's centrist, influential *La Stampa* (6/30): "The 'impossible' elections took place after all, with some serious but isolated incidents. The Italian government and the OSCE were right in pursuing these elections at all costs.... The Albanians responded positively and went to the polls in large numbers, thus showing their desire for normalcy and the rule of law. However, this is simply a first step. The democratic and civil reconstruction of Albania lies ahead and thinking that we will soon be able to wash our hands of Albania would be a mistake...."

"The Albanian situation is such that neither of the two main political parties will be able to govern by itself and ignore the other half of the country and various disruptive forces."

GERMANY: "Civil War Avoided, But Normalcy Will Take Years"

Boris Kalnoky observed in an editorial in right-of-center *Die Welt* of Berlin (7/2), "With an overwhelming majority, the people brought the former Communists back to power, but this does not mean that the Albanians think in socialist terms. They were mainly interested in getting rid of conservative President Berisha...because they made him responsible for allowing criminal investment companies to rob the people of their savings.... The question now is whether Socialist leader Nano will be able to restore the country. He is faced with three great problems. He can resolve the first with financial and organizational assistance from the international community and with great patience: the reconstruction of the banking sector and the economy. He must evade a solution of the second problem: The disarmament of

the people. It is likely that he will not even give it a try but allow the Albanians to keep their weapons on the condition they register them and not use them any more. The third problem is the division of the country. And Nano, a man from the south, is not welcome in the north.... If Berisha's 'democrats' had won the elections, a civil war would have been unavoidable. Hopefully, Albania has now averted this fate, but a return to normalcy and to a functioning state will take years."

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Barbara Oertel pointed out in an editorial in leftofcenter Die Tageszeitung of Berlin (7/2), "The elections brought Albania a little bit closer to normalcy, but this is only a first step to stability. No more. This is still a lot, at least in Albania."

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"Fairer, Smoother Elections Than We Could Expect"

In the opinion of leftofcenter Frankfurter Rundschau (7/1), "The elections in Albania took a fairer and smoother course than we could expect after the bitter political controversies and organizational deficiencies. The revolt of the defeated that many people were afraid of has so far not taken place. But with these elections, Albania has at best the chance for a return to domestic peace and political stability.... Socialist election winner Nano will now set the tone.... If Nano repeated Berisha's mistakes and marginalized the opposition, this would have disastrous consequences for Albania."

BRITAIN: "Albania Descends Into TragiComedy"

A commentary in the conservative Times held (7/3): "Albania yesterday descended into the chaos of a comical banana republic as President Berisha marshaled his guard, police and special police units to defend the capital, Tirana and he, prime minister, Bashkim Fino, ordered them to stand down.... The president, angered that his security coup seemed not to be working, called a press conference. It clarified nothing, in particular the small matter of how long he would remain president, given that at least two thirds of the country had just voted against him."

"Transition In Tirana"

The conservative Times commented (7/3): "Albania's problems will not end with Mr. Berisha's ousting.... The international community may have hoped that these elections would end the need for outside involvement in Europe's poorest nation. That ambition is unlikely to be realized."

"Strife On Road To Freedom"

The liberal Guardian observed (7/3): "The election produced at least three welcome results. The better side won, and did so decisively with a two-thirds majority in parliament. Fatos Nano's Socialists are in charge of a broad-based center-left coalition which includes the Social Democrats and the Democratic Alliance.... Its program promises to abolish the executive presidency and transform Albania into a parliamentary democracy with an independent judiciary."

"Free, But Not Fair"

The conservative Daily Telegraph's editorial maintained (7/2), "If you want to make a rigged election respectable, call in international observers. That is the lesson of the latest such exercise, the parliamentary poll in Albania. Catherine Lalumière, leader of a Council of Europe mission, has declared Sunday's vote to be 'adequate and acceptable at this stage.' Once, observers would pronounce an election 'free and fair' or withhold their approval. Last month, that crude distinction was refined to 'free but not fair' by the Organization for Security and Cooperation in Europe (OSCE) in its verdict on Croatia's presidential poll. Now, Mme. Lalumière has taken the process a stage further with her new formulation.... The behavior of the multinational bodies...has been a disgrace. Elections should be serious, properly conducted affairs, not travesties of democracy which monitors condone for the sake of ensuring their continued existence."

"Socialists Usher In New Albania"

The centrist Independent (7/1) noted, "Albania's five turbulent years under President Sali Berisha were heading towards a swift and remarkably graceful conclusion yesterday as the ruling Democratic Party suffered a crashing election defeat at the hands of its Socialist rivals and the president, surprising almost everyone, accepted the result without a murmur."

FRANCE: "A Socialist Victory For Albania"

Rightofcenter Les Echos' editorial said (7/1): "Like many other Eastern European nations, Albania has succumbed to the pendulum syndrome, bringing back the Communists to power under their new Socialist name.... Electoral fever is not yet ready to subside, promising more skirmishes for the presidential elections.... With their promise to reimburse those who lost their savings, the Socialists will be hard pressed to find the necessary funds.... Everything will depend on the new government's ability to force the Albanian people to confront a harsh economic reality which they have not yet wanted to acknowledge."

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RUSSIA: "Great Expectations"

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Gennady Sysoyev pointed out in reformist weekly Moskovskiye Novosti (7/8): "After the elections, Albania has a chance to turn the situation around and overcome the crisis. Expectations are great, as is the price Albanians will have to pay for failing them."

"Monarchy Would Be Good For Albania"

Valeria Sycheva suggested in reformist Segodnya (7/1): "Monarchical metamorphosis would probably be good for Albania. It is not that things could not be worse in that country. It is that Albania's future heavily depends on the EU. As a monarchy, it might win more condescension from European institutions."

CANADA: "Albania Lurches Forward"

According to the liberal Montreal Gazette (7/4): "Albania...still has some distance to go before Westerners would recognize it as a healthy democracy....

Communist dictatorship took a giant step forward this week by holding parliamentary elections that may just result in a peaceful change of government.... Having an elected government that is widely considered legitimate would help bring order to Albania.... Outsiders have every reason

to wish the incoming government well, though, and not just for the sake of Albanians. An unstable and anarchic Albania is a problem for surrounding countries.... Albania faces some difficult challenges. But this week, at least, there was a rare glimmer of optimism."

HUNGARY: "King Might Be Only Guarantee For Albania"

In the view of conservative Magyar Nemzet (7/2), "The deteriorated relations between the left and right are the worst things conceivable, and in the person of the king [the Albanians] will find the only guarantee, acceptable by both sides, for the unity of the country and the restoration of law and order.... What is at stake now, after the elections, is whether the, at least seemingly, legitimized winners and the losers will be able to cooperate, or whether...the liquidation of the adversaries...(or) the questioning of the results will continue. If this happens, then the current dozen lives lost daily will only be a 'beautiful dream,' and the country will sink into chaos."

"It Does Not Matter Who Won"

Influential Magyar Hirlap (7/1) observed, "After communism's collapse there was hope that the state could finally progress on a new path. But few seemed to believe that the right direction was towards Europe. Five years ago, when illusory freedom arrived in Albania, Communists forced into opposition hardly thought they would again be back in power so soon. And they would not have been, had the Democrats been working for the benefit of the people. But they never did. It does not matter who won, because success is only temporary. For a few months to come the adversaries will accuse each other, and when the foreign troops leave, fights will start again with renewed strength. And Europe will be watching anxiously that is all it can do."

THE NETHERLANDS: "OK"

An editorial in centrist Algemeen Dagblad said (7/2), "Given the unreal situation, the parliamentary elections in Albania went OK. This is more than we could have expected. But it is no reason for optimism.... Observers of the European Council called the election results a base for a stable democracy. They are prematurely judging the developments.... By voting Berisha out, the people opted for peace and security. Apparently they trust that the Communists, who now call themselves Socialists, want to work at it. This is rather naive. For the Communists have dirty hands. However, there is hardly an alternative, because politicians with a clean record are scarce in Albania."

SPAIN: "A More Hopeful Future"

Liberal ABC said (7/2): "The relative normality of the legislative elections of Albania will allow this small, poor European country a more hopeful future.

Now the international community especially Europe will have to work hard to free

the 3.5 million citizens of Albania from their problems.

No one believed that

these elections would be perfect; the OSCE has declared them 'adequate and

acceptable,' although the final report will not

be released until after the second

round, this Sunday. The clear and

apparently clean victory of Fatos Nano

as Socialists and his allies will give

him a comfortable majority in the parliament, which probably will be

consolidated after the second round. The change of

power is now a fact.

But the clear route for Albania is impossible while Berisha, one of those

most responsible for bringing his country to chaos, continues in the

presidency. It is necessary that he recognize the defeat of his Democratic

Party and resign as he promised during the campaign. A cohabitation with a

prime minister who was jailed for four years because of corruption is not

viable.... It would be useful following the elections to open an international

conference on Albania, an effort which failed this past May.

European countries and the United States should all participate instead of ignoring the problems of southern Europe.... Collective action is necessary as the stability of Albania is in the interest of all Europeans."

EAST ASIA AND PACIFIC

CHINA: "New Government Will Face Many Problems"

Xinhua (#

The official Shanghai Communist Party Liberation Daily (Jiefang Ribao, 7/3)

con-

cluded: "Though the situation in Albania is still chaotic, the overall

voting

process seemed quite smooth. Voter turnout was estimated to have been

as high

as 70 percent. The OSCE, the United States and other Western

countries responsible

for monitoring the polling recognized the legitimacy of

this election. The

media think that faulty economic policies and the

economic crisis resulting from

such policies were the major reasons that the

Democratic Party lost this election.

Albania is one of the least developed

countries in the world. When the

Democratic Party came to power in 1992, it

adopted 'economic shock therapy'...

though such policies stimulated investment

to some extent, the country lacked

the capacity to provide loans.... But

the newly founded government will still

face many problems. First, it has to

start to disarm the populace and rebuild

the police and the military. Second,

the Democratic Party's shortcomings and the

crisis have caused great loss to

the Albanian economy, making it more difficult

to restart the economy."

INDONESIA: "Elections Results Expected To Provide Peace In Albania"

Xinhua (#

Leading independent Kompas commented under the headline above (7/2): "It

should

be interesting to see whether the Albanians deal cooperatively with

the international

peacekeeping forces...whose presence made it possible to

secure elections.

Many are hopeful that through orderly and secure

elections the Albanians

will solve their own problems in a democratic way."

LATIN AMERICA

ARGENTINA: "New Era In Albania"

Fernando Elenberg wrote in businessoriented El Cronista (7/1): " It was
certa
inly not a 'model' election but, under the present circumstances, it
could not
have been one either. In fact, things turned out much better than
what we had
feared on Saturday. The true challenge begins now. The riddle is
whether thes
e sacrifices will be made or not. In spite of the changes in
political slogan
s, things have not varied much. The Socialist Party which
was victorious on Su
nday is nothing but a genetic mutation of the old
Albanian Communist Party, o
ne of the most retrograde (examples) of 'real
Socialism.'" ##
X` hp x (#%#Xx\ P6QyXP#

===== END ATTACHMENT 2 =====