

OFF LIMITS

CENSORSHIP AND CORRUPTION

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July 1991

A Fund for Free Expression Report

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INTRODUCTION

"It is not cheap for a dull leader to make sure that an entire nation either sings his praises or shuts up."
– Blaine Harden on President Daniel Arap Moi of Kenya¹

Under the Moi regime in Kenya, high-level corruption is rampant. Many government projects would not be approved except for the opportunities they generate for the enrichment of officeholders -- kickbacks of 10 to 25 percent. Estimates of the President's own wealth range from one hundred million to several billion dollars. Aside from its staggering financial cost, this corruption also takes a heavy toll in liberty. Harden notes that Moi's "greed for power" led to a far-reaching constitutional amendment outlawing all political parties except his, curbing the independence of the Attorney General and the Auditor General, eliminating the secret ballot, and abolishing life tenure for judges.² When the press questions this political crackdown or the corruption it shields, the regime also resorts frequently to censorship. It banned the *Financial Review* in April 1989 after it ran a report that the government had taken over the property of the country's wheat millers,³ and arrested the editor of *The Nairobi Law Monthly* over an editorial suggesting that state benefits were allocated to members of the President's small tribe.

The Kenyan experience is far from an aberration, and Harden's comment about Moi could apply as well to dozens of other national leaders. Indeed, of all the rationales for censorship advanced by governments around the world -- national security, protection of public morals, curbing racial and ethnic hatred, etc. -- assuring self-protection by preventing exposure of corruption is perhaps the predominant real reason. The methods of censorship take many different forms: in Venezuela⁴ and Chile,⁵ reporters received death threats after revealing official financial misdeeds; in Turkey, a prominent editor was jailed for 16 months for "insulting the President" by reporting that he used his influence to enable his daughters to buy expensive apartments at extremely low prices;⁶ in Zimbabwe, the government "promoted" out of their jobs two editors responsible for an exposé that detailed how government ministers were buying cars from Harare's Willowvale assembly plant and reselling them at a huge profit.

¹ *Dispatches from a Fragile Continent*, Blaine Harden; W.W. Norton and Company, New York/London, 1990; p. 264.

² *Ibid.*

³ *CPJ Update* #36, Aug. 1989, p. 20.

⁴ *Referencias*, Oct. 1989, pp. 5, 7.

⁵ *Fortin Mapocho*, Nov. 8, 1989.

⁶ *CPJ Update* #30, July/Aug. 1987, p. 9.

Anger over corruption has been an ingredient in a number of cataclysmic changes in government during the last eighteen months. The downfall of Liberian President Samuel K. Doe in December 1990 ended a virtual reign of terror for reporters who dared to question his financial affairs or inquire into governmental corruption. In 1983, journalist James Butty, appearing on national radio, questioned the President's need for a 30-member entourage to accompany him on a trip to West Germany, where Doe was supposedly traveling for a simple medical checkup, and why Doe's wife needed 22 people to travel with her on a private visit to the U.S. Butty barely escaped the country ahead of the security police. When the *Footprints Today* newspaper ran a story in August 1984 about high-level corruption in the public works ministry, Editor Momolu Sirleaf and Sports Editor Klon Hinneh were detained for 55 days. When they filed a lawsuit against the government after their release, they were re-arrested, flogged 50 times each and detained three more months. In 1987, Westmore Dahn, News Editor of the *Sun Times*, was arrested and detained for two days without charge for reprinting a women's organization's statement that criticized government corruption in general terms. The government finally banned the *Sun Times* and *Footprints Today* in April 1988.

In November 1989, the newly-unfettered press in the German Democratic Republic hastened the end of the regime -- and ultimately, the state itself -- by revealing rampant self-enrichment by top government and party officials. East Germans had long understood that the regime's leaders enjoyed certain privileges emanating from their political status, but until newspapers were freed of government control, no one had any idea of the extent to which the leaders of the supposedly austere communist vanguard had been leading lives of luxury. *Neues Deutschland*, the main party newspaper, as well as *Berliner Zeitung* and *Junge Welt*, published reports about such excesses as the 5,000-acre estate of deposed communist trade union chief Harry Tisch, who maintained a luxurious hunting lodge and a 200-acre reserve for breeding wild boar. The press revealed that former party chief Eric Honecker and Gunter Mittag, who had been his top aide, maintained lavish hunting lodges at state expense near Neubrandenburg. *Berliner Zeitung* reported in late November that Mittag had been expelled from the party and would face legal action relating to his creation of a fake corporation which acquired hard currency from East German firms that exported valuable antiquities and books.⁷ Most damaging was the unprecedented footage on East German television of Wandlitz, the heavily-wooded exclusive compound for the 23 members of the Politburo a few miles north of Berlin. Viewers saw swimming pools, saunas and greenhouses, and learned that the party elite had gardeners, two maids provided free to each house, a beauty parlor, and a store well-stocked with consumer goods generally unavailable to the proletariat.⁸ Citizens of what was formerly East Germany have hardly forgiven Honecker for these transgressions. When it was recently announced that he had left the country for medical treatment in the Soviet Union, there was widespread public protest.

One month later, after the overthrow and execution of Romanian dictator Nicolae Ceausescu, the Romanian people and the world got an inside look at the unfinished House of the Republic. Three times larger than Versailles, Ceausescu's monument to himself was built on the ruins of old Bucharest's most historic neighborhoods -- with 40,000 to 50,000 people forcibly uprooted to make way for the colossus. Romanians can now tour the palace, which is the fruit of five years of labor carried out by at least 15,000

⁷ *New York Times*, Nov. 25, 1989, p. 7; *Los Angeles Times*, Dec. 6, 1989, p. A1.

⁸ *New York Times*, Nov. 25, 1989, p. 7, and Nov. 28, 1989, p. A14.

workers. The 13-story edifice, which has more than 1,000 rooms, is outfitted with ceilings of gold, and floors, staircases and walls of marble. Hanging above the huge galleries and salons are crystal chandeliers, including one in the plenary hall believed to weigh as much as five tons.⁹ If Ceausescu had not been overthrown, ordinary Romanians would never have learned that the government spent well over \$1 billion on the building, which consumed gargantuan amounts of electricity even as the state restricted apartments to one 60-watt light bulb per room and cut off entire villages if they exceeded their quota. Ceausescu had slashed fuel imports and increased food exports so he could pay the interest on Romania's foreign debt. Food was scarce, and the government regularly severed power during winter, leaving millions of people hungry and freezing in dark apartments.¹⁰

Ceausescu's House of the Republic is perhaps the most extreme example of why many rulers consider it vital to keep their populations ignorant of the extent of their own wealth. As in Romania, many nations are marked by widespread poverty among the general populace and extravagant wealth among the ruling elite. Those in power fear public disclosure of the size of their foreign bank accounts and their real estate and business empires, because it can undermine their control. They see the example of democratic societies where public awareness of top-level corruption can unravel political power, as in the fall of U.S. House Speaker Jim Wright and the 1989 election defeat of India's Congress Party after independent publications revealed a coverup of kickback payments to government officials in a \$1.4 billion arms deal with a Swedish firm.¹¹

Freedom of the press is guaranteed by Article 19 of the Universal Declaration of Human Rights and by many other international covenants and charters. As the examples in this report show, it is not only important in its own right, but as a means to expose misguided public projects that benefit a few at the expense of many. Writing about a successful public campaign in Botswana to block a \$25 million river dredging project that would have hurt fishing and farming in the Okavango Delta to direct water to a profitable diamond mine, *Washington Post* correspondent Neil Henry called it unthinkable that similar efforts could take place in other African countries without Botswana's respect for human rights:

President Mobutu Sese Seko's garish, multibillion-dollar palace in Gbadolite, Zaire, for instance, and President Felix Houphouet-Boigny's \$180 million Roman Catholic basilica in Yamoussoukro, Ivory Coast – not to mention new capital cities in Tanzania and Nigeria – are just a few of numerous extravagances and white elephants on this continent that might never have been built if the governments truly had been accountable to their people about the best ways to spend public money.¹²

Far from thanking their critics, governments go to great lengths to silence them. In Argentina, exposures of official corruption by a bold independent newspaper, *Pagina 12* struck such a deep nerve that they triggered an amendment to the Penal Code, since withdrawn, that would curb "whistleblowers" by

⁹ *New York Times*, Dec. 31, 1989, p. 14; *Washington Post*, Dec. 31, 1989, p. A25; *Wall Street Journal*, April 4, 1990, p. 1.

¹⁰ *New York Times*, Nov. 24, 1989, p. 17, and Dec. 31, 1989, p. 14.

¹¹ *New York Times*, Nov. 30, 1989, p. 12.

¹² "Democracy Not Watered Down in Arid Botswana," Neil Henry, *Washington Post*, March 21, 1991.

making it an offense to publish information about financial affairs, industry, the military, and many other matters without official permission.¹³

Sometimes a regime will even reach out beyond its own borders to punish a critic who exposes financial corruption. In June 1991, France expelled the Moroccan writer Abdelmoumen Diouri who had resided legally in France since the 1970's as a political refugee. The expulsion order provided no specific reasons for Diouri's expulsion, but the most probable reason is his criticism of Morocco's King. French authorities had urged him not to publish his forthcoming book, *A Qui Appartient le Maroc?* (*Who Owns Morocco?*), which investigates the King's financial interests abroad and in various sectors of the Moroccan economy. Diouri returned to France in July after an administrative tribunal ruled that he had been wrongly deported.

This report focuses on six countries around the world which in different ways illustrate the mechanisms of censorship through which governments formally and informally prevent reporting on the wealth of those in power:

■ **Algeria, where riots sparked in part by popular anger over corruption forced President Chadli Benjedid to end his country's one-party political system and emboldened the media to test the limits of official tolerance -- but so far, not yet to raise the issue of Chadli's reportedly substantial wealth.**

■ **China, where corruption has long been a political football between economic "reformers" and "conservatives," and where a degree of opening of the press in May 1989 led to bolder reports on corruption, which played a role in sparking the Tiananmen Square demonstrations.**

■ **Indonesia, which has a long practice of banishing foreign journalists who come too close to reporting on President Suharto's financial affairs and those of his family.**

■ **Mexico, where a relatively high degree of formal freedom of the press is overridden by killings and other acts of violent intimidation of investigative reporters who come too close to high-level corruption, and where bribes and salary supplements paid to journalists by government agencies enmesh the press in a system where corruption flourishes.**

■ **Paraguay, where President Andres Rodriguez, who ousted former President Alfredo Stroessner in a February 1989 coup d'etat, has tried to consolidate his hold on power by pulling away the curtains that had shielded the previous regime's financial misdeeds. But the press understands that his own past is off limits.**

■ **Zaire, whose ruler treats the national budget as his personal bank account, and tries to control public opinion not only in his own country, but abroad as well.**

Our review of the way the press deals with corruption at the top in these countries reveals a number of common factors which deter investigative reporting:

■ **Government ownership of the broadcast media, which provides the bulk of information for the**

¹³ *Article 19 World Report*, American Library Association, Chicago, p. 73.

mostly illiterate populace.

- **Constitutions and penal codes which provide grounds for arresting reporters, seizing issues of journals, or banning publications outright.**
- **Government or party ownership of the print media, and effective control of newspapers and magazines through bodies such as official "press councils."**
- **Government control of paper and ink, as in Mexico, and the power to cancel or withhold publishing licenses, as in Indonesia, is also used to punish the press.**
- **The dependence of newspapers in many countries on government advertising for much of their revenue.**
- **The timely telephone call from a well-placed individual, which occurs in Indonesia, Mexico and Paraguay, can kill unwanted stories.**
- **A lack of professional training, and inadequate technical facilities, plague journalists in several of the countries in this report, including Algeria and Zaire.**
- **Corruption also exists within the journalism profession. In Mexico, reporters earn a stipend from the institutions they cover, to supplement their meager salaries. Journalists in various other countries, such as Indonesia, also take payoffs. This creates a powerful disincentive to explore misdeeds in high places.**

Despite all of these constraints, some journalists and writers still try to ferret out and publicize information about leaders' corruption -- often with dire consequences. In Algeria, Indonesia, Paraguay and Zaire, such efforts have led to dismissal, arrest and imprisonment, or involuntary exile. The rulers of Indonesia and Malaysia have banned foreign correspondents from their countries in response to reports on their financial activities. In some cases, the results have been fatal. In 1984, Jose Antonio Zorilla, the head of Mexico's federal political police, allegedly ordered the assassination of journalist Manuel Buendia, presumably because Buendia had gathered evidence tying Zorilla to drug traffickers. A number of other Mexican reporters have been killed after exposing corruption at the state or local level.

There is a tendency in some parts of the world to pay only lip service to freedom of expression, suggesting that it is an esoteric or abstract concept which must take a back seat to economic development. The fallacy of this view is underscored by the experience of the countries covered in this report, where top officials plunder the public treasury because the press is not free to bring the story to public light.

Note: Most of the research for this report was concluded in 1990. In recent months there has been greater room for independent press and political activity in two of the countries covered, Algeria and Zaire, but it is too soon to tell whether the more open climate extends to reporting about high-level corruption.

ALGERIA

A "Pavlovian" System of Self-Censorship

When Col. Chadli Benjedid replaced the late Algerian President Houari Boumedienne in February 1979, he inherited a notoriously corrupt government. The political elite -- composed of senior members of the military, the government and the ruling National Liberation Front (FLN), the only legal political party -- had used their positions of privilege for personal enrichment. Chadli, a veteran of Algeria's war of independence against France, sought to mollify an embittered public by launching a massive anti-corruption drive against several high-ranking government officials and their subordinates.¹⁴ The most prominent figure to fall from grace was ex-Foreign Minister Abdelaziz Bouteflika, who was forced to return tens of millions of dollars to the state.¹⁵ Besides creating a tough anti-corruption image for himself, Chadli's purge of Bouteflika and other senior bureaucrats eliminated from political contention a number of Boumedienne loyalists who were not considered firm Chadli supporters.¹⁶ But the public drive to eliminate dishonesty among government officials had only a limited effect, because Chadli did not change the political infrastructure which had allowed corruption to flourish.¹⁷ The new president "kept exactly the same system, just with different people," says Abdennour Ali Yahia, President of the Ligue de Défense des Droits de l'Homme en Algérie (LADDA)¹⁸.

While there is general agreement among Algerians that corruption remains a serious problem, it is difficult to document financial misconduct on the part of Chadli himself. Nevertheless, during his long tenure as military commander of the *wilaya* (province) of Oran -- from 1964 until his selection as the FLN presidential nominee in December 1978 -- Chadli is believed to have amassed a sizable fortune for himself and his relatives.¹⁹ Residents of Oran will point out to a visitor the numerous local properties owned by the president. In 1979, Chadli planned to buy a mansion in an expensive Parisian neighborhood, but he backed off when he learned that the French press was about to publicize the purchase.²⁰

Many Algerians believe that corruption exists among senior government functionaries, but the

¹⁴ *Algeria: The Revolution Institutionalized*, John P. Entelis; Boulder/Westview Press, London and Sydney/Croom Helm, 1986, p. 65.

¹⁵ Algiers Domestic Service, August 8, 1983, in Foreign Broadcast Information Service (FBIS), August 10, 1983, p. Q1.

¹⁶ Entelis, p. 65.

¹⁷ *Ibid.*, p. 169; interview with Prof. William Zartman, director of African Studies, Johns Hopkins School of Advanced International Studies, in Washington, DC, October 3, 1989.

¹⁸ Interview in New York, December 9, 1989.

¹⁹ Entelis, p. 64.

²⁰ Telephone interview with source close to the family that owned the mansion, June 5, 1990.

authorities' strict control of access to information has made it impossible to verify this claim. Nevertheless, the ostentatious wealth of some FLN and government officials -- including magnificent villas and luxury cars -- suggests the prevalence of questionable financial activities, especially when compared with these officials' known salaries.

Some behavior has traditionally been regarded as a "normal" part of business, such as when a government minister accepts a "commission" (i.e., a bribe) for granting a contract to a foreign company.²¹ Former Prime Minister Abdelhamid Brahimi estimated in March 1990 that government officials had amassed some \$26 billion through such "commissions" over the previous 20 years.²² Other practices, such as the use of one's status as an FLN member for personal enrichment, are considered by many to be more serious breaches of the public trust.²³

The country's large contraband trade also seems to indicate senior-level involvement. While Chadli has worked to ease the economy away from the centralized model of the past, his administration still exercises a great deal of control, giving rise to a flourishing black market. Pointing to government statistics showing that some 60 percent of Algeria's commerce is handled through the black market, Faycal Benmedjahed of the leftist monthly *Alger Republicain* argues that "a mafia" of private businessmen and public officials, most likely including functionaries at "very high levels" in the police force and Customs Ministry, controls much of the contraband trade.²⁴

Before the October 1988 riots, it was impossible for journalists to investigate or publish material relating to high-level government corruption, unless the information was provided by the Chadli administration itself. Radio and television were government-run, and the print media was published either by the government or the FLN. The authorities also tightly controlled the circulation of foreign journals -- the Paris-based weekly *Jeune Afrique* was banned, and the French daily *Le Monde* was periodically seized for carrying articles the government found objectionable.²⁵

Even reporting on public events could cause problems for Algerian journalists. In 1980, for example, when Ammar Belhimer wrote an article for the government daily *El Moudjahid* on the imposition of a prison sentence on a corrupt army captain, the Information Ministry decreed that Belhimer could not write any articles for six months.²⁶

As a result of such reprisals, a set of unwritten rules evolved to prevent coverage of the wealth of

²¹Interview with Ali Yahia, December 9, 1989; interview with Fouad Boughanum of the monthly *Horizons* and Ammar Belhimer of the daily *El Moudjahid*, in Algiers, February 6, 1990; interview with Baya Gacemi, Azzedine Mabrouki and Arezki Netref of the weekly *Algérie Actualité*, in Algiers, February 7, 1990.

²²AFP, March 31, 1990; *Jeune Afrique* (Paris), April 23, 1990, pp. 25-26.

²³Interviews with Boughanem, Belhimer, Gacemi, Mabrouki and Netref.

²⁴Interview in Algiers, February 7, 1990.

²⁵U.S. State Department, *Country Reports on Human Rights Practices in 1988*, p. 1280.

²⁶Interview in Algiers, Feb. 6, 1990.

top leaders. For example, Fouad Boughanem of *Horizons* notes that Algerian journalists never even thought to ask for an interview with an army official, at least until *Reuters* correspondent Philip Shehadi broke the ice with an interview with Gen. Mustapha Cheloufi, secretary general of the National Defense Ministry, which was published in *El Moudjahid* in February 1990. Before then, Boughanem said, "one would not dare request an interview."²⁷ Self-censorship became habitual, a "Pavlovian reflex," as *El Moudjahid's* Ammar Belhimer puts it.

The October 1988 Riots

Throughout the 1980's, resentment increased among ordinary Algerians when they observed the obvious wealth of senior officials, at odds with the image promoted since independence in 1962 that in Algeria's socialist economy, all citizens worked for the common good rather than for personal gain.

The public anger over high-level corruption in general, including rumors of corruption within the presidential family, contributed to the tumultuous events of October 1988, which marked a turning point in Algeria's history. In September 1988, the government allowed the press to cover a major corruption scandal at the Banque Exterieur d'Algérie (BEA). The Algerian press featured in-depth coverage of the crime, which involved a BEA official's embezzlement of some \$26 million. While journalists were free to publicize this aspect of the story, they were not allowed to pursue rumors that the official who had stolen the money had given some of it to Chadli's son. Regardless of its truthfulness, this allegation traveled quickly by word of mouth.

Anger over the BEA scandal contributed to the outbreak of rioting that consumed Algeria for about one week in early October.²⁸ In the midst of rising frustration with inflation, declining living standards and severe housing shortages, the BEA affair underlined the differences between the country's privileged few and the poor masses. Most of those taking part in the unrest were the poor and young whose lives were untouched by Chadli's economic liberalization policies.²⁹ As the unrest spread throughout the country, rioters targeted government-controlled shops, ministries, the homes of unpopular officials, party offices, and other state-owned buildings.³⁰

Apparently terrified by the riots' implications, Chadli's government employed extremely brutal measures to restore order, and imposed a news blackout on the story. As army troops machine-gunned crowds of protestors, horrified Algerian journalists were forbidden from reporting what was happening. Sidi Ali Benmiche, chief editor of the Algeria Press Agency (APS), was killed while observing the riots. The government sought to keep foreign reporters away from the violence: many international correspondents were denied visas to enter Algeria, and some with visas were turned back upon arrival at the Algiers airport. On October 8 and 9, the authorities detained a number of foreign journalists for several hours,

²⁷Interview with Boughanem and Belhimer, February 6, 1990; *El Moudjahid* February 5, 1990, p. 3.

²⁸*Africa Confidential* (London), November 4, 1988, pp. 1-3; interview with Baya Gacemi, et al., February 7, 1990; interview with Philip Shehadi of *Reuters*, in Algiers, February 7, 1990.

²⁹*Africa Confidential*, November 4, 1988, p. 1; *The Times* (London), October 16, 1988; *New York Times*, March 11, 1990, p. 1.

³⁰*Africa Confidential*, November 4, 1988, p. 2; *The Times*, October 16, 1988.

confiscated video cassettes, and prevented some television crews from transmitting footage by satellite. Despite these measures, the population managed to obtain news from international shortwave radio broadcasts, such as the British Broadcasting Corporation (BBC) World Service.

By the time the unrest came to an end, the official death count was 176, but independent news reports estimated the number to be between 500 and 2,000.³¹ The vicious manner in which the regime restored order outraged the Algerian public, and Chadli apparently realized that he would have to take immediate conciliatory steps if he wanted to avoid similar outbreaks in the future. In a nationwide speech on October 10, the president promised constitutional reforms that would increase political liberties and end the FLN's monopoly over Algerian politics. In February 1989, seventy-three percent of the voters approved a new constitution, which allowed for the introduction of a multi-party system and the selection of members of parliament from outside the FLN.³²

After the Riots: A Small Opening

Algerian journalists were showing signs of restiveness even before the October 1988 riots, having formed the Movement of Algerian Journalists (MJA) in February 1988. Furious over their inability to cover the unrest, 70 reporters issued a statement on October 10, 1988, the same day that Chadli made his nationwide speech promising political reforms. The journalists decried the "tendentious use of the national media in contravention of professional ethics and the basic right of the citizen to information."³³

Following Chadli's address, the press immediately began testing the sincerity of his promised reforms. On October 19, *Revolution Africaine*, the FLN weekly journal, published a blistering indictment of press restrictions, asserting that Algerian reporters were being "castrated pitilessly."³⁴ One week later, *El Moudjahid* created an opinion page, open to anyone.³⁵ In December 1988, reporters at three publications -- *An-Nasr*, *Algérie-Actualité* and *Revolution Africaine* -- either staged short work stoppages or issued public statements demanding the removal of their editors. In each case, the journalists complained bitterly that the editors had refused to permit coverage of various issues.³⁶ Throughout 1989 and into 1990, journalists continued organizing and protesting, as did other sectors of society taking advantage of the post-riots "glasnost."

The government took two steps in the wake of the riots to address the journalists' demands for greater press freedom. The revised constitution allowed the newly emerging political parties to publish their own newspapers, and affirmed freedom of conscience and opinion, the right of communication in

³¹ *Index on Censorship*, January 1989, pp. 17-18; "Human Rights in Algeria One Year After the Riots," *News from Africa Watch and Middle East Watch*, October 4, 1989.

³² *The Economist*(London), October 15, 1988, pp. 79-80; *New York Times*, November 4, 1988; *Guardian*(London), February 25, 1989.

³³ *Index on Censorship*, January 1989, p. 18.

³⁴ *AFP*, October 19, 1988.

³⁵ *AFP*, October 25, 1988.

³⁶ *AFP*, December 11 and 12, 1988.

every form, and freedom of expression, association and assembly.³⁷

These guarantees meant little, the MJA argued, if the state did not also give all Algerians the right to own media outlets. The National Assembly thus set about the task of reforming the 1982 Information Code, which regulated the media. The Assembly approved a new code in July 1989, but the MJA forced Chadli to resubmit it to the parliament on the grounds that it did not sufficiently address this issue. Finally, in March 1990, the legislature approved a new code which allows groups and individuals to establish their own newspapers and radio and television stations.

Despite this provision, Algerian journalists complain that much of the code is dedicated to press restrictions, rather than press freedoms. One *El Moudjahid* reporter told Reuters: "The new law reads more like a penal code. It is harmful both to the profession and to the emerging democracy."³⁸ Under Article 76, reporters can face from five to ten years in prison for publishing "erroneous or tendentious" information, or material "harmful to state security and national unity." Article 20 forbids information "contrary to Islamic morality" or "national values," and Article 67a provides a six-month to three-year jail term for anything deemed offensive to Islam or other religions. Article 30 strips journalists of their right to protect their sources in cases involving defense or economic "secrets." An *El Moudjahid* editorial criticized those provisions as "extremely vague," giving the authorities tremendous leeway in determining what constitutes a criminal journalistic offense.³⁹

Corruption Coverage Under the New Information Code

General media coverage of corruption has increased since October 1988. Before the riots, the press could not publish editorials or articles quoting ordinary citizens complaining about government corruption. Now it is filled with such stories, although they are usually couched in general terms.⁴⁰ An *El Moudjahid* article on a February 1990 "popular meeting" in the *daira* (sub-prefecture) of Azazga quoted one participant complaining about unnamed FLN members who had "betrayed the country [and] robbed the poor to get rich." Another man was quoted as saying that he had quit the party because, "within the ranks of the FLN, one accepts too easily thieves and traffickers."⁴¹

Low- and mid-level corruption appears to be fair game in many cases. In a 1989 speech, Chadli demanded that candidates running in the 1990 municipal elections publish their personal financial status before the vote.⁴² In February 1990, *El Moudjahid* published a letter from 99 citizens of the *daira* of

³⁷Articles 35 and 37, Constitution of Algeria, cited in "Human Rights in Algeria," p. 4.

³⁸Reuters, March 20, 1990.

³⁹*El Moudjahid* editorial, March 20, 1990.

⁴⁰Interview with Boughanem and Belhimer, February 6, 1990.

⁴¹*El Moudjahid*, February 2-3, 1990, p. 4.

⁴²Interview with Boughanem and Belhimer, February 6, 1990.

Dahmouni denouncing the locality's top official for planning to transfer the headquarters of Dahmouni's Popular Communal Assembly so that he could use the building in which the Assembly was housed as his private residence.⁴³ In March 1990, *Horizons* reported that the authorities had arrested S. Boulouar, director general of EDIMCO (*Entreprise pour la Distribution des Matériaux de Construction*), the firm in charge of distributing construction materials, for his involvement with a network that was buying cement and selling it on the black market. Boulouar also used blackmail to build himself a villa, the paper said.⁴⁴

Despite this greater press freedom, the alleged financial misdeeds of senior government officials and their families remain off limits. While noting the difficulty in obtaining access to information that might confirm reports of top-level corruption, Algerian journalists also acknowledge their uncertainty about how the authorities would react to an expose of Chadli or other powerful figures.⁴⁵

One newspaper daily, *El Djoumhouriya* of the province of Oran, apparently came too close to the president. On January 19, 1989, the paper published a well-documented investigative report that uncovered alleged corruption on the part of, among others, Lahouel Kaddour, the *wali* (top official of a *wilaya*) of Tipaza. Kaddour reportedly abused his power to obtain "sumptuous homes and fertile agricultural lands" from the *wilaya* of Mostaganem for himself, relatives and friends. In the more relaxed, post-October 1988 atmosphere, *El Djoumhouriya's* expose of local malfeasance most likely would not have caused the central government much consternation. However, Kaddour was not merely some small-time potentate who had gone too far -- he was President Chadli's brother-in-law. The day after the article appeared in the paper, *El Djoumhouriya* Director Habib Rachedine was fired and later detained for several days. The two reporters who had conducted the investigation, Leila Ghazar and Kheira Tarra, were interrogated by the security police. All three were then charged with defamation and insult. Meanwhile, the state media attacked *El Djoumhouriya*, asserting that the expose was an attempt to discredit Chadli by opponents of his political and economic reforms.

Coming less than four months after Chadli had promised greater political freedoms, the *El Djoumhouriya* affair angered many journalists. The MJA protested the detentions after an extraordinary meeting January 28, and the police broke up a protest rally of some 200 journalists in Algiers on January 31. MJA members discussed the matter with National Assembly President Rabat Bitat and with then-Prime Minister Kasdi Merbah.⁴⁶

The journalistic community's vociferous protests apparently spared Rachedine, Ghazar and Tarra from further persecution. While the state did not officially drop the charges against the three journalists, it stopped actively pursuing the case. But Chadli's government had sent a clear message to the national press corps: do not implicate the presidential clan in corruption. Following the uproar over *El Djoumhouriya's* article, no further stories have appeared suggesting financial improprieties on the part of

⁴³ *El Moudjahid*, February 4, 1990, p. 13.

⁴⁴ *Horizons*, March 20, 1990.

⁴⁵ Interview with Boughanem and Belhimer, February 6, 1990; interview with Gacemi, Mabrouki and Netref, February 7, 1990.

⁴⁶ *AFP*, February 3, 1989; *Le Monde*, February 6, 1989; *La Tribune d'octobre* (Paris) editorial, February 15-28, 1989, p. 2; *La Tribune d'octobre*, March 15-31, 1989, pp. 16-17; interview with Ali Yahia, Dec 9, 1989; interview with Belhimer, February 6, 1990.

Chadli or his relatives.

It is unclear whether the formal and informal taboos preventing reporting on high-level corruption will remain in force, since the political process in Algeria is currently in a state of flux. Given current trends, however, it will be difficult for the press to overcome the obstacles impeding the investigation and exposure of top leaders' economic misdeeds, particularly with the censorship permitted by the new Information Code. Because of such constraints, the Code has come under sustained attack from various Algerian political groups, raising the hope that continued pressure might force its eventual withdrawal or amendment.

CHINA

The Evolution of Corruption

China's ruling elite enjoys a variety of privileges. Top Communist Party cadres and government bureaucrats – including many "retired" officials who actually wield considerable power -- have expansive homes in the exclusive Zhongnanhai compound in Beijing, planes and trains at their disposal, the free use of luxury hotels when they travel, and other perks. These leaders do not appear to have engaged in the type of extreme corruption that would net them, for example, millions of dollars in foreign bank accounts. Many of their children, however, have amassed fortunes through their ties to power. They have obtained top posts in state-owned companies, and have earned hefty profits dealing in hard-to-obtain government permits for import, export, joint venture, and foreign exchange activities.⁴⁷

Many of these opportunities for profit stemmed from the liberalization of the economy begun in 1979. This program, initiated by supreme leader Deng Xiaoping, has angered conservative leaders who do not want to see a loosening of the party's central control over the economy, as well as its grip on China's political and cultural life. Because of this opposition, reform has been partial, leaving part of the economy under central planning, and part subject to the rules of the open market. This has naturally increased the possibilities for corruption.⁴⁸ For example, the regulations on import and export are "numerous, confusing and constantly in a state of change," according to Hong Kong University economist Steven Cheung. "They are an open invitation to corruption."⁴⁹

The children of senior cadres also benefitted enormously from the 1984-85 surge in the creation of private companies. Most were set up by high-level officials or their children, or by official government bureaus. The following scheme was a popular means of self-enrichment: a state-owned company would establish a parallel private-sector firm, but under the same management. The state enterprise would buy a raw material or product at the low, state-controlled price, sell it to its private twin at the same price, and then turn around as the private company and sell it at the full market price.⁵⁰ By October 1985, the government had determined that there were nearly 28,000 such unproductive illegal businesses, in which

⁴⁷ Interview with Ge Yang, exiled chief editor of the banned *New Observer* magazine, in New York, Oct. 15, 1989; Interview with Chen Yizi, former head of China's Institute for the Reform of the Economic Structure and highest-ranking official to go into exile following the suppression of the 1989 democracy movement, in Paris, Jan. 26, 1990; interview with Chinese scholar researching corruption, in Europe, Jan. 30, 1990; interview with Ai Duan Wu, exiled Editor of *New Observer*, in New York, Mar. 14, 1990.

⁴⁸ Interview with Chen Yizi, Jan. 26, 1990; *Far Eastern Economic Review*, May 2, 1985, p. 24.

⁴⁹ *Asiaweek*, April 13, 1986, pp. 36-37.

⁵⁰ Interview with Jacques Andrieu, a researcher at France's Centre National de la Recherche Scientifique, Centre de Recherche et de Documentation sur la Chine Contemporaine, who specializes in China's second economy, in Paris, Jan. 25, 1990.

more than 67,000 party and government officials were implicated.⁵¹

Critics say virtually all of the children of the top leaders have used their privileged positions for personal enrichment. One prominent example is Deng Pufang, son of Deng Xiaoping. Ge Yang, the exiled chief editor of the banned magazine *New Observer*, said she turned down an offer in the mid-1980s to participate in a deal in which she would buy televisions at a low price and then re-sell them for an instant profit. "I was told Deng Pufang had 30,000 televisions, purchased duty-free," she recalls. Through his connections, the younger Deng had acquired a permit to import the televisions.⁵²

Corruption is not limited to senior officials and their families, but pervades all levels of Chinese society. The Communist Party's ideology -- stressing an austere and selfless lifestyle, not oriented toward personal material gain -- has only fueled the popular resentment felt over corruption. However, the extremely hierarchical nature of the economic system that was developed under Communist rule, in which people are highly dependent on their superiors and must rely on "connections" for almost everything worth having, creates the perfect environment for corruption to flourish.⁵³ In virtually all dealings with the bureaucracy, bribes are needed. "The system forces you to be corrupt to get things done," such as getting a decent apartment, remarks Jacques Andrieu, an expert on China's second economy.⁵⁴ In early 1985, Canton's *Nanfang Daily* told how travelers on the 500-kilometer Canton-Shantou highway had to pay a "toll" at each of some 60 different checkpoints, set up by agencies in charge of traffic control, license control, transport inspection, traffic safety, farm machinery, timber and sugarcane production, and others.⁵⁵

At the county level, in the countryside, party cadres are even more powerful than their urban counterparts. Many are known to embezzle public funds, or to receive free labor from local workers and free food from local farmers. They also often distribute material on a market basis, rather than according to the state plan, keeping the profit. And they often keep the best equipment and supplies for themselves.⁵⁶

The Government's Response

Aware of the damage caused by corruption to both its development plans and its political legitimacy, the Communist Party has expended considerable resources investigating and prosecuting low- and mid-level party cadres and government bureaucrats involved in illegal economic activities. The main party body that investigates corruption is the Central Discipline Inspection Commission (CDIC), which dates from the early 1950s. Abolished during the Cultural Revolution, it was revived again in the late-

⁵¹ *The Economist*, Dec. 21, 1985, p. 27.

⁵² Interview with Ge Yang, Oct. 15, 1989.

⁵³ Interview with Chen Yizi, Jan. 26, 1990; interview with Chinese scholar in Europe, Jan. 30, 1990.

⁵⁴ Interview with Andrieu, Jan. 25, 1990.

⁵⁵ *Far Eastern Economic Review*, March 21, 1985, p. 68.

⁵⁶ Interview with Jacques Andrieu, Jan. 25, 1990; interview with Chen Yizi, Jan. 26, 1990.

1970s. The government has conducted numerous anti-corruption campaigns, in 1952, 1962, 1971 and 1982, and in 1989 after the crushing of the democracy movement. Usually, however, the Communist aristocracy has been unwilling to jeopardize its own privileges. Consequently, the CDIC, and the national media, focus tremendous attention on the economic crimes of low- and mid-level party officials, but only occasionally address top-level corruption.

While the party genuinely appears to want to curb economic crime in the interests of efficiency, there is usually a political reason for each highly publicized anti-corruption crackdown -- all the more so in the rare moment when these campaigns reach selectively to higher officials. From 1977-1980, for example, the corruption cases reported in the press were invariably blamed on the "ultra-leftist" system left behind by the so-called "Gang of Four." (In reality, the "system" had been created by the late Chairman Mao Zedong, but the media never acknowledged this.)⁵⁷ In the 1980s, anti-corruption efforts could be seen within the context of intra-party clashes over the issue of how much, or whether, to move China from a centralized to a market economy. The power struggle between the "reformers" and the "old guard" provided the backdrop for Hu Yaobang's targeting of senior officials in his 1986 anti-corruption drive, and for Zhao Ziyang's attempt to investigate the financial activities of top leaders' children in May 1989. But these have been exceptional moments, when the reformers saw themselves as powerful enough to attack the old guard. In each case, an equilibrium between the two factions was soon reached and the high-level anti-corruption campaign stopped.

Virtually all Chinese media are state-owned, so reporting on corruption reflects the official line that prevails at any particular time. Almost all editors and reporters are party members. While China's Constitution provides for freedom of expression, it also limits this right so severely as to make it nonexistent. Article 54 states that "it is the duty of citizens to safeguard the security, honor, and interests of the motherland; they must not commit acts detrimental to...the motherland." Article 53 requires all Chinese to "keep state secrets...observe labor discipline and public order, and respect social ethics." The authorities perceive a highly circumscribed role for the media. *Renmin Ribao* (*People's Daily*), the party's main newspaper, has described the media as the party's "loyal eyes, ears and tongue." Important news stories, editorials and commentaries require prior party approval, and other articles are limited by extensive press self-censorship in light of the penalties that can be exacted for crossing certain lines.⁵⁸

There has been one important exception. During the May 1989 democracy movement, the party relaxed its control over the official press. For an unbelievable week, the Chinese media found themselves operating as professional news-gatherers, rather than as the Communist Party's propaganda organ. But that was an exception that proved the rule: high-level corruption is not ordinarily tackled as a subject for popular consumption.

More typical has been the experience of such semi-independent journals as the *New Observer* and Shanghai's *World Economic Herald*, which since 1979 had tentatively tested the government's limits. These publications ran satirical stories about corruption, without citing names or specifics, but wrote in such a

⁵⁷ Alan Liu, "The Politics of Corruption in the People's Republic of China," in *The American Political Science Review*, Vol. 77, 1983, pp. 602-623.

⁵⁸ *World Report 1988: Article 19, Information, Freedom and Censorship*, edited by Kevin Boyle, Longman Group UK Limited, United Kingdom, 1988, pp. 129-134.

way that readers knew to whom they referred.⁵⁹ These papers were among the victims of the crackdown on the press following the June 1989 massacre of pro-democracy demonstrators: the authorities promptly removed the *World Economic Herald's* editor and closed the *New Observer*. In April 1990, the *World Economic Herald* was also closed.⁶⁰

Corruption and Hu Yaobang

Apart from the one-week liberation of May 1989, the press was freest to report on corruption by senior officials in 1988. Throughout the year, reports indicated that low- and mid-level corruption was on the increase, spurred by the expanded economic freedoms granted under the reform program.⁶¹ Major cases of corruption were also uncovered, including the creation of an illegal private "Peace Gas Company" by the head of Beijing's public utilities department. This netted the official, Ma Xueliang, and several close associates some \$470,000 in six months. The government arrested Ma for fraud. In October 1985, authorities uncovered \$100 million in black-market currency dealings in the Shenzhen special economic zone. *The China Daily* (the party's English-language paper) reported in November 1985 that various firms, including the national airline, had amassed some \$1.2 billion through tax frauds and illegal price increases.⁶² One scandal allegedly involved nearly the entire government of Hainan Island. Hainan officials were importing cars, televisions and other controlled products and reselling them at enormous profits. The scheme ultimately involved some \$1.4 billion. This could have been politically motivated, as Hainan's governor was sacked after the events of June 1989.

These major cases, as well as increasing press coverage of the petty corruption that plagued the daily lives of ordinary Chinese, were threatening the economic liberalization program. In response, the reformers decided to go on the offensive, and to use their most vulnerable point – corruption – as their weapon of attack.⁶³ In January 1986, at one of the largest Communist Party conferences in recent years, a new anti-corruption campaign was announced. Party General Secretary Hu Yaobang created a new commission to oversee the effort, even though two anti-corruption agencies – the Rectification Guidance Commission and the CDIC – already existed. CDIC First Secretary Chen Yun, an open critic of the economic reforms, was conspicuously absent from the party session.

Addressing the gathering, Hu urged "all loyal and honest comrades, inside and outside the party...to report truthfully to the Central Committee serious wrongdoing by senior officials, including members of the Central Committee."⁶⁴ Chen Pixian, vice chairman of the National People's Congress Standing Committee, declared, "No matter who might be involved, it is mandatory that the investigation be

⁵⁹Interview with Ge Yang, Oct. 15, 1989.

⁶⁰ *New York Times*, April 26, 1990.

⁶¹ *Far Eastern Economic Review*, March 21, 1985, pp. 68-69, and May 2, 1985, p. 24.

⁶² *The Economist*, Dec. 21, 1985, pp. 27-28.

⁶³ *Asiaweek*, Jan. 26, 1986, pp. 20 and 25; *Far Eastern Economic Review*, Jan. 30, 1986, pp. 22-24.

⁶⁴ *Far Eastern Economic Review*, Jan. 23, 1986, p. 28.

carried out thoroughly and the crime punished according to law."⁶⁵ Politburo member Hu Qili, a member of the new anti-corruption commission, told the Politburo that prosecutors must "crack big cases, especially those in which the offspring of high cadres are involved."⁶⁶ The regime issued circulars with rules intended to end the practice of cadres' children benefiting financially from their family position. The fight was on.

A circular issued by the party secretariat in January 1986 fingered "the central leading organs" as the source of "unhealthy tendencies" that had spread throughout China.⁶⁷ The reformers also tried to mobilize the press on their behalf. A February issue of *Hong Qi* (*Red Flag*), the party's theoretical journal, declared that "corruption among leading officials harms the image of the party among the masses."⁶⁸

Many Chinese were skeptical that the regime would back up its tough talk with action. This skepticism seemed warranted when, as the new anti-corruption campaign was being launched, the Foreign Ministry took the unusual step of denying as pure fabrication a report by the Hong Kong monthly *Cheng Ming* that Hu Deping and Zhao Dajun, sons of Hu Yaobang and Zhao Ziyang, were involved in questionable business activities in Shenzhen.⁶⁹ Despite the apparent stonewalling on this case, the authorities within a short time exposed a racket involving two of the highest-ranking cadres ever implicated in corruption. In early February 1986, Zhang Jun, ex-minister of the astronautics industry, and Cheng Lianchang, then the industry's deputy minister, were implicated in a \$41 million television-smuggling scheme. They eventually received "disciplinary warnings."⁷⁰ While this and other cases seemed to indicate that the party was serious about punishing high-level corruption, closer inspection suggested a more political motive: defeating the opponents of reform. The senior officials linked directly or indirectly to economic crimes were either members of the old guard, or opposed to the economic reforms to some degree.⁷¹ The reformers were untouched.

As it moved against its adversaries in the legal sphere, Hu's faction sought to utilize the media to press its advantage in the political arena. A commentary in the Propaganda Department's *Guangming Ribao* (*Enlightenment Daily*) refuted the argument that increased corruption was a consequence of the economic reforms. Economic crime "existed long before the reforms were introduced," the journal said. "It is not at all necessary to slow down our reforms in order to deal with corruption and other problems, to say nothing of beating a retreat."⁷² A *Hong Qi* article argued that corruption, which it termed a "transient, non-essential aspect of the present situation...can be completely solved through further in-depth development

⁶⁵ *Asiaweek*, Feb. 2, 1986, p. 15.

⁶⁶ *Asiaweek*, April 13, 1986, pp. 36-37.

⁶⁷ *Asiaweek*, Feb. 2, 1986, p. 15.

⁶⁸ *Asiaweek*, April 13, 1986, pp. 36-37.

⁶⁹ Hong Kong Commercial Radio, Jan. 12, 1986, in FBIS, Jan. 13, 1986, p. W1.

⁷⁰ *Asiaweek*, March 2, 1986, p. 23, and April 13, 1986, pp. 36-37; *Far Eastern Economic Review*, March 6, 1986, p. 34.

⁷¹ *Far Eastern Economic Review*, Jan. 30, 1986, pp. 22-24, and May 29, 1986, pp. 43-45; *Asiaweek*, April 13, 1986, pp. 36-37.

⁷² *Far Eastern Economic Review*, Jan. 30, 1986, pp. 22-23.

of the reforms."⁷³

Hu's anti-corruption agency, headed by his protege Qiao Shi, succeeded in putting a number of conservative party officials' children in jail. But while the opponents of reform were on the defensive, they were by no means beaten. This was demonstrated by the state's inability to punish fully the children of certain powerful members of this faction, as well as by the news blackout on these cases. For example, the media did not inform the public when the authorities arrested Hu Shiyang, the son of Hu Qiaomu (the Communist Party's head theoretician), for embezzling money from a correspondence law school he had started. Nor did it reveal that, despite reportedly receiving an eight-year prison sentence, the younger Hu was released and the sentence forgotten, says Ge Yang. "Everybody knew about this case, but no one in the press could dare report on it," she recalls.⁷⁴ In another case, Peng Zhen's son and daughter were reportedly jailed for embezzling large sums of money from the state-run company where they worked. Peng Zhen, then chairman of the National People's Congress Standing Committee, allegedly drove to Qincheng prison where his children were being held, and secured their release with a large bribe.⁷⁵ Despite such setbacks, Hu had set his adversaries on their heels with his anti-corruption campaign, and 1986 marked the high point for the reformers.⁷⁶ But an unforeseen development at year's end would allow the conservatives to reassert a measure of control over the party, and thus short-circuit any further attempts at exposing and punishing their families' questionable financial activities.

In December 1986, student protests calling for increased democracy – probably the largest such demonstrations in Communist China's history outside of the 1989 democracy movement – broke out in several provincial capitals. Concerned that the demonstrations would provide the conservatives with an opportunity to derail the reform process, the party at first ignored the students. It then appealed to them through the press: a *Renmin Ribao* commentary on December 23 said that even if the students' intentions were positive, "the result could be contrary to their wishes, or even taken advantage of by a few with ulterior motivations and those who crave nothing short of chaos."⁷⁷ The government finally enacted a ban on further protests in late December, but the students defied the order, emboldening Hu's enemies. A few days after several thousand students demonstrated in Beijing on New Year's Day, the media began calling on party members to combat "bourgeois liberalization," and referred to the protestors as "class enemies" – a sign that the conservatives were reasserting control.⁷⁸

Hu's refusal to crack down on the protests may have sealed his political fate. The process was completed when Hu was forced to resign as party general secretary on January 16, 1987.⁷⁹ Almost

⁷³ *Far Eastern Economic Review*, May 29, 1986, p. 43.

⁷⁴ Interview in New York, Oct. 15, 1989; *Asiaweek* Oct. 5, 1986, p. 60.

⁷⁵ Interview with Ai Duan Wu, March 14, 1990.

⁷⁶ Interview with Ai Duan Wu, March 14, 1990; *Far Eastern Economic Review*, May 29, 1986, pp. 43-45.

⁷⁷ *Far Eastern Economic Review*, Dec. 25, 1986, pp. 10-11, and Jan. 1, 1987, pp. 12-14.

⁷⁸ *Far Eastern Economic Review*, Jan. 8, 1987, pp. 8-9, Jan. 15, 1987, pp. 8-10 and 13, and Jan. 22, 1987, pp. 10-13.

⁷⁹ *Far Eastern Economic Review*, Jan. 29, 1987, pp. 10-13.

immediately, the official blame for corruption shifted to Hu and the reformers. In a major directive issued to senior cadres, the party criticized Hu for, among other things, appointing friends and relatives to high positions, and for extravagance. It also blamed the ousted leader for smuggling and other economic crimes in the special economic zones, pointing to his slogan for these areas: "Being special zones, cadres there can do things in a special way."⁸⁰

Journalist Liu Binyan, who criticized party orthodoxy and exposed official corruption, became another casualty of the rightist backlash. The party expelled Liu in late January 1987 for challenging the party's monopoly on power and the permanence of the "people's democratic dictatorship." Hu Yaobang had reportedly backed Liu as he exposed numerous cases of corruption, seeing Liu's work as aiding his own effort to restore the party's credibility and strengthen the reform program. The government also replaced Propaganda Minister Zhu Houze with a conservative, established a new agency to supervise all publishing operations in the country, and closed several newspapers and replaced their editors.⁸¹

Corruption and Tiananmen Square

The democracy movement of 1989 also forced the party to confront its unwillingness to loosen its censorship of information related to high-level corruption. As in the controversy of 1986 and 1987, the struggle was again played out as part of a larger battle between reformers and conservatives for control of the party.

Premier Zhao Ziyang replaced Hu as party general secretary, and managed to keep the reform process alive. The anti-corruption drive continued, but with a difference: while the state dismissed and prosecuted thousands of cadres in 1987 and 1988 for corruption, the effort lacked the 1986 emphasis on senior officials.

In September 1988, Deng Xiaoping expressed frustration with the process, declaring, "we must begin our surgery close to home."⁸² The following month, the state-owned Kanghua Development Corporation, which had profited handsomely, partly because of its ties to Deng Pufang's Fund for the Handicapped, lost its tax privileges, cut its ties to the younger Deng, divested itself of some 200 subsidiaries, and closed its Hong Kong branch.⁸³ Also in October 1988, the press reported that a senior military officer, Ning Yinghai, former secretary general of the Chengdu Military Region Political Department, was expelled from the party, court-martialed and sentenced to six-and-one-half years' imprisonment for corruption and "dallying" with married women.

In December 1988, the authorities promised to intensify the corruption battle the following year. "People are getting more and more resentful of officials accepting bribes, taking graft, extorting money, and spending without restraint," acknowledged Wei Jianxing, minister of supervision. Despite these steps,

⁸⁰ *Asiaweek*, Feb. 1, 1987, p. 14.

⁸¹ *New York Times*, Jan. 25, 1987, p. 1; *CPJ Update* #28, March/April 1987, pp. 1 and 4.

⁸² *The Economist*, Oct. 22, 1988, pp. 42-43.

⁸³ *Ibid.*

as well as Zhao's call on ordinary Chinese to turn in corrupt officials, public resentment continued to grow. With the economy buffeted by rapidly rising prices, supply shortages for factories, strikes, and panicky depositors threatening runs on the banks, the conservatives were again gathering steam for another frontal assault on the reform program.⁸⁴ Compounding Zhao's troubles, prominent intellectuals and dissidents began in late 1988 to press openly for democracy and freedom of expression.⁸⁵

It was against this backdrop that Hu Yaobang died of heart failure on April 15, 1989. Hu's demise ignited tensions that had been simmering just below the surface. As they turned out to mourn Hu in Beijing's Tiananmen Square, Chinese students seized on the former leader as a symbol of their desire for greater democracy and an end to corruption.⁸⁶ Popular affection for Hu was based in part on his reputation for extreme frugality -- his net worth at death amounted to only a few hundred U.S. dollars. Within days of Hu's death, thousands of students had started to occupy Tiananmen Square, and were threatening to force their way inside Zhongnanhai. As the demonstrations spread across China, they touched off an intense behind-the-scenes debate within the party leadership over how to handle the unrest. Along with the general calls for democracy, corruption emerged as a key issue for the students. Virtually every march, regardless of where in the country it occurred, featured placards with such demands as, "Down with official profiteers!" and "Eliminate corruption!"⁸⁷ While the party could assert that such calls were in line with the government's position on economic crime, the demonstrators wanted the housecleaning to include the untouchables: the senior leadership. Some wall posters became particularly famous: the so-called relationship charts, which allegedly revealed how dozens of children of senior officials had obtained top posts in politics and business, presumably because of their family connections. It has not been possible to verify everything in the charts, and some party officials said that they incorrectly identified certain people as relatives.⁸⁸

For its part, the Beijing City Workers Union issued a pamphlet calling on the Communist Party to publicize the private incomes and expenditures of top party officials, as well as the number of houses and villas they owned. Some of the anger at corruption might seem quaint to Western observers, such as the Workers Union's demand to know, "How much did Deng's son place in his bet on horse racing in Hong Kong? Where did he get his money from?" and "Mr. and Mrs. Zhao Ziyang play golf every week. Have they paid any fee? Who paid for their expenses?"⁸⁹ But these questions reflected the fruits of the Communist Party's 40-year insistence that a patriot sacrifice all material gain for the good of the country.

⁸⁴ *The Economist*, Oct. 22, 1988, pp. 42-43; *Beijing Jiefangjun Bao*, Oct. 7, 1988, p. 1, in FBIS, Oct. 24, 1988, pp. 32-33; *Xinhua*, Dec. 19, 1988, in FBIS, Dec. 21, 1988, pp. 29-30; *South China Morning Post* (Hong Kong), March 6, 1989, p. 11, in FBIS, March 6, 1989, p. 26; *Xinhua*, March 16, 1989, in FBIS, March 16, 1989, pp. 21-22.

⁸⁵ *Far Eastern Economic Review*, March 23, 1989, p. 19.

⁸⁶ *Washington Journalism Review*, Sept. 1989, p. 34.

⁸⁷ Beijing Domestic Service, May 16 and 17, 1989, Canton, Guangdong Provincial Service, May 17, 1989, Lanzhou, Gansu Provincial Service, May 16, 1989, and other provincial services, May 16 and 17, 1989, in British Broadcasting Corporation Summary of World Broadcasts (SWB), May 19, 1989, p. B2/3 and pp. B2/6-8.

⁸⁸ *China Information* (Holland), Vol. IV, No. 1, Summer 1989, pp. 64-72; Beijing Television Service, April 29, 1989, in FBIS, May 1, 1989, pp. 21-28; Beijing Television Service, May 1, 1989, in FBIS, May 2, 1989, pp. 9-10.

⁸⁹ Pamphlet issued by Beijing City Workers Union, April 20, 1989.

In a reflection of the internal discord over how to handle the democracy protests, the party stunned the nation on April 29 by televising a nearly three-hour meeting between student leaders and government officials, including State Council spokesman Yuan Mu and He Dongchang, vice minister of the State Education Commission. Tens of millions of shocked Chinese heard extraordinary questions such as that posed by an architecture student, who asked "whether any phenomenon of embezzlement exists among the children of cadres at the central level, and if so, whether their cases have been investigated and dealt with." Yuan Mu responded, "if any cadre at any level has been involved in embezzlement or has received bribes, he must be investigated and dealt with."⁹⁰ On May 1, state television carried a report on a meeting that day between student leaders and Beijing's top two officials: Mayor Chen Xitong and city party leader Li Ximing. Viewers watched the students force the two high-ranking officials to disclose their salaries, their financial condition, and the occupations of their children.⁹¹

Despite these incredible developments, the conservatives were slowly gaining the upper hand over Zhao in behind-the-scenes maneuvering. As he felt his fortunes fading, the secretary general tried to strengthen his position by ending all constraints on the media's coverage of the democracy movement. On May 6, on Zhao's orders, Hu Qili called in the publishers of China's eight largest newspapers, and told them that they could report truthfully on the democracy movement.⁹² The media eagerly responded to Hu's invitation, hungrily documenting every detail of the unfolding drama in Beijing and around the country. Although it was still not authorized to investigate the alleged corruption of top officials and their children, the press was able to document fully the protestors' demands for an end to economic crimes at the highest levels. On May 9, a *Renmin Ribao* commentary criticized "some of our leading comrades" for failing to crack down forcefully against corruption, and for trying to "absolve some corrupt officials of their wrongdoings by giving unconvincing reasons." If this tactic does not work, the commentary went on, "they either punish these corrupt officials very leniently, or try their best to keep these corrupt officials in their official positions."⁹³

Zhao apparently hoped that a liberated media might help him overcome his adversaries within the party leadership. With the national press regularly reporting on the students' demands for an end to corruption, Zhao suggested at a May 11 Politburo meeting that the party accede to some of the protestors' demands, including those concerning corruption. As a sign of good faith, the secretary general said he would welcome an investigation into the financial activities of his two eldest sons, believed to be amassing large fortunes through their political connections.⁹⁴ The party was less than enthusiastic about Zhao's suggestions, and the general secretary's hold on power continued to fade.

Finally, at a May 17 Politburo Standing Committee meeting (held at the home of Deng Xiaoping),

⁹⁰Beijing Television Service, April 19, 1989, in FBIS, May 1, 1989, pp. 25-49; *New York Times*, April 30, 1989.

⁹¹Beijing Television Service, May 1, 1989, in FBIS, May 2, 1989, pp. 9-10.

⁹²*New York Times Magazine*, Nov. 12, 1989, p. 66; *Washington Journalism Review*, Sept. 1989, p. 34.

⁹³*Renmin Ribao*, May 9, 1989, p. 1, in FBIS, May 11, 1989, pp. 24-25.

⁹⁴*New York Times Magazine*, Nov. 12, 1989, p. 66.

Zhao again called for conciliation with the students, and he proposed a radical anti-corruption campaign that would include: a special committee of legislators to investigate the "bureaucratic speculation" of the children of top party officials; publication of the financial status of all officials above the level of deputy minister, and abolition of special privileges for senior cadres. But with Deng in opposition, none of the four other Standing Committee members -- hard-line Prime Minister Li Peng, conservative planning chief Yao Yilin, de facto head of security Qiao Shi, and Hu Qili -- supported this plan, thus sealing Zhao's fate.⁹⁵ Within three days, the authorities imposed martial law, and forced the press to relinquish its newly won freedom and to resume its traditional role as party propaganda machine. Within three weeks, Zhao had lost his post, and the army had brutally suppressed the democracy movement.

Predictably, the party launched a new, highly publicized anti-corruption drive after the crackdown. Even more predictably, the campaign focused on provincial-level officials, and included allies of Zhao Ziyang.⁹⁶ While acknowledging that the pro-democracy movement had good reason to protest corruption, the party blamed the increase in economic crime on Zhao.⁹⁷

The party did vow in July 1989 to prohibit top officials and their relatives from conducting business activities,⁹⁸ and Li Peng asserted in September 1989 that State Council and Politburo members' children had withdrawn from businesses involved in commodity circulation. "We have replaced our deluxe sedans imported in the past," he said, "and some special treatments for the leaders in food supply have all been canceled."⁹⁹ It is impossible to verify Li's claims, however, given the party's absolute control of the media.

In late August 1989, Deputy Minister of Supervision Xu Qing said that "several major corruption cases involving high-ranking government officials" would be announced for China's National Day, October 1.¹⁰⁰ But suspicions were raised by a September 1989 *Renmin Ribao* column which challenged the popular perception that most senior officials were corrupt. Asserting that only a small number of party members had committed economic crimes, the column urged its readers not to expect the anti-corruption drive to net "a big `tiger'" -- the phrase for a senior official.¹⁰¹ October 1 came and went without any revelations regarding high-ranking officials' corruption.

⁹⁵Interview with Chen Yizi, Jan. 26, 1990; Letter from a Beijing intellectual, May 25, 1989, published in "Article 19 Censorship Monitor, China: August-September 1989," pp. 4-5.

⁹⁶ *Hong Kong Standard*, July 19, 1989, p. 6, in FBIS, July 19, 1989, p. 16; *Far Eastern Economic Review*, Sept. 28, 1989, pp. 10-11; *New York Times*, Sept. 15, 1989.

⁹⁷ *Renmin Ribao*, July 31, 1989, p. 6, in FBIS, Aug. 8, 1989, p. 21; Beijing Television Service, Sept. 26, 1989, in FBIS, Sept. 26, 1989, pp. 10-17; *New York Times*, Sept. 6, 1989, p. A7; Sept. 7, 1989, p. A15; Sept. 17, 1989, p. 5; Sept. 27, 1989; and Oct. 15, 1989, p. 11.

⁹⁸ *China Daily*, Aug. 19, 1989, p. 4, in FBIS, Aug. 21, 1989, pp. 28-29.

⁹⁹ Beijing Television Service, Sept. 26, 1989, in FBIS, Sept. 26, 1989, p. 13.

¹⁰⁰ *China Daily*, Aug. 23, 1989, p. 1, in FBIS, Aug. 25, 1989, p. 18.

¹⁰¹ *Renmin Ribao*, Sept. 6, 1989, p. 1, in FBIS, Sept. 21, 1989, p. 31.

INDONESIA

Favoritism: All in the Family

Under President Suharto's New Order government, power is concentrated in the presidency and the armed forces. He has ruled Indonesia, the world's fifth-most populous country with about 180 million inhabitants, since assuming command of the military following a coup attempt in 1965.

President Suharto has acquired millions of dollars during his time in office. No one claims that outright theft from the public treasury is involved, but it is alleged that cash payments as well as such items as a 700-acre ranch have been "contributed" to him. In addition, Suharto's wife, Siti "Tien" Hartinah is known jokingly as "Madame Tien Percent" for the "commission" she reportedly commands from business deals -- or even "Fifi," for fifty percent.

The debate over top-level corruption in Indonesia centers primarily on the remarkable business success of Suharto's family members and business associates. While Suharto's name usually does not appear on stock certificates or land titles, this inner circle has amassed a fortune worth an estimated \$2 to \$3 billion. The Suharto government has given these friends and relatives monopolies or near-monopolies over the import, manufacture and distribution of numerous products; granted their companies innumerable public works contracts; provided them with easy access to credit; and even stepped in to bail out their firms in deep financial trouble.¹⁰²

During Suharto's rule, the government has built tens of thousands of schools, hospitals and roads, more than doubled rice production, and overseen the development of an industrial infrastructure that includes huge oil refineries and hydroelectric power plants. Nevertheless, as one foreign journal put it, "corruption is the Achilles heel" of Suharto's government.¹⁰³ Some leading Indonesian economists and World Bank officials argue that, by controlling key commodities such as plastics, petrochemicals, tinplate, flour, cement and steel for its own gain, the Suharto family is hurting Indonesian industry, which depends on reasonably priced raw materials to make competitive products. The network of monopolies, along with protectionist regulations, stifles competition, inflates costs for local consumers, and frustrates the building of an export-oriented manufacturing base, the critics say.¹⁰⁴

Many of Indonesia's most essential and profitable monopolies are controlled in whole or part by one or more of Suharto's three sons: Bambang Trihatmodjo, Sigit Harjojudanto, and Hutomo "Tommy" Mandala Putera. Sigit and Siti Hardijanti, Suharto's eldest daughter, each own 16 percent of Bank Central

¹⁰² *Sydney Morning Herald*, April 10, 1986; *The Wall Street Journal*, Nov. 24, 1986, p. 1.

¹⁰³ *Sydney Morning Herald*, April 10, 1986.

¹⁰⁴ *The Wall Street Journal*, Nov. 24, 1986.

Asia, Indonesia's largest private bank. Sigit and Tommy have a monopoly on the distribution of several important petrochemicals produced by the state oil company, Pertamina. Bambang has built a huge empire of his own, around the Bimantara Citra group -- a conglomerate of more than 50 companies, with interests ranging from baby food to tankers for liquefied natural gas. Bambang and Indra Rukmana Kowara, Siti's husband, are Bimantara's majority shareholders.¹⁰⁵

Bambang, Sigit and Sudwikatmono, Suharto's foster brother, are three of the four directors of Panca Holding Ltd., which is the sole agent for the state trading company that holds import monopolies for the raw materials to make plastics. Bambang, his brother-in-law Indra, and Sudwikatmono control two of the three firms that receive oil and oil products from Pertamina to trade on the spot market.¹⁰⁶

According to one friend of Suharto, he is aware of and even jokes about his children's corruption. One of Suharto's cabinet ministers, Moerdiono, told Margaret Scott of the *New York Times Magazine*.

He knows there is a lot of criticism. One time, he said to me: "Do you know what 'Toshiba' means?" I said, "No, Pak, I don't know," Moerdiono says, referring to one of the many irreverent nicknames, often involving acronyms, for Suharto's children. "Toshiba" is an acronym for Tommy, Siti, Sigit and Bambang -- the names of the four children who have extensive business holdings. "He said, 'Do you know the joke: How do you get a state contract? Buy Toshiba.' Then he laughed."¹⁰⁷

A key player in the Suharto economic dynasty is Liem Sioe Liong, the President's long-time friend. During Suharto's presidency, Liem has built a multi-billion dollar corporate empire. Along with Probosutedjo, Suharto's half-brother, Liem has monopolies over clove imports (clove cigarettes are a national passion in Indonesia) and has exclusive rights to flour milling and handling. Liem's family controls 45 percent of Indocement, which produces about half of the country's cement. Sudwikatmono is president-director of Indocement, and owns between five and ten percent of the company. When demand for cement slackened in 1985, the government stepped in and bought a 35 percent stake in Indocement for more than \$300 million. It also ordered four state banks to lend the company \$120 million so it could pay off its foreign debt.¹⁰⁸ Liem owns 40 percent of the CRMI steel mill, and the government owns another 40 percent. Despite its supposed move to privatize inefficient state companies, the government in early 1990 was trying to nationalize the economically troubled CRMI.¹⁰⁹

While they probably would prefer to remain silent on the subject, Suharto and his family have been obliged several times over the years to deny foreign press reports alleging favoritism. Suharto did so himself on six separate occasions between 1972 and 1977. After a spate of foreign press reports in 1976

¹⁰⁵ *Sydney Morning Herald*, April 10, 1986; *The Wall Street Journal*, Nov. 24, 1986, p. 1.

¹⁰⁶ *The Wall Street Journal*, Nov. 24, 1986, p. 1.

¹⁰⁷ "Suharto Writes His Last Chapter" by Margaret Scott, *New York Times Magazine*, June 2, 1991.

¹⁰⁸ *Sydney Morning Herald*, April 10, 1986; *The Wall Street Journal*, Nov. 24, 1986, p. 1.

¹⁰⁹ *Far Eastern Economic Review*, Jan. 25, 1990, p. 42.

about the family's many business interests, the president issued a six-point statement denying that his family, or his wife's family, had received special treatment from the government "in launching enterprises aimed at easy and big profits." He called such allegations "rumors" that would "weaken both the authority of the government and the national leadership." In a now-famous news conference two weeks later, Probosutedjo's denial of favoritism revealed more than he probably intended. "Although we have never asked for and have never been given special favors by *Pak Harto* (Suharto)," Probosutedjo said, "we must admit that our success is due to *Pak Harto's* position -- the Javanese call it *kena sawabnya* (enjoying good fortune). If government officials sympathize with us because we happen to be relatives of *Pak Harto*, it is just good fortune, because we haven't asked for it."¹¹⁰

Suharto began his career as a military officer, and various senior officers have benefitted from their positions, even after they have left the service. "Normally when people retire [from the army] they come to us and see what they can get in the way of business," then intelligence chief Murdani confided to a foreign reporter in 1980. "And normally people like this get first priority on government contracts and tenders." These individuals can make \$1 or \$2 million dollars in commissions on the deals, and then "put it in the bank and sit back for life," Murdani said.¹¹¹

The Media on a Tightrope

According to a leading Indonesian journalist, doing stories on President Suharto's corruption "has become like *lese majeste*, like insulting the king." There are a panoply of reasons for this state of affairs.

Indonesia defines itself as a "Pancasila democracy." Pancasila, which means "five foundations," or "five pillars," is the state ideology. Conceived by former President Sukarno in 1945, its principles are monotheism, humanitarianism, national unity, democracy, and social justice. While these precepts were intended to hold together the far-flung and ethnically diverse Indonesian society, Pancasila has become Suharto's primary method of political control. Under the Anti-Subversion Act, any criticism of the government can be interpreted as "anti-Pancasila." Doing its part for social control, the Indonesian Press Council has proclaimed the country's media a "Pancasila press."¹¹²

The Indonesian Constitution declares that "freedom of speech and of the press shall be provided by law," and the country's 1966 Press Act states that "no censorship or bridling shall be applied to the national press."¹¹³ But Suharto's "Pancasila democracy" has no room for a truly free press. As Information Minister Harmoko explained in February 1989, "What should exist here is a national press which serves the function of giving true information to people, educating them and carrying out social control." There was no need for an opposition press, because it would clash with Pancasila and thus endanger the country's

¹¹⁰ *Far Eastern Economic Review*, Oct. 15, 1976, p. 32.

¹¹¹ Jenkins, p. 183.

¹¹² Asia Watch, *Human Rights in Indonesia and East Timor*, March 1989, pp. 41-42; *World Report 1988, Article 19: Information, Freedom and Censorship*, Longman Group UK Limited, United Kingdom, 1988, p. 140.

¹¹³ Constitution of the Republic of Indonesia, Art. 28; Law No. 11 of 1966 on the Basic Principles of the Press, Art. 4.

development.¹¹⁴

Legislation known as the "Broad Outlines of State Policy" requires that the press be "responsible." The government also makes clear that a "responsible" press protects the good name and authority of national leaders, and refrains from slandering or insulting them or their families.¹¹⁵ The Penal Code provides for up to six years' imprisonment for any statement that is "deliberately intended to disparage the president or vice president."¹¹⁶ The government also has the legal right to revoke a newspaper's operating license and to penalize its parent company.¹¹⁷

There is no possibility of independent reporting in the media that provide most Indonesians with their news. Television, by far the most powerful medium with some 100 million daily viewers, is government-controlled. The sole private television station is owned by Suharto's son Bambang, and it is not allowed to broadcast news. The government-run radio network, *Radio Republik Indonesia* (RRI), is the country's largest and most widely heard. There are a large number of private radio stations, but the only news they are allowed to air are 15-minute broadcasts prepared by RRI six times a day.¹¹⁸

Only the print media retain some independence in the dissemination of news. While the semi-official news agency *Antara* can be counted on to disseminate the government's position, the national newspapers and magazines are privately owned, and for the most part are not in the hands of Suharto allies.¹¹⁹ A number of these journals have endured temporary bans, and in some cases permanent closure, for articles that have angered the president.

The government actively works to ensure that the print media's news reportage conforms to Suharto's wishes. Information Ministry officials meet regularly with newspaper editors to provide "guidance" on how to cover the news. Sometimes the ministry will call a special meeting to impose a blackout on a particular news topic. If there is not enough time for such a session, the ministry resorts to *budaya telepon*, or "the telephone tradition," to issue an "appeal not to publish." Some dailies receive such calls nearly once a week.¹²⁰

Most reporters have a strong financial disincentive to criticize the government, since they receive payments from the institutions and officials about whom they write. "This money does not buy an obedient press," according to Marsden Epworth, who worked as a journalist in Indonesia for two years. "It buys a laudatory press, a fawning press, a press that manipulates information just as the government does, not for

¹¹⁴ *AFP*, Feb. 7, 1989, in *FBIS*, Feb. 8, 1989, p. 42.

¹¹⁵ *Far Eastern Economic Review*, March 1, 1984, p. 24.

¹¹⁶ Indonesian Penal Code (*Kitab Undang-Undang Hukum Pidana*), Art. 134.

¹¹⁷ *CPI Update* #14, Sept./Oct. 1984.

¹¹⁸ *World Report 1988*, pp. 142-143.

¹¹⁹ Telephone interview with Indonesian journalist, March 13, 1990.

¹²⁰ *World Report 1988*, pp. 140-141; *Far Eastern Economic Review*, March 1, 1984, p. 24.

order, not for the president, not for nation building, but for personal gain." Epworth recalls how the Indonesian *Observer* newspaper docked a reporter's pay for two months after he accepted money to write a highly favorable article about Indocement. The journalist's salary was withheld not because he took a payoff, but because he neglected to sell Indocement an advertisement to go along with his article.¹²¹

Despite these obstacles, various newspapers and magazines have insisted on asserting their independence. Throughout the Suharto years, they have regularly tested the limits of official tolerance -- an intensely difficult exercise, because the rules of the game are in a perpetual state of flux. "It's a tightrope situation," says a leading Indonesian journalist. As it adjusts its coverage on almost a daily basis, the press has become expert at writing elliptical articles and editorials that raise an issue without directly mentioning it.¹²²

Freedom of expression increases or decreases depending on the national political situation and the power struggles within, and between, the ruling bureaucracy and the armed forces. While the military tends to view news as a nuisance and reporters as suspect, it also periodically uses the media for its own political ends. As certain sectors of the armed forces have grown increasingly unhappy with the role of Suharto's family, their discontent has translated, at times, into expanded press freedoms. Some army officers, in a deep background briefing, will even talk openly to reporters about the family's corruption although this information is still much too sensitive to see the light of day.¹²³

Just as the media have endured crackdowns, they have also experienced periods of relative openness. The parliament elected in April 1987 became increasingly bold in criticizing Suharto. Members were suddenly quoted in the press openly denouncing rampant government corruption, and they came dangerously close to violating the taboo on directly criticizing Suharto and his family. In November 1987, *Tempo* ran a story on Bambang's involvement in a potentially lucrative cable television project. The government did nothing in response.¹²⁴

In late 1989 and early 1990, the government again adopted a more tolerant attitude toward indirect press coverage of the Suhartos' wealth, as various newspapers devoted a great deal of attention to the debate over "conglomerates" and the influence of monopolies -- a topic related directly to the Suharto family. In response to criticisms that the monopolies hinder the country's development, the government for several years has claimed to be pursuing privatization policies. But the key monopolies -- held by Suharto's children and business associates -- remain untouched. Much of the debate over the conglomerates has a strong anti-Chinese tone, but those Indonesians accustomed to reading between the lines understand that the media is raising the issue of Suharto's family and friends. The increasing criticism of the conglomerates is also believed to reflect the business community's growing resentment of the Suharto children's ability to win virtually every government contract on which they bid.¹²⁵

¹²¹ *Columbia Journalism Review*, Sept./Oct. 1988, pp. 41-45.

¹²² Telephone interview, Sept. 28, 1989.

¹²³ *Ibid.*

¹²⁴ *The Jakarta Post*, Oct. 27, 1987, p. 1, in FBIS, Nov. 3, 1987, p. 36; *Washington Post*, Dec. 6, 1987.

¹²⁵ Telephone interview with Indonesia expert William Liddle, Feb. 15, 1990.

Sometimes, even indirectly broaching the issue of top-level wealth can lead to retaliation. In 1984 the magazines *Expo* and *Fokus* were banned for carrying articles on the richest people in Indonesia. While Suharto was not mentioned in these stories, they hit too close to home. Two articles in *Expo* alleged that Liem Sioe Liong and Liem Den Kain, another Chinese business partner of Suharto, were Indonesia's richest men. The Information Ministry said that the articles were "sensationalist" and "full of personal abuse and insinuation." Publication of the articles had caused *Expo's* circulation to jump from 10,000 to 40,000.

In October 1986, Suharto temporarily banned *Sinar Harapan*, the country's second most influential paper, for breaking a story on the planned abolition of a number of import monopolies. The article was based on a draft Trade Ministry proposal to eliminate 44 import monopolies, including several important ones held by Suharto's relatives. While *Sinar Harapan* did not directly mention the Suharto clan, "they put the problem right in the president's living room," a Western diplomat said. Suharto apparently had not seen the draft proposal, and his reaction to its appearance in *Sinar Harapan* effectively communicated his feelings about the plan. About two weeks after *Sinar Harapan's* banning, the government announced the abolition of 165 import monopolies -- but not those controlled by the Suharto family, such as steel, plastics and milk. And in a surprise move, Suharto family members Bambang and Sudwikatmono made offers to buy the paper -- an offer that was not pursued apparently because Suharto's advisors convinced him that a buyout would hurt his international image. *Sinar Harapan* reappeared in February 1987 as a new paper, *Suara Pembaruan*, but with a different publisher, editor-in-chief and business manager, and with the strongest Suharto critics no longer on the editorial board.¹²⁶

When journalists decide that certain subjects are too risky to report on even indirectly, they may still report to secret networks established with other sectors of society. Information passed on through these networks may appear in clandestine bulletins published by students, human rights groups, and others.¹²⁷ Occasionally, attacks on corruption are tolerated in cultural settings which don't attract a mass audience as newspapers and magazines do, but this, too, can be highly arbitrary. While performances of a satirical play about presidential succession in Indonesia were canceled in October 1990 when the play proved too popular, two earlier plays by the same author, Nano Riantarno, about the linkage between business interests and the ruling elite were allowed their full runs.¹²⁸

Covering corruption during the Suharto years can at times involve more serious risks. In November 1983, Mochtar Sukidi, a journalist with the weekly *Inti Jaya*, disappeared after being hustled into a car outside a police station in Central Java. Sukidi reportedly had a cassette exposing police bribery, and had been warned not to publish the story.¹²⁹ At about the same time, someone sent a severed head wrapped in a

¹²⁶Telephone interview with Indonesian journalist, March 13, 1990; *Human Rights in Indonesia and East Timor*, p. 219; *CPI Update* #26, Oct./Nov., 1986, p. 5; *Far Eastern Economic Review*, Oct. 30, 1986, p. 24; *Sydney Morning Herald*, Nov. 13, 1986; *The Wall Street Journal*, Nov. 24, 1986, p. 1; *Far Eastern Economic Review*, Dec. 4, 1986, p. 22.

¹²⁷Interview with Indonesian human rights activist, Oct. 2, 1989; Jakarta Domestic Radio Service, Jan. 11, 1989, in FBIS, Jan. 11, 1989, p. 50.

¹²⁸*Far Eastern Economic Review*, November 1, 1990.

¹²⁹*Tempo*, Jan. 14, 1984; *CPI Update* #14, Sept./Oct. 1984, p. 4.

plastic bag to *Suara Indonesia*, an East Java paper. *Suara Indonesia* reporter Peter Rohi had already received numerous threats for his coverage of a land manipulation case.¹³⁰ In early 1986, the body of a reporter who had been investigating corruption in the local Public Works Department was found in a sack on an oil-palm plantation outside Medan, North Sumatra.¹³¹

Fighting the Foreign Press

In November 1990, as he was nearing the end of his stint as the Southeast Asia correspondent for the *New York Times*, based in Bangkok, Steven Erlanger published an article on the question of who would succeed President Suharto. He wrote that "many Indonesians feel increasingly that his decision will turn less on matters of state than on the kinds of guarantees that might be provided to protect the large and burgeoning business interests of his children." Noting the President's wife's nickname of "Mrs. Tien Percent," he quoted a "respected Indonesian scholar" who said, "We've moved from the generation of 10 percent to the generation of 20 percent. At least 80 percent of major government projects go in some form to the President's children or friends."¹³²

Shortly after the piece appeared, the government placed Erlanger on a blacklist, with an indefinite ban on his re-entry to Indonesia, and announced that it would take action against the *International Herald Tribune*, in which the piece also appeared. The Indonesian Minister of Information charged that the article was "a bunch of fairy stories" that "slandered the head of state."¹³³ When the Committee to Protect Journalists protested Erlanger's expulsion, a spokesperson for the Indonesian U.S. Embassy replied that Erlanger "lacks the ability to understand the culture and customs of another country," arguing that, in Indonesia, "it is bad manners to make derogatory remarks about our elders, which includes parents and leaders, particularly when the veracity of the stories is suspect. In this regard, the president in Indonesia is perceived constitutionally not only as the head of state but also as a unifying factor of the country and the nation."¹³⁴ Both the IHT and its Indonesian distributor, Indoprom, eventually apologized to the government.

As the Erlanger episode indicates, the government closely monitors foreign publications that circulate in Indonesia, as well as foreign correspondents working in the country. The authorities have at times blacked out articles in international journals that touch on sensitive topics, but that does not prevent the smuggling of these reports, often corruption-related, into the country, or their broadcast on foreign shortwave radio newscasts.¹³⁵ If sufficiently enraged, Suharto will not hesitate to temporarily ban a foreign journal, or to expel its correspondent. In 1982, the government banned seven foreign papers for publishing

¹³⁰ *Tempo*, Nov. 26, 1983; *CPI Update*:#14.

¹³¹ *Agence France Presse*, March 5, 1986.

¹³² "For Suharto, His Heirs are Key to Life After '93," *New York Times*, November 11, 1990.

¹³³ *Kompas*, November 17, 1990.

¹³⁴ Letter from Makarim Wibisono, Counsellor for Press and Information of the Embassy of the Republic of Indonesia, to Sonia Goldenberg, Executive Director of the Committee to Protect Journalists, December 24, 1990.

¹³⁵ *National Times*(Australia), March 21-26, 1977.

"unfavorable" reports that were deemed too critical of official policies. In 1984, five different foreign correspondents were denied visa extensions and had to leave the country. In 1986, Jakarta banned three issues of the *Asian Wall Street Journal*, because of a series that detailed the Suharto family's control of key industries.¹³⁶ The authorities have also banned books that outlined the financial holdings of the Suharto family and the military, including Professor Harold Crouch's *The Army and Politics in Indonesia*, journalist David Jenkins's *Suharto and his Generals: Indonesian Military Politics 1975-1983*, and Professor Richard Robison's *Indonesia: The Rise of Capital*.¹³⁷

Suharto's biggest clashes have come with the Australian press, particularly following an April 1986 *Sydney Morning Herald* article on the ruling family's tremendous wealth. The *Herald* article detailed how Suharto's wife, children and business associates had built immense fortunes with government credit, cash and concessions. While it did not uncover new material, the report – written by correspondent David Jenkins – appeared to be the last straw for Suharto, who had been increasingly angered by critical reporting in the Australian press. The president must also have been angered by the *Herald's* decision to publish the story on the eve of Ronald Reagan's visit to Indonesia, an event certain to focus a great amount of international attention on Suharto.

The Indonesian leader's reaction was fast and furious. Jakarta filed a formal protest with the Australian government over the article, and canceled a cabinet minister's scheduled visit to Australia. The Indonesian Journalists Association declared its "strongest indignation" over the article, which it said reflected a blatant disregard for the dignity and integrity of the nation. The armed-forces faction in parliament said the story humiliated the Indonesian people. About two hundred members of the Indonesian National Youth Committee demonstrated outside the Australian embassy. Suharto banned most Australian journalists from entering Indonesia. On April 29, the day Reagan arrived in Bali, as part of his "Winds of Freedom" tour of Southeast Asia, Indonesian authorities pulled Australian Broadcasting Corporation correspondents Jim Middleton and Richard Palfreyman from the U.S. government's press plane and put them on a flight to Tokyo. Suharto did not lift the blanket ban on Australian journalists for nearly two years. Ironically, Suharto imposed a news blackout on the *Sydney Morning Herald* article, so the Indonesian media was in the position of reporting on the diplomatic rift without being able to disclose the contents of the Australian report.¹³⁸

In the midst of the tumult over the article, Suharto's half-brother Probo Sudedjo decided to step forward, nearly ten years after publicly denying corruption reports, to try again to clear the family name. He argued, as he had done a decade earlier, that there was nothing wrong with the president's family members going into business. And as he had said in 1976, Probo, as he is commonly known, credited his own business success to Suharto's "sawab," or good fortune, but not to the receipt of government favors. Probo also denied that Madame Suharto had amassed a fortune of any kind. As for the *Sydney Morning Herald* article, Probo declared that it directed "slander and humiliation toward the president," and

¹³⁶ *AFP*, May 25, 1982, in *FBIS*, June 2, 1982, p. N1; *Index on Censorship*, Feb. 1985.

¹³⁷ *Human Rights in Indonesia and East Timor*, p. 243.

¹³⁸ *Columbia Journalism Review*, Sept./Oct. 1988, p. 44; *Kompas, Suara Pembaruan*, June 27, 1987, reported in *Indonesia News Service*, July 11, 1987; *Sydney Morning Herald*, April 10, 1986; *Jakarta Post*, April 16, 17, and May 7, 1986; *New York Times*, April 30, 1986, p. A1; *The San Francisco Examiner*, April 30, 1986; *CPI Update*#26, Oct./Nov. 1986, p. 5.

threatened to sue David Jenkins. He also argued that the story "can cause disunity among the people because it is being smuggled into Indonesia and photocopied for distribution. Most of the Indonesian people are still illiterate and easy to lincite!... They aren't ready to face reality."

Finally, in July, Suharto himself felt compelled to address the charges. In an extraordinary meeting with the country's military leadership, he personally denied the corruption stories. Gen. Murdani, who had risen from head of intelligence to armed forces commander, told reporters afterward that those present "knew without having to be given examples" that the issues raised by the foreign reports were "untrue." The military "knew what had to be done" about people who spread such stories, Murdani said.¹³⁹

Student Protests and the Petition of Fifty

The Indonesian press has provoked Suharto's wrath on several occasions by giving extensive coverage to student protests against corruption. The first major demonstrations erupted in 1970 and 1971. One of the students' primary targets was Madame Suharto's plans to build an expensive, Disneyland-type amusement park. They also criticized Pertamina, the state logistics board (Bulog), and the forestry department. Under pressure to act, Suharto appointed in 1970 a commission of inquiry into corruption, but this achieved little. The students crossed the line -- as did the media who publicized their actions -- when in December 1971 and January 1972 they escalated their protests to include Madame Suharto herself. At the dedication of a new hospital, Suharto threw away his prepared notes and instead threatened severe punishment for those students who continued to demonstrate against the amusement park. Finally, Suharto ordered the arrest of a number of student leaders and newspaper editors who had reported on the demonstrations, and threatened a violent crackdown on his opponents.¹⁴⁰

A more serious outbreak of protests erupted in early 1978. Students published a "White Book" accusing the ruling elite of promoting a culture of corruption by example, and argued that Suharto was not a suitable candidate for re-election as president. In response, Suharto sent troops, helicopters and armored cars to university campuses. The authorities arrested more than 200 student leaders, convicted them at show-trials, and banned seven papers for covering the students' protest. The country's most influential journals, including *Kompas* and *Sinar Harapan*, were among those banned. The government justified the bannings by asserting that the media had "shaped tension" in society by providing full coverage of the demonstrations. Suharto let the newspapers resume publication only after they had signed a statement pledging to "recognize their "responsibility in preventing any disturbances to dynamic national stability" and promising not to "engage in slanders or other forms of insult directed toward the national leadership and members of his family."¹⁴¹

In May 1980, Suharto faced a different challenge when a group of 50 people, including two former prime ministers, several ex-cabinet ministers and a number of retired generals, submitted a document to parliament -- the so-called "Petition of Fifty" -- criticizing Suharto's use of *Pancasila* to suppress dissent.

¹³⁹ *The Asian Wall Street Journal*, May 9-10, 1986, p. 18; *Far Eastern Economic Review*, May 22, 1986, p. 40; *AFP*, July 7, 1986, in FBIS, July 9, 1986, p. N2.

¹⁴⁰ *Far Eastern Economic Review*, Dec. 9, 1977, p. 26; Robison, pp. 160-161, 228, 230.

¹⁴¹ *Far Eastern Economic Review*, Feb. 3, 1978, pp. 8-10, and July 21, 1978, p. 26; *Human Rights in Indonesia and East Timor*, p. 212 n.

Even more threatening was a separate statement presented simultaneously to the legislature by retired Gen. Mohammad Jasin, one of the 50. Jasin harshly attacked Suharto's "hypocrisy and corruption," asking how any anti-corruption drive could ever succeed if the president himself was dishonest. The general provided a detailed account purporting to show how Suharto had been given a 720-hectare cattle ranch south of Jakarta. The government tried to stop dissemination of Jasin's information, immediately telephoning newspaper editors with instructions to ignore the letter. But the underground news network had already swung into operation. Within a few hours of the authorities' order not to report on the Jasin statement, the document was being photocopied and distributed on university campuses across Indonesia.¹⁴²

¹⁴²Jenkins, pp. 162-167.

MEXICO

A Tradition of Corruption

Throughout the more than 60 years of control by the Institutional Revolutionary Party (PRI), the office of the presidency has often served as a means of enrichment for its incumbent and for senior officials close to him.

Jose Lopez Portillo, whose 1976-82 presidential term coincided with the oil boom, is said to have amassed a private fortune of between \$1 and \$3 billion, although he denies it.¹⁴³ Nepotism was also rampant in the Lopez Portillo administration: his son was Deputy Minister for Budget and Planning; his sister was named Director General of Radio, Television and Cinematography; a cousin was put in charge of the National Sports Institute, and another cousin became Deputy Health Minister.¹⁴⁴

Miguel de la Madrid, who served as President from 1982-88, is said to have deposited at least \$162 million in foreign bank accounts by May 1984, though it has never been conclusively proven. Some Mexican and U.S. officials have cast doubt upon the allegation, which was reported by syndicated columnist Jack Anderson.¹⁴⁵ U.S. intelligence officials also suspected that some of de la Madrid's relatives were involved in drug trafficking.¹⁴⁶ De la Madrid, like Lopez Portillo, has denied any wrongdoing.

Carlos Salinas de Gortari, an economist who ascended to the presidency in 1988, has a more honest image than his two predecessors, but a few of his cabinet members are tainted by their association with previous governments, including:

■ **Carlos Hank Gonzalez, Secretary of Agriculture.** Hank Gonzalez made a large fortune in the past as head of CONASUPO, the basic foods corporation, as Governor of Mexico state, and as Mayor of Mexico City. In the latter job, he engaged in real estate speculation and granted contracts to his own companies for such lucrative municipal jobs as highway construction.¹⁴⁷

¹⁴³Jack Anderson, in the *Washington Post*, May 15, 1984, p. C15.

¹⁴⁴*Distant Neighbors: A Portrait of the Mexicans*, Alan Riding, New York, Vintage Books, 1984.

¹⁴⁵Jack Anderson, in the *Washington Post*, May 15, 1984, p. C15, and June 5, 1984, p. C15; *Limits to Friendship: The United States and Mexico*, Robert Pastor and Jorge Castaneda, New York: Alfred Knopf, 1988, pp. 64-65 and 86-87.

¹⁴⁶*New York Times*, May 14, 1986, p. 1.

¹⁴⁷Riding, p. 184.

■ **Fernando Gutierrez Barrios, Interior Secretary, who created, and at one time served as director of, the Federal Security Directorate (DFS), the political police. The DFS was disbanded in 1985 after revelations that a number of its agents were protecting drug traffickers and involved in other corrupt activities. Jose Antonio Zorilla Perez, who headed the DFS when he allegedly ordered the 1984 murder of journalist Manuel Buendia, served for a time as Gutierrez' private secretary.**¹⁴⁸

■ **Manuel Bartlett Diaz, Public Education Secretary. As Interior Secretary in the de la Madrid administration, Bartlett was in charge of the DFS; Zorilla was considered a close protege of the Secretary.**

Besides the suspicions surrounding some members of Salinas' cabinet, some senior leaders of the military have been implicated in corruption charges, like Maj. Gen. Juan Poblano Silva, former commander of the 25th military zone, in Puebla state, charged by U.S. authorities in 1989 with permitting drug traffickers to use Puebla landing strips in exchange for payoffs. The problem reportedly is not confined to the level of field commanders. In a 1988 Arizona court case, a U.S. Drug Enforcement Administration affidavit declared that drug trafficker Rafael Caro Quintero had paid Gen. Juan Arevalo Gardoqui, de la Madrid's Defense Minister, \$10 million in protection money.¹⁴⁹

Whatever the merits of specific charges, it is clear that Mexico has a longstanding and serious corruption problem. But the Mexican media -- almost without exception -- steer clear of the topic. Why? Because everyone understands that investigating corruption can be dangerous.

Censorship by Murder and Intimidation

At least 50 Mexican reporters have been murdered over the past 20 years. It has proven impossible in most cases to determine who ordered the killings, or their motives.¹⁵⁰ But some deaths seem clearly related to the journalists' exposure of corruption.¹⁵¹ Those who write about drug trafficking and other crimes know they run a personal risk by doing so, and they also realize that articles tying government officials to criminal activities heighten the danger. "What kills journalists is not writing about illegal drugs or illegal arms, but exposing corrupt public officials," argues Rogelio Hernandez, an investigative reporter for the daily *Excelsior*.¹⁵²

The following is a partial list of journalists who apparently were murdered because they exposed, or planned to expose, government corruption. While these cases predate the Salinas administration, which appears to be making a stronger effort to protect human rights, they have fostered a climate of fear which is a serious deterrent to investigative journalism:

¹⁴⁸ *Washington Post*, Jan. 7, 1989; Interview with Mexican journalist, Sept. 30, 1989.

¹⁴⁹ *Washington Post*, Feb. 6, 1989, p. A13.

¹⁵⁰ Committee to Protect Journalists.

¹⁵¹ Union of Democratic Journalists (UDP) (Mexico); Committee to Protect Journalists.

¹⁵² *Editor & Publisher*, Oct. 7, 1989, p. 14.

■ **Manuel Buendia.** This case is perhaps the most significant assassination of a journalist, given Buendia's national stature, and given the high rank of the official accused of ordering his death. Buendia functioned similarly to U.S. investigative reporter Jack Anderson, with a nationally syndicated column -- "Private Network" -- carried in more than 200 newspapers. His books exposed government corruption, political violence and activities of the CIA. At the time of his death, Buendia was investigating links between the police and drug traffickers. He had advised his friend and source, DFS Director Jose Antonio Zorilla, of evidence linking Zorilla and other government officials to cocaine traffickers. Zorilla allegedly arranged Buendia's murder, which occurred when a gunman shot the journalist in the back outside his office on May 30, 1984. Zorilla was the first at the scene of the crime, and he removed from Buendia's office cassettes of conversations regarding his drug-related activities. After the Salinas Administration took office the authorities arrested Zorilla, along with seven alleged accomplices. Many Mexican journalists suspect that senior officials in the de la Madrid administration conducted a coverup of Zorilla's involvement in the killing.¹⁵³

■ **Odilon Lopez Urias.** Some journalists become involved with drug traffickers, and then expose the traffickers' activities in print after some sort of falling out. Lopez' case is an example. For nearly 30 years, Lopez' Sinaloa newspaper, *Onda*, ignored official malfeasance while carrying numerous stories about the good deeds performed by drug traffickers and corrupt police and politicians. In return, Sinaloa Governor Antonio Toledo provided Lopez with two full-time bodyguards from the state judicial police. Mexican and U.S. officials believed that Toledo was involved in trafficking and providing protection to the drug trade.¹⁵⁴ But the cozy relationship ended in March 1986, when state judicial police apparently killed Lopez' son, Hector. Many judicial police are believed to be on drug traffickers' payrolls, and a police source said Hector had been involved in selling narcotics, along with then-Governor Toledo's son, Tony. Lopez believed that Tony and Roberto Robles Rendon, then-head of the judicial police, were involved in his son's murder. Suddenly, *Onda* carried numerous articles attacking corruption and naming state officials allegedly involved in illegal activities. Then on October 7, 1986, heavily-armed men stopped Lopez' car on the highway and abducted him. His body was found two days later.¹⁵⁵ No one has been apprehended in this case.

■ **Manuel Burgueno Orduno.** A columnist with the Mazatlan daily *El Sol del Pacifico*, Burgueno frequently wrote about the alleged ties between local and state officials and drug traffickers. On February 22, 1988, three masked men burst into his home and shot Burgueno to death in front of his family. The police detained a man whom they accused of being one of the three assassins, but he later escaped from custody.¹⁵⁶

■ **Hector Felix Miranda.** Known as "Felix the Cat," Miranda wrote a column for the Tijuana weekly *Zeta* (of which he was also co-editor) entitled, "Un Poco de Algo" ("A Little Bit of Something"). The column

¹⁵³ *IPI Report*, Aug. 1989, p. 6; *Washington Post*, June 26, 1989; *New York Times*, June 15, 1989; *In The Shadow of Buendia*, Article 19, pp. 1-4, 81-82; *Excelsior*, Feb. 8, 1990, pp. 5-A, 31-A, 32-A, in FBIS, March 7, 1990, pp. 17-20.

¹⁵⁴ *New York Times*, May 22, 1986, p. 1, and May 28, 1986, p. 1.

¹⁵⁵ *CPI Update*#27, Jan./Feb. 1987, p. 1.

¹⁵⁶ Telephone interview with Teresa Gil, spokeswoman for Mexico's Union of Democratic Journalists, March 1, 1990; *CPI Update*#33, May/June 1988, p. 10.

regularly featured outlandish attacks against the rich and powerful, from President de la Madrid, to Xicotencatl Leyva Mortera, Governor of Baja California, to Federico Valdes, Mayor of Tijuana. Felix relied more on satire than reporting, often resorting to jokes and puns. Nevertheless, he frequently accused Leyva and Valdes of taking bribes and illegally profiting from their positions. Felix directed his most venomous attacks against Jorge Hank Rhon, the son of current Agriculture Secretary Carlos Hank Gonzales. Hank Rhon owns the Tijuana racetrack, and is believed by some to have strong interests in drugs, gambling and prostitution. Felix did everything from accusing Hank Rhon of trafficking undocumented Mexicans into the United States, to making fun of his long hair and beard. On the morning of April 20, 1988, Felix was murdered by gunmen while driving his car. With local journalists applying intense pressure to find his killers, the authorities quickly arrested Victoriano Medina Moreno, a security guard at Hank Rhon's racetrack, and said he had confessed to the murder. But Medina recanted his confession, saying he had been tortured. The authorities also sought one of Hank Rhon's bodyguards, who was never caught. Despite the connections to Hank Rhon, the police did not question the cabinet minister's son about the killing.

There is no greater deterrent than murder. Veteran Mexican journalist Ricardo Castillo undoubtedly speaks for the great majority of his colleagues when he declares, "I value my life and the lives of my family, so I don't even get involved in such investigative or name-revealing stories anymore."¹⁵⁷

There are also other methods short of assassination which have been used to communicate official displeasure with a journalist's or publication's work. Papers and reporters have been subjected to bombings, arson, kidnappings, arrests, beatings, thefts, threats and other measures.

In September 1975, a few days before the leftist publication *Por que?* was to publish an expose of high-level corruption, army and police personnel occupied the paper's office, smashed its printing presses, and arrested all 33 members of the staff. During a two-week detention at a military camp, the authorities reportedly tortured one editor, beat the entire staff, and threatened the editors with death if they ever published another issue of *Por que?*. The publication never appeared again.¹⁵⁸

In June 1984, men wielding lead pipes and wooden clubs broke into the offices of *El Observador*, a weekly in Ciudad Obregon, Sonora. They smashed all the furniture and equipment, and burned the paper's files with acid. *El Observador* had alleged police complicity in local drug trafficking.¹⁵⁹

In July 1984, bombs damaged the offices of the Zacatecas newspaper *El Heraldo*. Editor Roberto Cabral linked the attack to articles tying local authorities with drug trafficking.¹⁶⁰

After the Oaxaca daily *Noticias* published a series on alleged extortion practices by the Mexican Federal Highway Patrol, a patrolman confronted by a *Noticias* reporter in the middle of a shakedown said, "What *Noticias* needs is a dead reporter, to keep it quiet." Two days later, after the paper reported the

¹⁵⁷ *Editor & Publisher*, Oct. 14, 1989, p. 14.

¹⁵⁸ *Index on Censorship*, Winter 1976, p. 34.

¹⁵⁹ *CPI Update* #13, July/Aug. 1984, p. 2.

¹⁶⁰ *Index on Censorship*, Dec. 1984, p. 46.

incident, arsonists burned one of *Noticias'* trucks.¹⁶¹

After Jose Enrique Garcia wrote a series of articles in 1988 suggesting that government officials were linked to the drug trade, a man called the offices of his Tijuana paper, *Al Dia* "If you want money, we'll tell you where to find it," he said. "If you want to be martyrs, keep on doing what you're doing."¹⁶²

When reporters have pressed ahead with embarrassing investigations, many publications have been recipients of the "*telefonazo*" -- the telephone call from a well-placed official suggesting that an editor might not want to publish a particular story. Few editors will publish the article in question after receiving such a call.

The Web of Control

While the use of violence and physical harassment has sent a compelling message to journalists who might contemplate exposing top-level corruption, an array of more subtle factors plays the predominant role in assuring that the press practices self-censorship on the issue of senior officials' wealth: ownership of the media is concentrated in the hands of a few members of the elite; the press is for the most part dependent on government advertising; and bribery of journalists is widespread, mainly because of their extremely low salaries.

For the country's large newspaper chains and its private radio and television networks, the primary factor inhibiting investigations into corruption is the composition of the ownership. A small group of wealthy, powerful families controls much of the private media, particularly radio and television, which are the sources of the vast majority of Mexicans' news. These media magnates have a vested interest in maintaining the status quo. The PRI's relationship with Emilio Azcarraga Milmo, Executive President of Televisa and Mexico's most powerful media mogul, is illustrative. Televisa is believed to be the world's largest television network, reaching 67 million of the country's 85 million citizens. Besides controlling more than 100 of Mexico's roughly 118 television stations, Televisa owns, among other enterprises, film companies, publishing companies, cinemas, and radio stations. In a rare press statement during the 1988 election campaign, Azcarraga said that Televisa is "part of the PRI...We have always been part of the PRI. We can't support any other slate [of candidates]. And, as members of our party, we will do everything possible for our candidate to win." Azcarraga willingly utilizes Televisa to advocate particular government policies.¹⁶³

The government accounts for two-thirds of all newspaper advertising. In most cases, the threat of losing this source of revenue is sufficient to inhibit any urge to investigate stories that might embarrass the government. In 1982, the government tried to eliminate the lively weekly *Proceso* through an advertising boycott. The magazine had regularly infuriated then-President Lopez Portillo, by doing such things as printing -- during the president's lame duck period in 1982--photographs of the mansion he was

¹⁶¹ *CPI Update*#28, March/April 1987, p. 8.

¹⁶² *Los Angeles Times*, May 9, 1988, p. 3.

¹⁶³ *World Report 1988, Article 19: Information, Freedom and Censorship*, Edited by Kevin Boyle, Longman Group UK Limited, United Kingdom, 1988, p. 98; *In the Shadow of Buendia*, p. 55-66; *NewsInc.*, Feb. 1990, p. 17.

building on a secluded Mexico city hillside. Before leaving office, Lopez Portillo withdrew all government advertising from the paper, arguing that it was "sodomasochistic" to support a publication that regularly attacked him. *Proceso* had built such a large readership by that time that it was able to survive on its own, but the action did force the paper's associated news agency *CISA* to shut down.¹⁶⁴

Finally, while there are many conscientious and courageous Mexican journalists, a number avoid investigating high-level corruption because in many cases this would throw them into conflict with the very people who, in effect, are paying their salaries. By and large, journalists do not receive a living wage. Some media pay no salary at all, and reporters must survive by selling advertisements and receiving a regular "embute," or bribe, from the officials and institutions about whom they write. "How can we condemn them for accepting payoffs?" asks *Excelsior* reporter Jorge Melendez. "In Chiapas, 15 out of 20 newspapers pay no salary at all. What it comes down to is, 'Here is your credential. You know what to do. Bring me articles and advertisements.'"¹⁶⁵ Journalists are also hampered by a lack of professional training, although a new generation of young reporters with more solid skills is emerging from universities.

¹⁶⁴ *The Wall Street Journal*, March 29, 1988, p. 26.

¹⁶⁵ *IPI Report* (International Press Institute, London), August 1989, p. 6; Interviews with Mexican journalists, Sept. 30, 1989; Riding, pp. 179-183.

PARAGUAY

A Palace Coup with a Difference

General Alfredo Stroessner had outlasted all other Latin American dictators, but it only took a few hours, beginning in the evening of February 3 and ending in the early morning of February 4, 1989, for his 34-year rule to come to a halt. Stroessner's downfall had all the trappings of a classic palace coup, with longtime Stroessner colleague Gen. Andres Rodriguez -- commander of the First Cavalry Division and the number two man in the army after Stroessner -- leading the military takeover and sending the general into exile in Brazil. Rodriguez had risen under Stroessner to become one of Paraguay's most powerful -- and reportedly richest -- men, and numerous observers did not expect much substantive change with him in power. But to the surprise of many, Rodriguez actually fulfilled many of his promises regarding the institution of democracy and respect for human rights. He set a presidential election for May 1, 1989, legalized opposition parties (with the exception of the Communist Party), and ended restrictions on the press. The new authorities forcibly retired 49 generals, colonels and naval captains, and arrested Pastor Coronel, former chief of police, on charges that he tortured hundreds of political prisoners.

A large portion of Paraguay's long-suffering public saw Rodriguez as a national savior, and he rode this wave of popular support to victory in the May 1 election, although foreign observers did detect a number of irregularities. Voting for a constituent assembly is set to take place next year.

Paraguay experienced a quantum leap in freedom of expression following the coup. All the independent media that had been closed under Stroessner reopened, including *ABC Color*, *Radio Nanduti*, and the weekly *El Pueblo* of the opposition Febrerista Revolutionary Party. In March, the Authentic Radical Liberal Party (PLRA), the main opposition group, began publishing its weekly, *Cambio Autentico*, and *La Opinion*, an independent daily, appeared on the scene. The media began covering a wide array of topics, including the involvement of ex-Stroessner officials in illegal arrests, torture and murder. As Paraguayans read newspaper articles about clandestine common graves where the presumed victims of government abuse were buried, no subject seemed off-limits. And as the new regime moved against certain former government officials, the press reported, often and eagerly, on the massive corruption of the Stroessner administration.

Crackdown on Corruption

Under Stroessner, most Paraguayans were aware that corruption was an integral part of the system. In fact, on several occasions, the dictator described corruption, along with political repression, as "the price of peace."¹⁶⁶ Nevertheless, the public had no idea of its extent, and the media knew better than to try to report on the subject. During Stroessner's more than three decades in power, the autocratic ruler reportedly amassed a multi-billion dollar fortune, while his military-dominated government served as a

¹⁶⁶ *Christian Science Monitor*, Dec. 5, 1989, p. 6.

vehicle for the enrichment of army officers, Colorado Party politicians, and their friends in the economic elite. PLRA Deputy Luis Wagner estimates that the corruption of the Stroessner years was worth "at least five times our foreign debt," which at the end of 1989 stood at about \$2 billion.¹⁶⁷ The country gained notoriety under Stroessner as a center of the contraband trade (whisky, cigarettes and other consumer goods) in the southern cone, as a transshipment point for narcotics traffickers, and as a site for the laundering of drug profits. And through much of that time, Gen. Rodriguez was one of Paraguay's most powerful men. In the immediate aftermath of the 1989 coup, the international media frequently alluded to suspicions about Rodriguez' involvement in contraband and narcotics trafficking. The general recognized that he had to quickly establish credentials as an honest politician, and Paraguay witnessed his instant conversion from alleged cigarette and whiskey smuggler and associate of drug traffickers to anti-corruption crusader. In the initial weeks following the coup, the new regime arrested some 30 top officials for economic crimes. Central Bank President Romero Acosta was arrested for fraud. Sabino Montanaro, Stroessner's Interior Minister, was charged with fraud, extortion, blackmail, misuse of public funds, the sale of public property for personal profit, and selling Paraguayan identities to known international criminals, such as Josef Mengele.¹⁶⁸

Former Health Minister Adan Godoy Jimenez faced charges of siphoning into a private bank account \$650,000 of a \$1.8 million IDB loan to a government anti-malaria institution. He was reported to own 40 luxury properties in Paraguay, Brazil and Argentina, although his lawyer said the correct figure was only 16. Godoy claimed he "earned a lot of money while working as a radio announcer and actor from 1943-46."¹⁶⁹

During the initial crackdown on ex-officials, a revealing trend emerged: all of those arrested were civilians, despite the military's domination of the Stroessner administration.¹⁷⁰ The new government did eventually move against a handful of military men, although high-level officers accused of egregious corruption were among the former "Stronistas" allowed to take advantage of a law which suspends the jail sentences of those who return part of the public money they stole. In early October the courts released from prison several former officials under this procedure, including Generals Roberto Knopfmacher and Hugo Dejesus Araujo. Accused of stealing about \$300 million from the state steel company, Knopfmacher won his freedom by returning \$7 million in assets to the government. Araujo, charged with embezzling at least \$37 million during his 17 years as head of the Social Security Institute, paid \$5 million in farms, houses and cars.¹⁷¹ The two generals were placed under house arrest until February 1990.¹⁷²

The Rodriguez government has seemed less than zealous in its pursuit of Stroessner's stolen

¹⁶⁷Ibid.

¹⁶⁸ *Guardian*(London), Feb. 14, 1989.

¹⁶⁹ *Latinamerica Press*, April 20, 1989, p. 5.

¹⁷⁰Ibid.

¹⁷¹ *Par Press*, Oct. 10, 1989; *Christian Science Monitor*, Dec. 5, 1989.

¹⁷² *Hoy*(Paraguay), Feb. 9, 1990, p. 8, in FBIS, Feb. 14, 1990, p. 36.

riches. The government only filed one case against Stroessner, based on former Public Works Minister Gen. Juan Antonio Caceres' disclosure that millions of dollars in gasoline taxes and highway tolls went into a special account controlled by the ousted ruler. In March 1989, the Justice Department said it would audit accounts handled by Stroessner to determine whether it should seek his extradition on corruption charges.¹⁷³ One year later, the government still had not made such a request, nor had it taken any legal steps to recover money Stroessner allegedly sent abroad. The Rodriguez administration did freeze some \$340 million in assets owned by Stroessner and his son Gustavo, but the opposition press described this amount as "laughable" compared to the billions of dollars the Stroessners are suspected of stealing.¹⁷⁴

Some 40 Paraguayan political and social groups banded together in a "No to Impunity" campaign to pressure the government to act more decisively on this issue, and they turned out an estimated 15-20,000 people for a demonstration in Asuncion on November 3, 1989, Stroessner's birthday. The protest was prompted partly by the release of Generals Knopfmacher and Araujo. Besides calling for an end to human rights abuses, the demonstrators demanded that all embezzled funds should be returned to the Paraguayan people, and that those who stole public funds should be prosecuted to the full extent of the law.¹⁷⁵ Despite such pressure, most of Stroessner's fortune remains unaccounted for.

More than a few Paraguayans believe that Rodriguez' desire to avoid delving too deeply into Stroessner's affairs stems from his fear that an exhaustive inquiry would assuredly uncover embarrassing information about Rodriguez' own questionable activities.

Questions About Rodriguez

An official biography of Rodriguez given to journalists covering the May 1989 presidential election skipped from his participation in Paraguay's modern pentathlon team in April 1947 to his accession to the presidency in February 1989.¹⁷⁶ It did not mention that, on a general's salary of just several hundred dollars a month, Rodriguez owns a French-style mansion in Asuncion, a large country estate, a string of thoroughbred race horses, and business interests that include Paraguay's largest foreign exchange house, a brewery and a copper wire factory. He is one of Paraguay's richest men, with estimates of his fortune ranging from \$1 to \$4 billion.

Rodriguez is believed to have built much of his fortune through his control of contraband activities, particularly cigarette and whiskey smuggling. In 1961, Stroessner promoted him to colonel and put him in command of the Cavalry Division, based on the outskirts of the capital. With its responsibility for border areas, this unit presented an enterprising officer with a tremendous money-making opportunity. It is estimated that smuggling to Argentina and Brazil is a \$1 billion a year business.¹⁷⁷

¹⁷³ *The Independent*(London), March 18, 1989.

¹⁷⁴ *Latin American Weekly Report*, Oct. 26, 1989, p. 9.

¹⁷⁵ *Par Press*, Nov. 6, 1989; *Christian Science Monitor*, Dec. 5, 1989.

¹⁷⁶ *The Independent*(London), May 1, 1989.

¹⁷⁷ *The Independent*(London), Feb. 6, 1989.

Questions about Rodriguez' ties to narcotics traffickers date back nearly 20 years. U.S. drug agents suspected in the early 1970s that Rodriguez provided protection to "French connection" heroin trafficker Joseph August Ricord, who used Paraguay to transship his product from Europe to the United States. Rodriguez also allegedly provided airstrips on his spacious ranches for private planes hauling drug cargoes.¹⁷⁸ A U.S. inquiry in late 1984 uncovered ties between senior Paraguayan military officers and drug traffickers, and U.S. officials confirmed after the 1989 coup that Rodriguez was one of those under investigation.¹⁷⁹ In 1985, Juan Viveros, Rodriguez' personal pilot, was apprehended in the United States with 43 kilos of cocaine hidden in his plane.¹⁸⁰ A classified State Department document prepared in 1987 reportedly identified Rodriguez as "Paraguay's major narcotics trafficker." George Landau, the U.S. Ambassador to Paraguay from 1972 to 1977, said of Rodriguez: "in a most unsavory climate, he was the most unsavory character of them all." In the face of so much suspicion, Rodriguez took the offensive, strongly denying in his first post-coup press conference that he had anything to do with drugs, which he labeled a "scourge." The general vowed to launch a "firm and uncompromising" campaign against narcotics trafficking.¹⁸¹

Disturbing questions also arise concerning some officials Rodriguez retained from the Stroessner administration. Conrado Papalardo, Rodriguez' chief of staff, was Stroessner's head of protocol. He is believed to have amassed a huge fortune—perhaps as much as \$500 million—during the Stroessner era. Enzo Debernardi, Rodriguez' Finance Minister, was vice-director of the 1978-82 effort to build Itaipu, a massive hydroelectric dam along the Paraguay-Brazil border. Initially estimated at \$3.5 billion, Itaipu ended up costing about \$20 billion. Suspicions are strong that Debernardi, who also headed up the state electric company under Stroessner, made a fortune from the project. Despite the questions about Rodriguez, Debernardi and Papalardo, the Paraguayan media have responded with a deafening silence.

The Media Look the Other Way

Paraguayan journalists were not immune from the tremendous feeling of gratitude created by Rodriguez' ousting of Stroessner. Support for the general among the press mushroomed when he ended virtually all constraints on the media, and this contributed to many reporters' attitude that Rodriguez' reputation deserved protection. "His past does not interest us now," asserts a radio journalist. "He is doing a lot for the country; the important thing is the country."¹⁸² When a leading Asuncion newspaper ran a series of stories after the coup on the splendid mansions of modestly paid public servants and soldiers, it did not publish a picture of Rodriguez' French-style chateau. Asked why he left out the president's house, the editor said: "Because what he did in February has earned him forgiveness for anything he may have

¹⁷⁸ *Paraguay Under Stroessner*, Paul Lewis, University of North Carolina Press, Chapel Hill, North Carolina, 1980, pp. 136-7.

¹⁷⁹ *New York Times*, Jan. 3, 1985, p. A1; *New York Times*, Feb. 4, 1989, p. 5.

¹⁸⁰ *The Independent* (London), Feb. 6, 1989.

¹⁸¹ *Newsweek*, Feb. 20, 1989, p. 26.

¹⁸² Interview in New York, Sept. 26-27, 1989.

done in the past."¹⁸³

Many in the media excuse their failure to investigate Rodriguez wealth by arguing that, since almost all top government officials were corrupt to some extent under Stroessner, "you wouldn't have anyone left to run the government" if all the guilty were punished.¹⁸⁴

A few did raise concerns about Rodriguez in the aftermath of the coup. The daily newspaper *Hoy*, owned by Humberto Dominguez Dibb (Stroessner's former son-in-law, whose family controls the national lottery as well as casinos), ran a story a few days after Rodriguez assumed power noting the accusations about the general's drug trafficking ties.¹⁸⁵ On February 17, 1989, the press revealed that Dominguez Dibb had been placed under house arrest, although it is uncertain whether the *Hoy* article sparked this move. One paper pointed out that Dominguez Dibb was supporting Rodriguez' opponents within the ruling Colorado Party.¹⁸⁶ Five days later, the *Hoy* publisher left the country for Brazil. Dominguez Dibb said he did not know why he had been placed under house arrest, but his brother Reinaldo insisted that his departure was for personal, not political reasons.¹⁸⁷ Regardless of the reasons for Dominguez Dibb's treatment, stories about Rodriguez' allegedly shady past disappeared from the media a few weeks after the coup.

Aside from the positive feelings engendered by Rodriguez' overthrow of Stroessner, a more important reason for the absence of stories on the new leadership's corruption may be the desire to avoid provoking a backlash that might disrupt the transition to democracy. Paraguayans are well aware that, behind Rodriguez the democrat stands the same military-political elite that controlled the country under Stroessner. With the armed forces' power basically unchanged, military malfeasance remains an "untouchable" theme, says Jose Costa, Secretary General of the Paraguayan Journalists Union. "The fear that was under the dictatorship is not yet totally erased," he remarks.¹⁸⁸ When asked why he does not investigate Rodriguez' financial activities, well-known TV and radio journalist Benjamin Fernandez says, "My calling is not to be a martyr."¹⁸⁹ "Overcoming self-censorship is much more difficult than overcoming official censorship," notes Costa, because "one doesn't know how far one can go. Official censorship gives obvious limits."¹⁹⁰

Rodriguez' political opposition has for the most part practiced self-censorship as well. Opposition leaders have discussed striking a deal with Rodriguez, under which he would seek to repatriate the money

¹⁸³ *The Independent Magazine* (London), Oct. 21, 1989, p. 16.

¹⁸⁴ Interview with Paraguayan radio journalist in New York, Sept. 26-27, 1989.

¹⁸⁵ *El Pais* (Spain), International Edition, Feb. 20, 1989.

¹⁸⁶ *Ultima Hora* (Paraguay), Feb. 17, 1989, p. 12, in FBIS, Feb. 22, 1989, p. 50.

¹⁸⁷ Cerro Cora Sistema Nacional Television (Paraguay), Feb. 22, 1989, transcript excerpt in FBIS, Feb. 23, 1989, p. 47.

¹⁸⁸ Telephone interview, Sept. 28, 1989.

¹⁸⁹ Interview in New York, Sept. 26, 1989.

¹⁹⁰ Interview with Costa, Sept. 28, 1989.

Stroessner allegedly stole, in exchange for not calling attention to the new president's alleged corruption. This idea seemed to be more a product of wishful thinking than a realistic assessment of the situation. As noted earlier, any thorough inquiry into Stroessner's corruption will undoubtedly lead to that of Rodriguez and others currently in power.¹⁹¹

The Paraguayan press also lacks a tradition of investigative reporting, after toiling for so long in the repressive atmosphere of "Stronismo." Journalists who do try to explore the past must contend with the sheer magnitude of the problem as it existed under Stroessner, as well as with the Rodriguez government's control of information. The staff of ABC Color is working to document old (and new) cases of corruption, says Editor Aldo Zuccolillo, but "we would need a thousand investigative journalists and 500-page newspapers" to adequately disclose everything that occurred during the Stroessner era. In addition, "the documents are not easy to obtain, and those that are published generally were obtained with support of the current authorities," Zuccolillo notes.¹⁹²

For those who investigate topics that the government considers off limits, the "*telefonazo*" method -- while less systematically employed than during the Stroessner era -- still serves as an effective deterrent. Under Stroessner, the Undersecretary of Information would call the press to kill a story; today, such calls occur sporadically, and they tend to come from influential people who are close to the government, rather than directly from an administration official.¹⁹³

Besides the constraints noted above, nearly all the owners of the media belong to the country's ruling elite, and therefore "have no interest in investigating their friends," says Costa. Fernandez speculates that if he tried to expose the corruption of Paraguay's new rulers, his superiors would tell him not to endanger the transition to democracy.¹⁹⁴

Disturbing Developments

The government's treatment of attorney Pedro Abilio Rolon has provided the clearest demonstration of the Rodriguez administration's desire to prevent exposure of senior officials' suspect financial activities. On September 18, 1989, police snatched Rolon from his home and arrested him, even though they had no court order to do so. Rolon -- known as the "lawyer of the people" for having uncovered evidence of corruption that led to the arrests of numerous Stroessner era officials--was charged with trying to extort about \$9,000 from Carlos Berni, head of the Income Tax Department's Finance Section. According to Berni, Rolon said a payoff would persuade him to drop Berni's name from a lawsuit against Maximo Vasquez Ballena, Director of the Income Tax Department. Rolon had prepared a suit against Vasquez for embezzlement of public funds.

¹⁹¹Telephone interview with Paraguayan political analyst, Jan. 2, 1990; telephone interview with Paraguayan historian Juan Carlos Herken Krauer, Jan. 31, 1990.

¹⁹²Letter from Zuccolillo, Feb. 23, 1990.

¹⁹³Interview with Benjamin Fernandez; Interview with Jose Costa.

¹⁹⁴Interview with Fernandez.

From his jail cell, Rolon called the charge against him a "fabrication orchestrated by many people directly connected to Vasquez, in order to prevent me from filing complaints which I am preparing. Repeatedly, he has sent people to offer me money so that I withdraw my accusation." Rolon also said he had evidence against "other generals [and] high officials" in the Rodriguez government, "and they want to shut me up."¹⁹⁵ Rolon is certain that his arrest stemmed from his investigation into the alleged corruption of Enzo Debernardi and other powerful figures in the Rodriguez government. "I have the information" documenting the corruption of Debernardi and others, he adds. The authorities kept Rolon in prison for nearly five months, until a judge granted his request to be released for lack of evidence in February 1990.¹⁹⁶

Although Rolon remained defiant while in prison, his detention had the desired effect. While vowing to continue his work, Rolon said in May 1990 that it would be "too dangerous" for him to go public with his findings concerning Debernardi and other senior officials. Because he feels physically endangered, Rolon has chosen to wait to see what sort of government emerges from the scheduled 1993 presidential election. If a truly civilian administration replaces Rodriguez' government, then Rolon will take his information to the public.¹⁹⁷

Another disturbing development involves the lack of response from governmental authorities to threats against an investigative journalist. A clandestine airstrip near Ciudad del Este, on the border with Brazil, has been the object of investigation by Hector Guerrin of ABC Color for some time. As a result of his articles, a delegation of Congressmen attempted to visit the airstrip, which lies on a large estate belonging to a Colorado politician by the name of Carlos Berreto Sarubbi. Upon arriving at the property the delegation was set upon by a group of about 30 armed civilians that impeded inspection of the area in question. Guerrin has since then been threatened on numerous occasions by the same group.¹⁹⁸ Despite outrage in the press and comments by U.S. Ambassador Timothy Towell citing the episode as an indication that corruption continues and is the main obstacle in the democratization process in Paraguay, to date there has been no governmental or judicial investigation carried out.¹⁹⁹

Journalist Santiago Leguizamón, correspondent for the newspaper *Noticias* and Radio Mburucuyá in Pedro Juan Caballero, state of Amambay, was assassinated on April 25, 1991 by civilian gunmen. Leguizamón was known for his investigations into drug dealings and contraband trade in the area and had been threatened on numerous occasions. The killing took place on Journalists Day in Paraguay, and was clearly a message to the increasingly active press corps to stay away from such subjects. Despite protests from the journalists' union, and a street demonstration organized by the principal labor confederation on May 1st to memory of the journalists, the judicial investigation has been effectively stalled.²⁰⁰

¹⁹⁵ *Par Press*, Sept. 21, 1989; *Latinamerica Press*, Nov. 2, 1989, p. 6

¹⁹⁶ Telephone interview with Rolon, May 10, 1990.

¹⁹⁷ *Ibid.*

¹⁹⁸ *Hoy*, March 14, 1991, "Una Camioneta Intentó Atropellar al Grupo."

¹⁹⁹ *Noticias*, March 15, 1991, "Corrupción en Democracias Más Visibles."

²⁰⁰ *Análisis del Mes*, May, 1991, "Inacción Judicial en el caso Leguizamón," p.4.

The only positive step taken in direct response to the episode occurred in Parliament, where a group of members proposed the creation of an investigative commission into this and other crimes relating to corruption. But the executive branch immediately vetoed the effort, arguing that according to the constitution such investigations may be carried out only by the executive.²⁰¹

²⁰¹ *Analisis del Mes*, May, 1991, "El Temor a la Investigación," p. 5.

ZAIRE

Mobutu's Colossal Corruption

While endemic corruption exists in many countries, Zaire under Mobutu Sese Seko has inspired what Zairian dissidents and foreign analysts describe as a culture of corruption. "The corruption pattern starts at the very summit of the system. The extent of Zaire's corruption may not be unique, but it is a leading practitioner of the art," says Crawford Young, co-author of *The Rise and Decline of the Zairian State*.²⁰² In a May 20, 1976 speech at Kinshasa's national stadium, Mobutu was unequivocal: "If you steal, don't steal too much at one time, otherwise you will be arrested. Steal bit by bit, in small amounts. And if you succeed in stealing, reinvest in the country the product of your theft. You become the enemy of the Republic if you transfer this product abroad."²⁰³ In subsequent speeches Mobutu has criticized MPR cadres who enriched themselves at the expense of the society, but his administration's ongoing and pervasive practice constantly reinforces the message he delivered at the national stadium.

As a result, many Zairians see corruption as a normal part of life. In a 1988 survey of 462 primary and secondary teachers in the city of Kisangani, 80 percent said they would accept some sort of gift from their students. Nearly half of this group said they needed the money to supplement their meager salaries, while one-fourth said, "everyone does it."²⁰⁴ A Zairian doctor volunteered in an interview for this report that he sells public health system medicines to his patients at an inflated price because his salary is too low to support his family. Postal workers often refuse to deliver mail without a bribe, and telephone company workers have disconnected customers' telephones if they do not receive a payoff. Hospital emergency room staff will withhold treatment until bribed, and soldiers sell fuel from their trucks and extort money from civilians while on patrol.²⁰⁵

Since he seized power in November 1965, Mobutu ruled his country in near-monarchic fashion. Through a series of constitutional amendments, Mobutu had erased the distinction between the state and the Popular Movement of the Revolution (MPR), the only legal party. The country's ideology was "Mobutism," which meant little more than whatever Mobutu happened to say or do. All state institutions, including the parliament and the judiciary, were organs of the MPR.²⁰⁶ In April 1990, Mobutu ended the ban on other

²⁰² *New York Times*, May 12, 1988, p. 8.

²⁰³ *Zaire: Le Pouvoir a la Portee du Peuple*, by Cleophas Kamitatu-Massamba, L'Harmattan, Paris, 1977, p. 63.

²⁰⁴ *Zaire-Afrique, Economie-Culture-Vie Sociale*, monthly publication of the Centre d'Etudes pour l'Action Sociale (CEPAS), No. 228, Oct. 1988.

²⁰⁵ Interview with Jean Criso, Dr. Kabeya Kandolo, Mayanda Mgoma, Francois Okito, and Lubambu Tshinioka, of the Committee in Solidarity with Zairian Students, in Brussels, Jan. 18, 1990.

²⁰⁶ Constitution of Zaire, Article 32: "In the Republic of Zaire, there only exists one institution, the Popular Movement of the

political parties, and some sixty have formed since then. There has also been a significant increase in press freedom. But the state apparatus erected by Mobutu remains largely intact. Several security organizations, including the National Documentation Agency (AND), the Special Presidential Division, the Civil Guard, and the Military Action and Intelligence Service, share the job of maintaining order. Political opponents are frequently arrested, and torture or physical mistreatment of prisoners is common.²⁰⁷

Perhaps the most salient features of Mobutism have been the president's seemingly insatiable megalomania and corruption. Born Joseph-Desire Mobutu, he changed his name upon taking power to Mobutu Sese Seko Koko Ngbendu wa za Banga, which means: "The all powerful warrior who, because of his endurance and inflexible will to win, will go from conquest to conquest, leaving fire in his wake."²⁰⁸ The national media refers to him as the "Guide," the "Helmsman," the "Founder President," and "Father of the Nation." For a time in the mid-1970s, Mobutu even presented himself as the "Messiah."²⁰⁹

Mobutu's personal fortune has been estimated by some critics to be as large as \$5 or \$6 billion, with much of it in foreign bank accounts. His vast real estate empire includes chateaux and other properties in Belgium, France, Italy, the Central African Republic and Cote d'Ivoire, a horse ranch in Portugal, a 16th-Century castle in Spain, and a 32-bedroom villa in Switzerland with a permanent staff of 26. He has presidential mansions in eight Zairian provinces, and a palace in his home province. Mobutu has exclusive use or ownership of many planes and luxury automobiles. The President also has expansive agricultural holdings in Zaire.²¹⁰

Meanwhile, per capita income in Zaire, which is the size of the United States east of the Mississippi River, is about \$170 per year.²¹¹ This makes Zaire, which has Africa's largest stretch of exploitable forest, extremely fertile agricultural land and the continent's second-richest concentration of mineral deposits,

Revolution." (MPR)

Article 33: "The MPR is the Zairian nation organized politically. Its doctrine is Mobutism. Every Zairian is a member of the MPR."

Article 34: "The Organs of the MPR are: 1. The President of the MPR, President of the Republic...The Legislative Council (parliament)...The Judicial Council (the judiciary)."

Article 35: "The President of the MPR, President of the Republic, is the central organ of decision and control of the activities of the MPR."

Article 28: "Every Zairian is responsible for the progress of the activities of the MPR. In this regard, he has the duty, through constant vigilance, to support the revolution..."

Article 54: "The person of the President of the MPR...is inviolable."

²⁰⁷US State Department, *Country Reports on Human Rights Practices in 1988*, pp. 399-400.

²⁰⁸ *New York Times*, Feb. 4, 1987.

²⁰⁹ *The Rise and Decline of the Zairian State*, Crawford Young and Thomas Turner, University of Wisconsin Press, Madison, Wisconsin, 1985, p. 169.

²¹⁰ *The Rise and Decline of the Zairian State*, Thomas Turner and Crawford Young, Madison: University of Wisconsin Press, 1985, pp. 178-181; *A Fate Worse Than Debt: The World Financial Crisis and the Poor*, Susan George, New York: Groven Weidenfeld, 1990, revised, pp. 106-107; *New York Times*, Feb. 4, 1987.

²¹¹ *Statesmen's Yearbook* 1990-91.

one of sub-Saharan Africa's poorest nations.²¹²

Despite some recent advances in press freedom -- at least 20 daily newspapers have sprung up in the last year²¹³ -- the Zairian media still almost never raises the issue of Mobutu's wealth,²¹⁴ and he never discusses it with the domestic media. In interviews with the foreign press, Mobutu denies being a billionaire. In 1988 he estimated his fortune at "less than \$50 million," asking, "what is that after 22 years as head of state of such a big country?...No, I have a clear conscience. I am an honest man. I have not pocketed one dollar of the people's money...." While admitting that he owns many properties in Europe, he explained that his European friends told him it was not safe to stay in hotels when he visited, and strongly urged him to buy "several homes" to guarantee his security.²¹⁵

Upon attaining independence in 1960, Zaire (formerly the Belgian Congo) inherited a corrupt administration from Belgian colonizers, who had diverted much of the nation's wealth to Europe. Mobutu never misses a chance to remind foreigners of this fact. Europeans are "unfit to educate us on public morals, since you have yet to address the same ethical concerns in your respective societies," he argued in 1988.²¹⁶

One is hard-pressed to find any credible observers who believe Mobutu has amassed a fortune of "only" \$50 million. "The budget and mining revenues (from the parastatal mining firm Gecamines, which generates up to 75 percent of Zaire's foreign exchange through copper, cobalt and diamond exports) are really private pools of money for Mobutu and his friends," says an International Monetary Fund (IMF) economist.²¹⁷

While preparing a 1989 IMF structural adjustment program for Zaire, World Bank and IMF auditors found Zairian officials unable or unwilling to account for between \$300 and \$400 million in 1988 export revenue. A 1988 World Bank study concluded that some of Zaire's "most powerful individuals" have been involved in stealing and smuggling cobalt out of the country. The report also found that well over half the country's gold, and 30 to 60 percent of its coffee, are smuggled out of the country, along with half the cinchona and papain.²¹⁸

²¹² *Los Angeles Times*, Jan. 2, 1989, p. 10.

²¹³ "Africans Testing Waters of Dissent," Neil Henry, the *Washington Post*, May 19, 1991.

²¹⁴ Examples of items from the freer Zairian press that touch on Mobutu's corruption are an article from *La Semaine* citing U.S. press reports that during a 1982 American visit "Mobutu spent 2 million dollars and diverted 250 million dollars" (December 22, 1990, p.7) and a poll published in *La Palme* in which 21 percent responded that corruption is "the gravest error that you ascribe to Mobutu's regime." (November 15-22, 1990.)

²¹⁵ *Africa News*, March 7, 1988, pp. 6-7.

²¹⁶ *Africa News*, March 7, 1988, pp. 6-7; *Los Angeles Times*, January 2, 1989, pp. 10-11.

²¹⁷ *The Christian Science Monitor*, June 28, 1989, p. 1; *In These Times*, Aug. 30-Sept. 5, 1989, pp. 8-10.

²¹⁸ *The Christian Science Monitor*, June 28, 1989, p. 1; *Africa News*, June 12, 1989, p. 9; *In These Times*, Aug. 30-Sept. 5, 1989, pp. 8-10.

As President, Mobutu receives an official allocation from the national budget. But Steve Askin, a journalist investigating Mobutu's wealth, obtained confidential Zairian central bank figures which showed that the presidency and other institutions controlled by Mobutu spent \$150 million in 1986—three times the amount granted by the legislature, and more than 20 times more than the government spent on education.²¹⁹

Mobutu's manipulation of politics for his own financial gain did not begin recently. Even before independence from Belgium, then-Col. Mobutu was receiving payments from the CIA.²²⁰ In 1962, a secret investigation ordered by the UN Secretary General revealed that Mobutu had diverted several million dollars (of UN funds intended for Zairian troops) to his own Swiss bank account.²²¹

In September 1981, a man who was later to serve as Zaire's Foreign Minister provided the U.S. Congress with documents showing that Mobutu regularly stole from the national treasury. At the time an exiled former Prime Minister,²²² Nguza Karl-I-Bond presented evidence that Mobutu routinely took foreign exchange from the Zairian Central Bank and deposited it in personal accounts abroad. From January 1977 through March 1979, Mobutu acquired over \$150 million in this manner, Nguza said. Before going into exile in 1981, Nguza said he learned that Mobutu had about \$30 million in Belgian francs transferred to his account, and that he had instructed Gecamines to export 20,000 tons of copper privately for him.²²³

As in all his dealings with opponents, or potential opponents, Mobutu has been said to bribe journalists, with such gifts as cars and cash. The President can be lavishly generous when he is intent on turning a critic into an ally. Exiled journalist Samuel Kasanda recalls how, in 1966, he angered Mobutu with an article in his journal, *Afrique Populaire*. Rather than punish Kasanda, Mobutu said he wanted to help him pay his bills, and wrote him a check for five million Belgian francs (about \$100,000 at the 1966 exchange rate). The President also offered to provide *Afrique Populaire* with another three million francs (about \$60,000) every three months. Kasanda accepted the money, but refused to change his editorial position. After six months, Mobutu banned the publication.²²⁴

Foreign journalists reporting from Zaire tend to tread carefully when it comes to any discussion of Mobutu's wealth, because he does not hesitate to expel them. Nevertheless, various reporters have written about the ruling elite's corruption. Mobutu's opponents have managed to smuggle much of this

²¹⁹ *Africa News*, June 12, 1989, pp. 9-10; *The Christian Science Monitor*, June 28, 1989, p. 1; *In These Times*, Aug. 30-Sept. 5, 1989, pp. 8-10.

²²⁰ *JFK: Ordeal in Africa*, by Richard Mahoney, Oxford University Press, New York, 1983, p. 6.

²²¹ *Ibid.*

²²² During the last fifteen years, Nguza has fallen in and out of favor with Mobutu, facing at various points imprisonment, torture, exile and a death sentence. When Mobutu legalized political organization last year, Nguza formed his own party, the Federal Independent Republicans.

²²³ Hearing before the Subcommittee on Africa of the House of Representatives Foreign Affairs Committee, Sept. 15, 1981, "Political and Economic Situation in Zaire—Fall 1981," testimony of Nguza Karl-I-Bond, p. 6.

²²⁴ Interview with Kasanda in Brussels, Jan. 18, 1990.

information back inside the country, although their ability to distribute it is severely circumscribed. Dissemination of this material in other countries does not threaten the regime directly, but it can jeopardize Mobutu's foreign aid. In 1989, the U.S. Congress limited military aid to Zaire to \$4 million (the Bush Administration had requested \$9 million), prohibited the use of Economic Support Funds (cash provided as balance-of-payments support), and sought to channel all development assistance through private voluntary organizations (although less than 20 percent of the economic aid ultimately went through non-governmental groups). In its report accompanying the legislation, the House of Representatives Foreign Operations Subcommittee noted Zaire's low per capita income, and said it "seriously questions the administration's insistence on providing U.S. taxpayer dollars to a government whose head of state has reportedly amassed a personal fortune of several billion dollars."²²⁵

Last year Congress cut off all military and economic aid to Zaire. Rep. Howard Wolpe, Chairman of the House Foreign Affairs Committee's Subcommittee on Africa, argued that these steps were necessary in light of ongoing human rights abuses, and because the Mobutu government's "endemic corruption continues to savage popular aspirations for economic development."²²⁶

Liberalization and Retrenchment

The issue of how to handle information concerning Mobutu's wealth seemed to play a role during Zaire's brief period of political liberalization in the late 1970s and in Mobutu's second democratization proclamation, in April 1990.

Mobutu first agreed to allow democratic reforms following an attack by Zairian rebels on the country's southern Shaba province in the spring of 1977, the first of the two so-called "Shaba Wars" (the rebels tried again in the fall of 1978). Mobutu had to rely on Moroccan soldiers and substantial Western logistical assistance to defeat the insurgents, as his own army had proven itself incapable of gaining the upper hand. Shaken by this demonstration of his military's weakness, Mobutu bowed to pressure from the Carter Administration to curb human rights abuses and introduce democratic reforms. In a speech to an MPR party congress in November 1977, Mobutu denounced "the Zairian illness," which was characterized by party cadres who considered the state "an instrument of individual enrichment." As part of a promised crackdown on corruption, he pledged to allow full freedom of expression, "that is to say the right of the governed to constructively criticize those who govern."²²⁷

Some of the deputies decided to take Mobutu at his word. In October 1979, a parliamentary committee began an inquiry into withdrawals of foreign exchange from the Bank of Zaire made on behalf of Mobutu, his family and his inner circle. The legislature demanded that the Governor General of the Bank of Zaire answer questions about the transactions, but he refused to appear, on orders from Mobutu.

²²⁵Report of the Foreign Operations Subcommittee of the House Appropriations Committee, accompanying HR 2939, the FY 1990 Foreign Aid Appropriations Bill, p. 65.

²²⁶*New York Times*, April 11, 1990, p. A2; "Testimony on Zaire before the Foreign Operations Subcommittee, House Appropriations Committee," Rep. Howard Wolpe, April 4, 1990, pp. 1-5.

²²⁷"Chronique d'une Opposition Politique: l'UDPS (1978-1987)," by Jean-Claude Willame, in *Les Cahiers du CEDAF*, #7-8, Dec. 1987, Centre d'Etude et de Documentation Africaines, Belgium.

Legislators did get an opportunity to question Prime Minister Bo-holiko Lokonga Monse Mihomo in a session televised in Kinshasa. Although the committee never released the results of its inquiry, the Prime Minister's extraordinary appearance gave the Zairian public an unprecedented glimpse of Mobutu's dealings.²²⁸

This was too much for Mobutu. The President "could not tolerate a situation whereby the Zairian public and the international community became aware of the findings of the parliamentary inquiries," Nguza said in 1981. "Mr. Mobutu realized then that the liberalization and democratization would speed up the downfall of his regime."²²⁹ The President convened an extraordinary legislative session in February 1980 to remind the deputies that "we are not in a parliamentary regime," and that the MPR decided who sat in the legislative council. Mobutu decreed that all parliamentary inquiries would henceforth require prior presidential approval, and he instituted a new procedural rule that would effectively end the current investigations. Mobutu warned that some legislators were using the parliament for "settling scores," and he expressed shock over one deputy's declaration that the country was "badly managed." Obliquely affirming Nguza's remarks, Mobutu complained that some legislators were trying to sell accounts of parliamentary proceedings to foreigners.²³⁰

But many legislators loudly criticized Mobutu's restrictions on their powers, prompting him to create in August 1980 a 120-member Central Committee of the MPR, composed entirely of Mobutu-appointees. This new body was more powerful than the elected Parliament, possessing the ability to overrule legislative decisions.²³¹ A group of 13 disgruntled parliamentarians then issued an open letter to Mobutu in late 1980, calling for "real democratization," based on a freely elected, de-centralized government with an independent parliament and media. The missive also denounced the division of the country into a small, "scandalously rich" privileged class and a huge mass of the desperately poor.

The dissidents made only about 200 photocopies of the letter, and they distributed it to a few parliamentary colleagues. Within a short time an enraged Mobutu arrested its signers and had them expelled from the parliament for their "seditious act," which constituted an "offense to the Chief of the Zairian State." Mobutu released the dissidents after about one year of house arrest, and shortly afterward they formed the "Union for Democracy and Social Progress" (UDPS). The entire group was rearrested between March and May 1982, and in July they were all sentenced to 15 years in prison for their act.²³² Although Mobutu has succeeded in wooing many of the original UDPS founders back to the MPR, the group, born from the president's suppression of information related to his corruption, remains his most significant political opposition.

²²⁸Memorandum to staff of the House Subcommittee on Africa from Joseph Perta, Robert A. Weaver, Jr. & Associates, Boston Massachusetts, Oct. 9, 1981, accompanying "Appendix 1: Evidence Presented by Former Prime Minister Nguza Regarding Withdrawals of Foreign Exchange from the Bank of Zaire by President Mobutu and his Close Relations," submitted for the record by Nguza Karl-I-Bond during his Sept. 15, 1981 testimony. The evidence consisted of extracts from the Parliamentary inquiry's working papers.

²²⁹Hearing before the Subcommittee on Africa, Sept. 15, 1981, testimony of Nguza Karl-I-Bond, p. 8.

²³⁰"Chronique d'Une Opposition Politique...", pp. 20-22.

²³¹Ibid., pp. 22-27; Testimony of Nguza Karl-I-Bond, p. 8.

²³²Ibid., pp. 35-56.

In January 1990, after witnessing the collapse of repressive and corrupt governments in Eastern Europe, Mobutu said he would hold a series of public hearings throughout Zaire to let the people tell him their needs and desires. The President also invited the populace to submit written suggestions to the government. The response was overwhelming. More than 5,000 church groups, unions, intellectuals, business organizations and individual citizens deluged Mobutu with written denunciations of his anti-democratic rule and corruption. Many letters were similar to that written by the influential Conference of Bishops, which called for a new constitution that would guarantee a multi-party democracy. "This is the first true public debate ever held on Mobutu and his policies, and the results are devastating," said one African diplomat.²³³

The President prohibited the public dissemination of the written criticisms, since he could not predict what the consequences of such an action might be. Nevertheless, thousands of copies of different letters were distributed secretly throughout Kinshasa. The Paris-based French-language weekly *Jeune Afrique* carried excerpts from the Bishops' letter, prompting the President to ban the publication from Zaire. Despite his determination to censor the information contained in the various critiques, Mobutu seemed to realize that he had started something that threatened to spin out of control. The President apparently saw that he had to institute at least a modicum of change, although he was determined to direct the process from above. In April 1990, Mobutu lifted a 20-year ban on opposition political parties, and promised that the Constitution would be rewritten and that free elections would be held. The President said he was ending the MPR's monopoly on power, and that he would no longer be its leader. However he noted that he would remain in power for the time being, asserting that the Zairian people "want me to continue to oversee the destiny of the country."²³⁴

In the first weeks following Mobutu's April 1990 promise to democratize the country, two separate incidents raised serious doubts about his sincerity. On April 30, just six days after the President's announcement, government forces killed at least two people and wounded dozens – reportedly including UDPS leader Tshisekedi Wa Mulumba—in an attack on a UDPS rally at Tshisekedi's home in Kinshasa. In a far more serious incident on May 11-12, troops stormed the University in Lubumbashi and massacred some 150 students.²³⁵

Underground Presses and the Battle for Belgium

Mobutu's opponents have utilized a variety of methods to circumvent his efforts to impose a blackout on news of his corruption. The most widespread method is "Radio Trottoir," or "Street Radio": the use of word-of-mouth to spread news. This approach is far from perfect, since much of the information passed along in this manner is unconfirmed rumor. Exiles say Radio Trottoir is heavily utilized because the official media is so unreliable. A certain amount of information is transmitted by the many Zairians who travel back and forth between Kinshasa and Brussels. Many people inside the country have access to short

²³³ *New York Times*, April 14, 1990, p. 1.

²³⁴ *New York Times*, April 14, 1990, p. 1; *New York Times*, April 25, 1990, p. A3.

²³⁵ "Students Massacred by Soldiers in Zaire," Africa Watch press release, May 23, 1990; *Zaire: Repression as Policy*, Lawyers Committee for Human Rights, August 1990, p.79-92.

wave radio broadcasts of such agencies as the BBC, Radio France International and the Voice of America, but dissidents note that these networks devote little, if any, time to Zairian news. Wealthier Zairians with access to satellite dishes are able to videotape and circulate foreign broadcasts of interest. Mobutu's opponents abroad copy and send to Zaire radio and TV programs, as well as newspaper and magazine articles, that touch on his corruption. Dissidents inside the country then disseminate this material via underground publications produced by various clandestine presses. One secret journal, "La Voix des Sans Voix" (The Voice of the Voiceless), played an important role in the 1989 student protests against increased bus fares and low student stipends: placards at a February 1989 demonstration in Kinshasa read, "Mobutu Thief." The UDPS distributes an underground publication, "Le Combat Pour la Democratie et la Liberte," carrying such articles as, "How Mobutu and his Tribal and Political Clan Enrich Themselves," and "Corruption, a Curse as Odious as Slavery."²³⁶

Because so much information about Mobutu's corruption flows into Zaire from the exile community in Brussels, the President battles with his enemies for the hearts and minds of the Zairian community in Belgium. He has unsuccessfully sought Belgian government permission to open an "independent" radio station in Brussels. In 1984, the government organized a pro-Mobutu rally in Brussels on the occasion of a presidential visit to the Belgian capital. Mobutu supporters were flown in from Zaire to participate, and Zairians in Brussels who marched received 3,000 Belgian francs (about \$50 at the 1984 exchange rate). In February 1989, the Zairian embassy in Brussels went to great lengths to try to dissuade Zairians in the country from taking part in a planned anti-Mobutu rally. The embassy sent buses throughout Belgium to bring Zairian students to the diplomatic mission, ostensibly for a meeting with the head of the MPR's youth organization. Once gathered at the embassy, the students were offered 5,000 Belgian francs (about \$135 at the 1989 exchange rate) each not to march in the protest.²³⁷

²³⁶"Le Combat Pour la Democratie et la Liberte," Issue No. 5.

²³⁷Interview with the Committee in Solidarity with Zairian Students, Jan. 18, 1990.

A taboo topic for the press in many countries is the wealth accumulated by heads of state - and their families and associates -- during their terms in office. Corrupt regimes resort to censorship where their own self-enrichment is concerned because they realize that their very maintenance in office is at stake: widespread public anger over revelations of corruption played a major role in the downfall of the Honecker regime in East Germany and the Tiananmen Square uprising in China.

This Fund for Free Expression report examines the means through which such information is kept from public scrutiny through case studies of six countries around the world, including the bribery of government critics in Zaire, a climate of self-censorship in Paraguay, and expulsions of foreign correspondents in Indonesia.

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