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Japan suppliers fined to protect consumers

China imposed the largest anti-trust fine in its regulatory history on a dozen Japanese auto parts manufacturers and suppliers on Wednesday, reflecting its resolve to prevent market leaders from jeopardizing consumer interests through price manipulation.

Ten of the 12 Japanese companies, were fined a total of 1.24 billion yuan (\$202 million) for price fixing. Hitachi and Nachi-Fujikoshi were exempted because they pleaded guilty and provided evidence against the other companies. The largest single fine, of 290 million yuan, was imposed on Sumitomo Corp, which is also the largest fine on one company operating in Chinese anti-trust history.

Last year, China fined its two major domestic liquor makers Kweichow Moutai and the Wuliangye Yibin Group 249 million yuan and 202 million yuan respectively.

Moreover, Japanese auto parts makers are not the only ones operating in the auto sector to be penalized for practicing monopoly. German automaker BMW, too, has been penalized, and Chi-

nese regulators are set to fine Mercedes-Benz and Audi for monopoly and price manipulation. Fiat Chrysler Automobile NV's Chrysler will also face punishment for violating China's anti-monopoly law.

Japanese companies have a history of being investigated and penalized for monopolizing prices in global markets. For example, NSK has been penalized in Canada, the European Union, Singapore and Australia this year for monopolizing ball-bearing prices. And Japanese tire maker Bridgestone has been fined heavily in the US for monopoly activities.

The 10 fined Japanese companies operating in China have not been penalized without reason. According to the National Development and Reform Commission, which is in charge of the anti-trust probe into auto parts manufacturers, Hitachi and Nachi-Fujikoshi — the tainted witnesses — provided solid evidence such as e-mails and documents to the Chinese authorities against the guilty companies. Based on the evidence and investigation results, the regulators found that the Japanese companies

secretly carried out price-fixing activities.

Research by industrial associations, too, point to the possibility of price manipulation by the Japanese companies. According to Insurance Association of China and China Automotive Maintenance and Repair Trade Association, the total cost of the auto parts of a Japanese car could be many times more than the price of the car if somebody wants to replace them. As it is, Japanese cars cost much more than domestic and some foreign brands. For example, the ratio of Yaris, a Toyota model, is more than seven times, the highest after a Mercedes-Benz model. This means consumers would have to pay an unfairly high price if they need to replace any of the auto parts.

Although the regulatory move is not likely to shake Japanese carmakers' positions in the market, it will have a bearing on their brand image. Japanese cars have been very popular in China because many consumers believe they are more fuel efficient and "inexpensive" compared with other foreign brands, such as Volkswagen.

Because of the souring of relations

between Beijing and Tokyo over a territorial dispute, Japanese carmakers once feared that their sales would drop sharply in the Chinese market. But the impact has been quite small. Take Toyota for example. In 2013, it sold 917,500 vehicles in China, up by 9.2 percent year-on-year. Its unexpectedly exceptional performance is in stark contrast to the poor monthly sales starting from late 2012, when the Beijing-Tokyo intensified.

Toyota's popularity among Chinese consumers may continue despite the regulatory move, but the result of the anti-trust investigation will make Chinese consumers realize that they would end up paying high after-sale costs if they buy Japanese cars.

What is worth monitoring, therefore, is whether the Japanese companies follow their German rivals to give up their monopolistic activities and reduce the prices of their auto parts to the benefit of Chinese consumers.

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views • letters

LETTER

Western democracy has flaws

Comment on "Western form of democracy not a universal choice" (China Daily, Aug 16)

Western democracy is "praised to the sky" in the West ... without critical thought. A person is more likely to decline a bribe in Western countries, because the standard of living there is already high and he/she would not like to jeopardize his/her lifestyle and reputation by falling to the lure of illegally made money.

But that doesn't mean people and organizations do not bribe government officials in the West. In fact, many entities in the West have the ability to sway government decisions, because such decisions are not conducted transparently. Western democratic governments are also corrupt, and the fact that vital decisions are made behind closed doors and favor politicians are proof of that.

Moreover, Western political systems involve too many regulations. More laws are enacted with the passage of time, turning what was once a "free country" into a security bound state — human freedom becomes more restricted and government authority more expansive.

JASON WONG, via e-mail

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LAU NAI-KEUNG

Anti-'Occupy Central' a reply to HK dissidents

The much-anticipated anti-'Occupy Central' protest was held in Hong Kong on Sunday afternoon. While different parties will continue to debate the actual turnout, the march was a considerable success. Before Sunday, the Alliance for Peace and Democracy, the event organizers, predicted a turnout of over 120,000 people. This target appears to have been comfortably met. Opponents continue to discredit the protest, saying participants were either coerced or bribed into participating, but the true significance of the march was that it signaled a new mindset for the pro-establishment camp.

The anti-'Occupy Central' rally is not the first march organized by the pro-establishment camp, but previous iterations have never seen this level of support. Every time the pro-establishment camp organizes a demonstration, the organizers are inevitably accused of offering free lunches and transport to elderly citizens from the New Territories part of Hong Kong in order to lure them to join. Even if there have always been material incentives, which I doubt, the question still remains as to why this

time the pro-establishment attracted so many more participants.

It is easy to predict the success of a protest. All you have to do is look at what people are sharing on Facebook, WhatsApp and increasingly, WeChat. Don't pay too much attention to your friends who have always been political. Look at what your less vocal contacts are saying. If those who have hitherto shown no particular interest in public affairs suddenly feel obliged to express their support, or otherwise, for something, then it is significant.

The last time we observed such a situation was during the HKTV licensing controversy, and before that, the civic education controversy. These were situations in which everyone in society had an opinion, and felt strongly enough to express that opinion. Naturally, the social movements which followed them were huge.

A couple of weeks before the anti-'Occupy Central' protest, I began receiving WhatsApp and WeChat messages from friends. Many of these messages were sent by professionals or managers working in large corporations. In the past, they had refrained from expressing their personal views on

public affairs. But this does not mean they did not care. They had presumably remained silent because they thought doing otherwise would not be suitable in the corporate world. As political and economic interests converge because of "Occupy Central", the anti-'Occupy' protest offers more conservative social sectors a legitimate opportunity to express their disapproval of the dissidents.

Aspects of the event's organization might have been messy at times, but this showed that the pro-establishment camp was stepping out of its comfort zone. Before the anti-'Occupy' campaign, there was widespread belief within the pro-establishment camp that mass organizations and mobilizations were taboo. On the one hand, they lacked confidence and felt they could never achieve the same kind of results with rallies that the dissidents were achieving. On the other hand, they also felt the crowds were dangerous, uncontrollable and unpredictable. If a Pandora's box was opened, they believed, all hell would break lose.

The positive reception given to the anti-'Occupy' protest, organized by the Alliance for Peace and Democracy, is

going to take politics in the territory into a new era. The pro-establishment camp will no longer shy away from mass movements. This is a paradigm shift, with wide-ranging implications.

The dissidents will cry foul as they no longer hold the monopoly in mass rallies and demonstrations, but as Chief Executive Leung Chun-ying said when signing the petition against "Occupy", sometimes there is no neutral ground. The grey area is rapidly vanishing, but it is not the Alliance for Peace and Democracy that is making it disappear. The dissidents did it themselves.

D100, the opposition-leaning Internet radio station, established by Lam Yuk-wah, Albert Cheng and Morris Ho, has announced the dismissal of music program host Eric Ng Ka-lim. This is because Ng "dared" to be the master of ceremonies at the anti-'Occupy' protest. You cannot fire someone because he or she is gay, but you can if you don't like his/her political views. Whether we like it or not, this is the reality of life in Hong Kong today — and it is all out in the open.

The author is a veteran current affairs commentator.

STEPHAN RICHTER

No change in blacks' plight despite Obama

Tension has been escalating in Ferguson, Missouri, since the fatal shooting of unarmed teenager Michael Brown by a police officer early this month, with the shooting triggering debate on whether it was the result of racial discrimination. And this warrants a broader look at the issue of how African-Americans are faring in US society today.

On a symbolic level, having a black man as president of the country may be important, but on a practical level, African Americans continue to face the same very real problems. At best, US President Barack Obama's election in 2008 can be considered an interim point in a healing process that must continue.

The core issue by which to measure progress is the actual situation of African Americans in the United States. The social and economic status of African Americans today actually is, truth be told, rather catastrophic. For example, the unemployment rate of black Americans is more than twice the rate for whites. Black teenagers are more than twice as likely not to finish high school than white teens.

And perhaps most shocking of all is the fact that the imprisonment rate of black Americans is nearly six times that of white Americans.

According to the National Association for the Advancement of Colored People, blacks account for about 1 million of the 2.3 million Americans currently imprisoned in the US.

True, in a purely legal context, African Americans are now formally equipped with the same rights as whites. And without any doubt, the unvarnished racist hatred and unb-

lievable violence against them that marred the US in the 1960s has been pushed out of view and toward the fringes. But there are many subtler forms of discrimination that can hardly be squared with living in the 21st century. The constant needling by the governors, legislatures and courts of many US states to suppress the black vote is a constant reminder of one fact of American life.

The level of violence and outright criminality in the white establishment may be gone, but the eagerness to discriminate in any other available form is not. It is especially instructive to look at documentaries from the 1960s, the heyday of the struggle for civil rights. Despite all the unfathomable oppression that blacks experienced when they stood up for their rights, there was also a lot of hope, especially among young black people. They were hoping for a better future, solid education, a solid lifestyle.

That hope has now vanished for many African Americans. The only thing that provides comfort about the 72.1 percent of young African American children born out of wedlock is that they are no longer alone in dealing with that challenge. The corresponding rate for white children now is 29.3 percent.

Republican opposition to real social reforms that would improve these children's lot is fierce but not surprising. What is surprising is Obama's reluctance to tell the truth. While delivering a speech on the steps of Lincoln Memorial in August 2013, he didn't even blush in limiting himself to offering mellifluous words and dismissing any critics "who suggest ... that little has changed."

Americans have a bad habit of cele-

brating at the mile marker, instead of finishing the marathon. It was necessary to take bold action in the 1960s to make full the hollow words of the Declaration and the Constitutional amendments adopted after the US Civil War.

Likewise, the election of Obama was an important milestone, but not a crowning achievement in itself.

The US must still meet the promise of that event and work to correct the insidious and less visible violations of civil rights — and the economic imbalances that are the legacy of past misdeeds — which still persist across the country.

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LI MIN / CHINA DAILY

Fairness of prize in doubt

This year's Lu Xun Literature Prize for poetry was given to an unknown professor from Sichuan University whose poems, critics say, are poorly composed. It would be a shameful development for Chinese literature if it is found that corruption was behind the decision of the award's committee, says an article in *Huashang Daily*. Excerpts:

The announcement of this year's award was followed by widespread criticism in the media, with many questioning the fairness of the award committee's decision. The poems composed by the winner read like unsophisticated limericks, forcing people to wonder whether the award was manipulated.

The works of some famous authors got the short shrift in the evaluation process. For example, a novel by A Lai, winner of the Mao Dun Literature Award, did not get even a single vote.

National awards bring fame and increase the income of writers. And some of the winners have used them to approach local education departments to make arrangements for lecture tours in schools, which boost the sales of their books. The awards have thus become a tool to create new channels of profit.

In an article, Liang Heng, former deputy chief editor of People's Daily, has raised doubts that the prize is manipulated by administrative power. A literary award is like a piece of meat to be shared by authors, Liang has said, and everyone waits his/her turn to get a bite.

The violation of fair and objective standards has compromised the credibility of the prize. Awards become pointless if they are given to people who can pull strings and bribe their way to glory. To restore public trust in the literary award, authorities should investigate whether the evaluation process of the Lu Xun Literature Prize was fair or not, and bring the guilty, if any foul play is detected, to book.

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