

202-393-9072

Phnom Penh Post

FAX: 202-223-8042

URGENT

Sept. 29, 1993

Mr. Carl Gershman
President
National Endowment for Democracy
1101 Fifteenth St., N.W.
Suite 700
Wash., DC 20005

Dear Mr. Gershman:

I am writing you concerning a \$40,000 grant that NED has or is about to make to the Cambodia Daily here in Phnom Penh. I believe it is a matter that deserves your urgent and immediate attention.

To put it simply, NED's grant will support a newspaper that competes with mine. As NED receives the bulk of its funds from the U.S. government I don't understand why American taxpayers money should be used to favor one publication against another, especially one owned and operated by an American citizen such as myself.

By way of background, I started the first independent newspaper in Cambodia. I started publishing the Phnom Penh Post on July 10, 1992, investing almost my entire life savings in this enterprise. In spite of this enormous risk, we have managed to survive and, in fact, succeed in establishing the most popular and respected foreign language newspaper here in Cambodia. The Post is a private business. We have been running in the black since issue 5 through an enormous amount of hard work expended seven days a week for the last year and a half. We have steadfastly refused any form of government assistance from all quarters as the independence of the paper is something that not only I but our readers cherish.

What concerns me most is that Mr. Bernard Krisher may have misled you in his grant application as to the state of the press in Cambodia. In his letter to you of March 4, 1993 he states that "The other sources of information (in Cambodia) are the thin daily government propaganda sheet and the State-run TV." Why Mr. Krisher chose to omit any reference to the Phnom Penh Post, which had already been publishing for almost nine months at the time of his letter to you, is beyond me.

Like most newspapers around the world, the Phnom Penh Post survives on revenues from advertising. The Cambodia Daily is also doing what it can to engender ad revenues and, thus, is competing with the Post in an extremely limited marketplace. Your grant to the Cambodia Daily will help subsidize their efforts. Who knows, it may enable them to reduce their ad rates?

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Mr. Gershman, I have no objection to free and fair competition but I hope you will agree with me that American tax dollars should not be used, in this case, to favor one newspaper over another. Even if the Cambodia Daily is a non-profit organization, the issue of competition with the Phnom Penh Post is one that I deal with regularly when talking to current and potential advertisers.

The Phnom Penh Post has had to deal with numerous obstacles since we started operations here: threats, plain clothed armed policemen knocking at our doors, and well-funded Malaysian businessmen who came here to set up a pro-Hun Sen, English-language paper called the Cambodia Times. We have managed to deal with them all and are still producing the most independent and reliable newspaper in the country. It would be both ironic and tragic if the most serious threat to the Post arose in the form of a grant from American taxpayers to our opposition.

I should also point out that the Post has always had the intention to publish a weekly if not daily newspaper. The chances of our ever doing so will be diminished as a result of NED's grant to the Cambodia Daily.

I encourage you to review this grant to the Cambodia Daily and to discuss the situation with your relevant program officer to determine whether or not you have assessed the media situation in Cambodia accurately. From my perspective, as an American businessman operating in Cambodia, NED definitely has not done its homework properly.

I would appreciate a response to this letter as soon as possible. If this grant goes through to the Cambodia Daily I will, regrettably, be left with no alternative except to make an official complaint through the good offices of my two senators and representative.

Sincerely,


Michael G. Hayes

Publisher & Editor-in-Chief