

ENGAGING CHINA

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...For years, I allowed my respect and affection for the Chinese people to mute criticism of its government. I rationalized this, especially during visits to China, by saying that at least it was not like the regime of Mao Tse-tung, which caused an estimated 35 million citizens to starve to death during its inhuman 'Great Leap Forward' alone (1958-61). When apologists for the party-state insisted that the economic position of a growing part of the population was getting better, I was far too willing to overlook egregiously bad governance, continuing official violence, growing social inequalities, absence of the rule of law and widespread nepotism and corruption.

The Chinese people want the same things all of us do, including, education, good jobs and a healthy natural environment. Living standards have improved on the east coast, but most of the population continues to be exploited by the party-state and domestic industrial firms, often owned by or contracted for manufacturing to multinationals, which operate today across China often like 19th century industrial robber barons. This explains partly why the prices of products 'made in China' seem so low—the externalities are borne by workers, their families and the natural environment.

Many across China have indicated in protests and other ways that "enough is enough". Friends of the Chinese people everywhere must support the voices crying for justice. In a 2007 UPI/Zogby opinion poll, 79 percent of Americans said they had a favourable opinion of the Chinese people, but 87 percent had an unfavourable opinion of their government. A similar survey done today in any rule-of-law country, including Canada, would probably produce similar findings. What would the vast majority of the Chinese people tell a pollster, if they could without serious risk of violence or imprisonment, about the communist party?

The rest of this talk will be divided into four brief parts: abuses of the natural environment, the economy, the Matas-Kilgour study, and how changing the way the trade partners of China do business with it can improve the situation.

1 - Abuse of Natural Environment

Three decades of 'anything goes' economics have done enormous harm to the people and natural environment of China. Consider:

- Nearly half a billion Chinese citizens lack access to safe drinking water, yet many factories continue to dump waste into surface water.
- A World Bank study done with China's environmental agency concluded that outdoor pollution is causing 350,000-400,000 preventable deaths a year across the country. Indoor pollution contributed to another 350,000 for a total of 750,000 premature deaths a year.
- Coal now provides about two-thirds of China's energy and it already burns more of it than Europe, Japan and the U.S. combined. Sulphur dioxide and nitrogen oxides from coal plants in China are now reaching well beyond China's borders.
- Many companies are degrading China's environment by dumping waste into its rivers and smoke into its sky. Those in power since 2003 in Beijing have failed to achieve anything

substantive concerning water, air, and soil. Many experts have concluded that China cannot go green without political change.

Consider, for example, the fate of Lake Tai. The *International Herald Tribune* on Oct. 15, 2007 noted that the lake had succumbed earlier to effluent wastes by turning fluorescent green. Two million people who live on its shores had to stop using their main source of water. Local farmer Wu Lihong had protested for more than a decade that the chemical industry and its friends in the local government were destroying one of China's ecological treasures.



Lake Tai Polluted (Photos from New York Times)



Wu Lihong, holding petitions against pollution

Wu was sentenced to three years in prison on what the *Herald Tribune* described as an “alchemy of charges that smacked of official retribution.” At trial, Wu testified that his confession had been coerced by being forced to stay awake for five days and nights by police. The 'court' ruled bizarrely that, since Wu could not prove that he'd been tortured, his confession remained valid. The larger tragedy, of course, is that Lake Tai is only one instance of what unregulated capitalism since 1978 has done to much of China's water, air and soil. Instead of stopping the pollution, the regime punishes the heroic Wus.

2 - Economy

With much hype about the economy of China in our media, permit me to offer part of two recent viewpoints which I share. Here's Jonathan Manthorpe in the Vancouver Sun:

"What one is seeing in China is variations of what can only be called a Ponzi scheme. A local government, without a functioning system for raising tax revenue -- and anyway so riddled with corruption it's irrelevant -- sells development land to garner cash. (Often, of course, it will first have to get rid of peasants living on the land, but that's another story.) The land will then be sold to a development company that is owned by the local government. And, this being China, where the remnants of the command economy survive, the municipality has the power to instruct banks to lend the development company the money for the sale. So the local government gets its cash, the municipally-owned company gets to build a speculative residential or industrial complex, and all seems well."

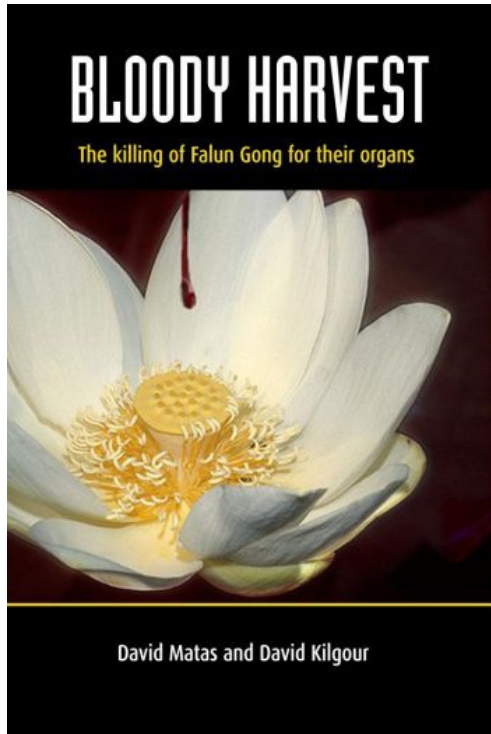
David Pauly in Bloomberg News:

"It's time someone in the U.S. stopped coddling the Chinese police state... Though Google is late coming around as an advocate of free speech in China, it still deserves applause. The company said last week it would stop censoring its Chinese search engine, Google.cn, as the communist government dictates -- and might even close the business... The U.S. government has both economic and political reasons for not challenging a government that muzzles its people and

kills them if they get too obstreperous... China held about \$800 billion of Treasury securities on Oct. 31... Google may eventually compromise with China. That would be a shame. Someone in the U.S. has to let the dictatorship know what we stand for. Google slamming the door as it leaves China would be a welcome step."

3 - Killing of Falun Gong

David Matas and I came to the dismaying conclusion that Falun Gong practitioners in China have been and are being killed for their organs. We wrote a report that came to this conclusion in July 2006. A third account in book form was published recently as *Bloody Harvest*.

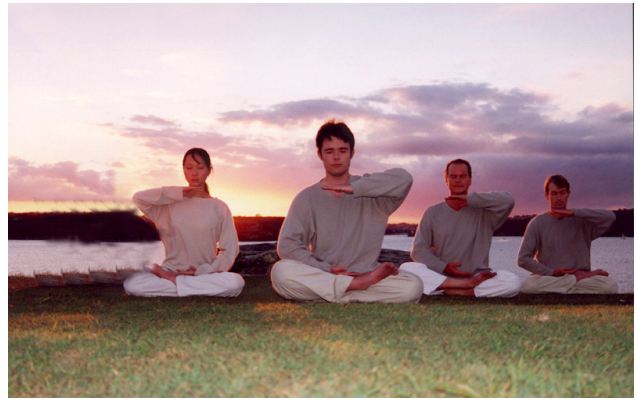


Book launch, Nov 17, hosted by Canadian Parliamentary Friends of Falun Gong on Parliament Hill, Ottawa



Falun Gong is a set of exercises with a spiritual foundation which became public in China in 1992. Initially the government encouraged it as beneficial for health. By 1999, it had grown so popular that the party became afraid that its own supremacy might be threatened. The numbers of persons practicing Falun Gong across China had grown from virtually none in 1992 according to a government estimate to 70-100 million by 1999. The practice was accordingly banned and outrageously labeled a cult by the government.

Practitioners were asked to recant. Those who did not and continued the practice and those who protested the banning were arrested. If they recanted after arrest, they were released. If they did not, they were tortured. If they recanted after torture, they were then released. If they did not recant after torture, they disappeared into the Chinese detention and forced labour system.



What happened to the disappeared? Our conclusion is that many of them were killed for their organs, which were sold to transplant tourists. It would take too much time to set out how we came to that conclusion. We invite you to read our report, which is on the internet (accessible at www.david-kilgour.com or our book. Briefly, two of the dozens of evidentiary trails we followed to our conclusion are these:

1. Only Falun Gong practitioners in forced labour camps and prisons are systematically blood and tissue-tested and physically examined with equipment, such as ultrasounds, which test one's organs. This testing cannot be motivated by concerns over the health of practitioners because they are also systematically tortured. Testing ensures compatibility between the organ source and the recipient.
2. Traditional sources of transplants --prisoners sentenced to death and then executed, voluntary donors, the brain dead/cardiac alive -- come nowhere near to explaining the total number of transplants reported by China's own statistics. There is no organized system of organ donations. There is no law allowing for organ harvesting from the brain dead/cardiac alive. There is a cultural aversion to organ donation. The only significant source in China of organs for transplants before the persecution of Falun Gong practitioners began was prisoners sentenced to death and then executed. The volume of organ transplants in China went up dramatically shortly after the banning of the practice of Falun Gong. Yet, the numbers of those sentenced to death and then executed did not increase.

Since our first report came out, the Ministry of Health announced that from June 2007 Chinese patients would be given priority access to organ transplants over foreigners. The announcement also banned all medical institutions from transplanting organs into foreign transplant tourists. The government announced in August 2009 that the Red Cross Society of China was launching an organ donation system. With these changes, however, the carnivore commerce continues. The recipients have changed from foreign to local, but the sources remain substantially the same. The Government denies that organs for transplants are being sourced from prisoners who are Falun Gong practitioners. Yet, the Government accepts that organs for transplants are being sourced from prisoners. The only debate we have with the Government is which group of prisoners is the source of organs.

"Non consenting parties"

Sourcing of organs from prisoners is done without consent. Deputy Health Minister Huang Jiefu at a conference of surgeons in Guangzhou in 2006, said, "too often organs come from non consenting parties". The Chinese law on transplants enacted in 1984 contemplated involuntary donations from "uncollected dead bodies or the ones that the family members refuse to collect." The Government of China accepts that sourcing of organs from prisoners is wrong. Huang at the time of the

announcement of an organ donor pilot project stated that executed prisoners "are definitely not a proper source for organ transplants". This principle, that prisoners are not a proper source for organs, is accepted by the Transplantation Society and the World Medical Association.



Liver transplantation increased rapidly after the persecution of Falun Gong began in 1999.

(Graph from Chinese transplantation website that has been removed; archived by Epoch Times).

So the question becomes, what are we going to do about the Chinese government abuse of global transplant ethics? Our report and book have a long list of recommendations. Given the shortness of time, I mention here only two.

One possibility is extraterritorial legislation. The sorts of transplants in which the Chinese medical system engages are illegal everywhere else in the world. But it is not illegal for a foreigner from any country to go to China, benefit from a transplant which would be illegal at home, and then return home. Foreign transplant legislation everywhere is territorial; it has no extraterritorial reach. Many other laws are global in their sweep. For instance, child sex tourists can be prosecuted not just in the country where they abuse children, but, often at home as well. This sort of legislation does not exist for transplant tourists who pay for organ transplants without bothering to determine whether the organ donor has consented.

A second recommendation is that any person known to be involved in trafficking in the organs of prisoners in China should be barred entry by all foreign countries. It might be noted that the International Society for Human Rights in Europe has recently joined David Matas and me in combating the abuse of the Chinese government against the Falun Gong practitioners by sourcing their organs.

Gao Zhisheng



One of the most courageous critics of the persecution of Falun Gong practitioners across China is the Nobel Peace prize-nominated Gao Zhisheng. He is also the lawyer who in 2006 invited David Matas and me to come to China to investigate whether allegations of organ pillaging from Falun Gong were true. While unable to attend university because of family poverty, he still managed to pass the bar exams and in 2001 was named one of the country's top ten lawyers by China's ministry of Justice.

Party agents released their full wrath, however, when he opted to defend Falun Gong practitioners. It began with removing his permit to practise law, an attempt on his life, having police harass his wife and teenage daughter and son and denying the family any income. It intensified when Gao responded in the nonviolent tradition of Gandhi by launching nationwide hunger strikes calling for equal dignity for all Chinese nationals. Just over a year ago, Gao wrote about several weeks of

torture in prison. Police arrived at his home and took him away. The rest of the family has fled China and are now refugees in the United States; they are terribly worried about him.

Associated Press Beijing quoted a Foreign Ministry official last Friday saying that Gao "is where he should be" after Gao's brother earlier reported that the policeman who took Gao away in February, 2009 told him that the lawyer "went missing" in September, 2009. Asked if he knew where Gao was being held, the official added, "The relevant judicial authorities have decided this case, and we should say this person, according to Chinese law, is where he should be...As far as what exactly he's doing, I don't know. You can ask relevant authorities." A lawyer for Gao, Li Fangping, called the official's comments "extremely insincere," and noted that after one year no one in Gao's family knows where he is and are unaware of any charges or proceedings. "His case is an indication of China's human rights situation," Li said.

4 - CHANGING THE WAY TRADE IS DONE WITH CHINA

The Nobel laureate economist Paul Krugman has predicted that Beijing's ongoing refusal to let its currency float will cause retaliation from economies, where high unemployment can be traced in part to Beijing's ongoing refusal to let the yuan rise and its manufacturing focus in a world struggling with overcapacity. The party-state continues to dump consumer goods--no doubt including many made by Falun Gong in forced labour camps-- at lower-than-cost in foreign markets. The manipulated yuan creates an enormous competitive advantage for China and keeps some workers from Canada and across the world out of work. Krugman also says that by displacing the output of foreign producers with its own low-wage goods China is arguably the prime culprit in holding back a robust recovery in global economies.

Peter Navarro, author of *The Coming China Wars*, has a Ph.D. in economics from Harvard and is a professor at the University of California. He argues that consumer markets across the world have been 'conquered' by China largely through cheating on trade practices. These include export subsidies, widespread counterfeiting and piracy of products, currency manipulation, and environmental, health and safety standards so lax and weakly enforced that they have made China a very dangerous place to work.

Navarro has comprehensive proposals for all countries trading with China, which are intended to ensure that commerce becomes fair.

Specifically, he says all trading partners must:

1. refrain from illegal export subsidies and currency manipulation and abide by the rules of the WTO;
2. define currency manipulation as an illegal export subsidy and add it to other subsidies when calculating anti-dumping and countervail penalties;
3. respect intellectual property; adopt and enforce health, safety and environmental regulations consistent with international norms;
4. ban the use of forced labour and provide decent wages and working conditions;
5. adopt a 'zero-tolerance' policy for anyone who sells or distributes pirated or counterfeit goods;
6. block defective and contaminated food and drugs by measures which make it easier to hold importers liable for selling foreign products that do harm or kill people or pets; and
7. include strong provisions for protection of the natural environment in all bilateral and multilateral trade agreements in order to reverse the 'race to the environmental bottom' in China.

Conclusion

The attempted crushing of Falun Gong, democracy movements, truthful journalists, Buddhist, Christian, Muslim and other independent faith groups, human rights lawyers and other legitimate communities in recent years indicates that China's party-state must still be engaged with caution. I believe that if China revives its traditional values, abandons political Leninism and adopts the rule of law, a free media and governance of, by and for all its people-- a democracy with very Chinese characteristics- - the new century will achieve harmony for both China and its trading partners. The Chinese people have the numbers, perseverance, self-discipline, entrepreneurship, intelligence, culture and pride to make the new era better and more peaceful for the entire human family. Chinese nationals would enjoy having the right to become members of the Rotary Club; Rotary International deserves fair opportunities to develop in China.

Each of you could no doubt help achieve this in your own ways, including bringing up some of these concerns with your MP, MPP, council member, friends in the media, academe, business, professional, diplomatic circles, etc. Good luck.

Thank you

More information available at: <http://www.david-kilgour.com/>