

## China and the West: An Uncomfortable Connection

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It has been a fascinating week on campus as a Woodrow Wilson fellow; I'm grateful to Dr. Henry Pitman and the Wendt Center for being able to engage with so many of you. You are an academic family: curious, courteous, optimistic, hard-working, diverse, helpful and caring. It is now clear to me why China's president designate, Xi Jinping, came to Iowa 25 years ago to experience the heart of America and why he returned this past February to revisit the family who hosted him then. He was quoted after February as saying that he was first impressed with your hospitality and American industriousness all those years ago.

I admire the people of China greatly, including their often heroic protests against acts of misfeasance by their government. To his credit, the outgoing premier, Wen Jiabao, has spoken often about the necessity for democratic reform. He recently had a major role in blocking the advance of Bo Xilai to the nine-member Standing Committee of the Communist Party. Bo and his mentor, former President Jiang Zemin, have been among the worst offenders in the ongoing persecution of the Falun Gong movement since July, 1999. You might have noticed yesterday press reports from Beijing that Bo has been removed from his remaining posts and that his wife, Gu Kailai, is under investigation concerning the murder of a British citizen. The next to go will hopefully be Zhou Yongkang, the Party head of security, who worked closely with Jiang and Bo in the persecution of Falun Gong.



**Premier Wen Jiabao**

Photo credit: zimbardo.com

The differences real friends of China in open societies everywhere have are with the party-state in Beijing, which is unworthy of the Chinese people and has ruled contrary to their best traditional values since seizing power in 1949. Four major areas of concern at home and internationally today are Maoist governance practices, persecution of religions, state capitalism, and systematic attacks on Internet freedom.

**Jon Halliday and Jung Chang**



## **Governance**

As a university student, I valued my little red book of Mao Zedong's sayings and naively wanted to believe his then many apologists. A number of books, individuals and visits to China have since opened my eyes, but none more than *Mao: The Unknown Story* by Jung Chang (author of *Wild Swans*) and Jon Halliday. Their meticulous research has demolished virtually every claim to legitimacy or respect for Mao.



Mao portrait in Tiananmen Square today

The authors conclude that Mao, holding absolute power over the Chinese people for decades, was “responsible for well over 70 million deaths in peacetime, more than any other twentieth century leader.” This places him with Stalin and Hitler among the century’s three worst mass murderers of civilians. Yale history professor Timothy Snyder’s stunning 2010 book *Bloodlands* explains how and why in “the middle of Europe in the middle of the twentieth century, the Nazi and Soviet regimes murdered some fourteen million people.” Jung-Halliday expose Mao's political murders, including the death by starvation of 25-40 million Chinese during his bizarre “Great Leap Forward” between 1959 and 1961. They sum up the regime as of 2006, “Today Mao's portrait and his corpse still dominate Tiananmen Square...The current Communist regime declares itself to be Mao’s heir and fiercely perpetuates (his) myth.

I’ll add a word here about the Confucius Institutes, which Beijing has established on a number of campuses in America and other countries. Mao disapproved of the philosopher Confucius and any authentic Confucian scholar would probably be arrested today in China. The Party realizes that enough is known about Mao now that it could not plant institutes bearing his name in the West, so it uses the much-respected name of Confucius. As to what they are intended to do beyond

Mandarin teaching, you might wish to look at evidence given in your Congress recently by Greg Autry: <http://deathbychina.com/archives/865> .



**Richard McGregor**

The book, *The Party*, was published in 2010 by Richard McGregor, former China bureau chief for the Financial Times. It documents the continuing role of the Party and its grip on the government, courts, media and military. Among its observations:

- “Top leaders adhere to Marxism in their public statements, even as they depend on a ruthless private sector to create jobs. The Party preaches equality, while presiding over incomes as unequal as anywhere in Asia” (Perhaps you noticed that among the hand-picked delegates at the recent National People's Congress were 61 billionaires.).
- “...the three pillars of (the Party) survival strategy (are): control of personnel, propaganda and the People’s Liberation Army...(It) has eradicated or emasculated political rivals; eliminated the autonomy of the courts and press; restricted religion and civil society; denigrated rival versions of nationhood; centralized political power; established extensive networks of security police; and dispatched dissidents to labour camps.”
- “The communists rode to power on popular revulsion against corruption but have become riddled by the same cancer themselves...Since 1982, about 80 per cent of the 130,000 to 190,000 officials disciplined annually for malfeasance ...received only a warning. Only 6 per cent were criminally prosecuted, and of them only 3 per cent went to jail.”

### **Persecution of Religions**

In mid-2006, Canadian lawyer David Matas and I were asked to report independently on allegations that peaceful Falun Gong practitioners were being killed for their vital organs. To our dismay, we located 52 kinds of evidence that a new crime against humanity was occurring across China on a large scale, which continues today. You can access our revised report in 18 languages at

<http://organharvestinvestigation.net/> or our 2009 book, *Bloody Harvest*, which is available in Mandarin and English.



International gathering of Falun Gong practitioners

Matas and I have since travelled as volunteers to more than 40 national capitals, meeting with Falun Gong practitioners who managed to leave both forced labour camps across China and the country itself, citizens, legislators, government ministers, academics and journalists in a campaign to persuade the party-state to cease a barbaric national and international commerce. I understand that Wen Jiabao has recently called on the party-state to cease the persecution.

There is much on the Internet and elsewhere about party-state persecution of religions in general, but a reasonably current article, which I co-wrote can be accessed at <http://david-kilgour.com/2011/convivium2011.pdf>.



Christian house church destroyed

Tibetan Buddhist monks at sit-in

The piece concludes that the persecution of Falun Gong, Christians, Tibetan Buddhists, Uighur Muslims and other spiritual communities continues across China and that “All people of faith and their governments must let the party-state know continuously that they decry its tactics of persecution and intimidation against ... spiritual communities.”

If experts are correct that, apart from Falun Gong whose numbers were 70-90 million by the government’s own estimate before the persecution began in 1999,

200-300 million Chinese now practise religion--mostly Buddhists or Daoists, with estimates of Christians varying from 50-100 million--the need for residents of open societies and their governments to 'blame and shame' the party-state has probably never been greater.



**Uighur Muslims**

### **State Capitalism**

Manufacturing remains the lifeblood of most prosperous economies. Western and other economies have watched myriad manufacturing jobs at home and elsewhere disappear because investors outside China felt they could make greater profits there, where an 'anything-goes' and 'workers-and-the-natural-environment-be-damned' export model prevails. A report on state capitalism in the January 21, 2012, issue of the Economist makes a number of points about the Chinese model:

- State capitalism, going back to Japan in the 1950s and Germany in the 1870s, sees itself as an alternative to liberal capitalism by fusing the power of government with capitalism through such mechanisms as listing government-owned companies on international stock markets. The Chinese party-state is the largest shareholder in the country's 150 largest companies and directs thousands of others. The heads of the 50 or so leading companies have encrypted telephones on their desks, providing a link to the Party's high command. It also has cells in most companies in the private sector.
- A culture of corruption permeates China's economy today, with Transparency International ranking it far down its list at 75<sup>th</sup> place on its perceived corruption index for 2011. The Economist quotes a central bank of China estimate that between the mid-1990s and 2008 some 16,000-18,000 Chinese officials and executives of state-owned companies "made off with a total of \$123 billion." The piece concludes, "By turning companies into organs of the government, state capitalism simultaneously concentrate power and corrupts it."

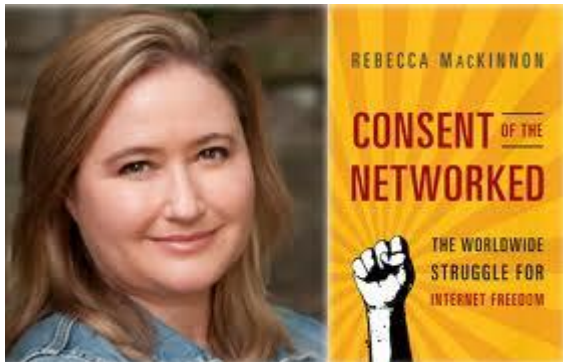
Premier Wen Jiabao, China's senior economic official, said on March 14, "The reform in China has come to a critical stage. Without the success of political

structural reform, it is impossible for us to fully institute economic structural reform. The gains we have made... may be lost, new problems that have cropped up in China's society cannot be fundamentally resolved and such (a) historical tragedy as the Cultural Revolution may happen again." Only last week, Wen added courageously in a radio broadcast across China that the state-controlled banks are a "monopoly" that must be broken.

As Martin Wolf noted in the Financial Times (March 21), "getting from an investment rate of 50 per cent of gross domestic product to one of 35 per cent, without a deep recession..., requires an offsetting surge in consumption. China has no easy way to engineer such a surge, which is why its response to the crisis has been still higher investment. In addition, China has come to rely heavily on investment in property construction: over the past 13 years investment in housing has grown at an average annual rate of 26 per cent. Such growth will not continue."

Concerning the housing bubble in parts of China, I recently noticed a news item in the Financial Times. In the coastal city of Wenzhou, luxury apartments are to be built for as much as 70,000 Yuan (\$11,000) a square metre, which is about twice the annual income of the average resident. To finance a 150 square metre apartment would consume every penny of a typical resident's income for 350 years. In my opinion, that bubble is going to burst soon.

**Rebecca  
Mackinnon**



### **Abuse of Internet**

Rebecca MacKinnon worked for CNN in Beijing from 1992 to 2001. Her book, *Consent of the Networked: The Worldwide Struggle for Internet Freedom*, published this year is in part about empowering the oppressed and disaffected among two billion Internet users worldwide. Here are three of her points of relevance to China:

- Western companies have helped to legitimize what she terms "networked authoritarianism" in which their networks become the paid extensions of China's party-state power, with most failing to accept responsibility to the public interest in any way by helping the regime to create and enforce its "great firewall".

- Google stopped censoring its Chinese search engine, Google.cn, and moved it out of China in March, 2010 in response to attacks on its G-mail service from computers with military grade sophistication located within China. Later in the year, Google's CEO, Eric Schmidt, and Jared Cohen wrote quite correctly, “Democratic governments have an obligation to join together while also respecting the power of the private and nonprofit sectors to bring about change.”
- In China today, an estimated five million of China's 500 million Internet users are able to evade censorship screens in cyberspace. Until this number can grow to a critical mass large enough that truthful information can become known generally by the Chinese people, party-state censorship will be able to maintain a 'gilded cage' around the country. Three of the best censorship circumvention tools are FreeGate, Ultrasurf and DynaWeb; open society governments and civil society organizations should support them all.



**A Foxconn factory**

Many know that the working conditions at Foxconn in China, where so many Apple products are manufactured, were so bad that in 2010 a number of employees killed themselves by jumping from the roof of one of its buildings. Both Apple and Foxconn have recently promised to improve, but how many other manufacturers across China continue to treat employees inhumanly?

Chrystia Freeland, editor of Thomson Reuters Digital, asks timely questions. She refers to Daron Acemoglu, an MIT economist, who asserts that China's rulers have been until now been able to deliver strong economic growth without loosening political and social controls. Technology, which could only be developed in open societies, is today a factor in preserving authoritarianism in China.

### **Conclusion**

Governments of open societies and their private sectors should examine why they are supporting the violation of so many universal values in order to increase trade

and business with China. For years, this has resulted mostly in our jobs being outsourced to China and continuous increases in our bi-lateral trade deficits. Do those in our business communities so overinvested in China feel no responsibility to the employment needs of fellow citizens? Are the rest of us too focused on access to inexpensive consumer goods and essentially ignoring the human, social and natural environment costs paid by Chinese nationals to produce them?

Peter Navarro, a professor at the University of California, asserts that consumer markets worldwide have been "conquered" by China largely through cheating. For its trading partners, Navarro has various proposals intended to ensure that trade becomes fair. Specifically, he says all trading nations should:

- define currency manipulation as an illegal export subsidy and add it to other subsidies when calculating anti-dumping and countervail penalties;
- respect intellectual property; adopt and enforce health, safety and environmental regulations consistent with international norms;
- ban the use of forced labour effectively-not merely on paper as now- and provide decent wages and working conditions for all;
- adopt "zero-tolerance" for anyone selling or distributing pirated or counterfeit goods; and
- apply provisions for protection of the natural environment in all trade agreements in order to reverse the 'race to the environmental bottom' in China and elsewhere.



Peter Navarro

The 2010 Report to Congress of the U.S.-China Economic and Security Commission noted that the American trade deficit in goods with China in the first eight months of 2011 was \$173.4 billion, with the total cumulative deficit in goods with China since it joined the World Trade Organization in 2001 now exceeding \$1.76 trillion. The Commission judges that the value for the yuan is between 20-40 percent lower than what it would otherwise be if it were allowed by the Chinese government to respond to market forces.

The party-state in Beijing is currently making major political changes in its senior personnel. Those appointed should seek dignity for all Chinese if they wish to



achieve sustainable prosperity at home. The current roles in Burma/Myanmar, Iran, Syria, Nepal, North Korea, Sudan, Taiwan, Zimbabwe and elsewhere will also require significant change if the new government's goal is to build international harmony with justice for all nations.

The people of China want the same things as the rest of us: respect, education, safety and security, good jobs, the rule of law, democratic governance and a sustainable natural environment.

If the party-state ends its violations of human dignity at home and abroad and begins to treat all members of the human family in a transparent and equitable way, the new century can bring harmony for China and the world.

Thank you

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