

MISGOVERNANCE, PREDATORY ECONOMY AND ORGAN TRAFFICKING IN CHINA

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Oslo

21 November 2013

Permit me to begin by stressing that my respect for the Chinese people is longstanding. It grew during several visits to the country and meeting both nationals and members of the vast Chinese Diaspora. It is no accident that more than one million Canadians of origin in the Middle Kingdom are our most-educated cultural community. It was an honour to represent many of them in our Parliament for almost twenty seven years.

Let me also note here something that diplomats, sinologists, journalists and business executives sometimes forget: China is its peoples, cultures and history far more than its unelected government. The criticisms many of us within and beyond China have are of its governance, but we also acknowledge that the economic policies of paramount leader Deng enabled hundreds of millions of Chinese families to lift themselves by hard work and intelligence out of grinding poverty--a state of affairs that existed unimproved from 1949 until the thrice-purged Deng made major reforms in the economy beginning in 1978.

The world's democrats, including our national governments, civil society institutions and businesses, should, of course, engage actively with the Xi/Li government in Beijing and the broadest possible range of citizens across China despite the difficulties created by one-party governance and the crackdown on online opinion during the past year. Democracy with very Chinese features is probably closer than many think. How many 'experts' anticipated the fall of European totalitarianism in 1989 or the Arab Spring more recently?

No-one on the democratic side should forget in this engagement that the values we represent are universal ones, including dignity for all, the rule of law, multi-party democracy, corporate social responsibility and the need for people everywhere to have access to good jobs and a good natural environment.

Mao Influence

Any discussion of governance in Beijing today must unfortunately start with Mao Zedong because the PRC founder remains the overarching icon of its party-state. Jung

Chang and Jon Holliday end their comprehensive biography, *Mao, The Unknown Story*, by saying, “Today (2005), Mao’s portrait and corpse still dominate Tiananmen Square in the heart of the Chinese capital. The current Communist regime declares itself to be Mao’s heir and fiercely perpetuates the myth of Mao.” Virtually all independent historians today include him with Stalin and Hitler as the three worst mass murderers of the 20th century. Chang-Holliday note, “In all, well over 70 million Chinese perished under Mao’s rule in peacetime.

Suppression of Dissent: Gao Zhisheng

One of the most vexing ongoing practices of the party-state is that it uses overwhelming force to suppress voices that advocate dignity for all and the rule of law in China. One is Gao Zhisheng, a twice Nobel Peace Prize-nominated lawyer in the tradition of Nelson Mandela and Mahatma Gandhi. A decade ago, he was named one of China’s top ten lawyers by its ministry of Justice.

Party apparatchiks released their full wrath, however, when Gao, a Christian defended Falun Gong practitioners. It began with the removal of his permit to practise law, followed by an attempt on his life, a police attack on his wife, and denying the family any income. It intensified when Gao responded in the nonviolent tradition of Gandhi by launching nationwide hunger strikes calling for dignity for all Chinese. In one of his articles, Gao described more than 50 days of torture in prison. In January 2009, his wife, Geng He, their teen-age daughter and six-year-old son escaped China and reached the U.S. He remains in prison.

Rule of Law?

It is difficult for many outside China to understand that trials there are mere theatres. The deciding ‘judges’ often don’t even hear evidence given in ‘courts’. The Canadian lawyer Clive Ansley practised law in Shanghai for 13 years, handling about 300 cases in their courts before returning to British Columbia several years ago. He explains the reality of what happened to Gao, Nobel Peace Prize laureate Liu Xiaobo and so any others: “There is a current saying amongst Chinese lawyers and judges who truly believe in the Rule of Law and this saying, familiar throughout all legal circles in China, vividly illustrates the futility of attempting to ‘assist China in improving its legal system’ by training judges. The saying is: ‘Those who hear the case do not make the judgment; those who make the judgment have not heard the case’...Nothing which has transpired in the ‘courtroom’ has any impact on the ‘judgment’.”

Organ Trafficking and Falun Gong

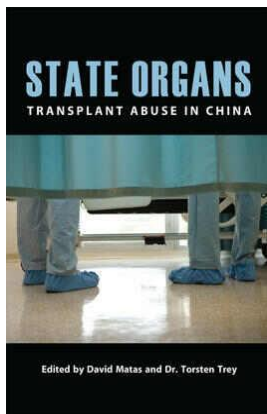
Let me urge all of you as influential residents of this country to urge your MPs to join the growing international coalition in applying maximum pressure on the Xi/Li government

to end the pillaging of Falun Gong organs for trafficking purposes. David Matas and I concluded that 41,500 organs from Falun Gong prisoners of conscience were sold between 2001 and 2005 alone. The appalling commerce continues today, although there is hope that recent commitments from the party plenum will result in ending the seizure of prisoner organs, including ones from Falun Gong, for trafficking purposes.

I was shown an article in the Norwegian paper *Dagbladet* in October 2006 about the large Swedish hospital, Karolinska, which had a research cooperation agreement with Beijing and Fudan Universities. The cooperation included organs from death row prisoners. The source of the article is sverigesradi.se. Here is part of it:

“I know that during this year the Chinese Ministry of Health has ratified a law that this kind of activities are not to be carried out in this way; the number of places for transplant operations will be reduced and organs are not to be sold. So it’s going in the right direction”, says Dean of research at Karolinska sjukhuset, Jan Carlstedt Duke. He also stated in the interview that the cooperation will continue and that (the Swedes) would influence the Chinese in the right direction, and that the development now is in the right direction.

State Organs



In the 2012 book *State Organs*, writer/researcher Ethan Gutmann estimates that 65,000 Falun Gong were killed for their organs during the years 2000-2008, selected from about 1.2 million of them interned in China’s forced labour system. As with the camps created by Hitler’s Germany and Stalin’s Russia, on which the ones across China were adapted by Mao in the 1950s, a police signature alone remains sufficient to commit anyone to one of them for up to four years. No charges, no lawyers, no appeals. In 2007, a U.S. government report estimated that at least half of the inmates in 350 such camps were Falun Gong. Leninist governance and 'anything is permitted' economics allow organ trafficking to continue across China. The recent Hangzhou Declaration is a step in a better direction, but only 40 doctors signed it, leaving 129 transplant hospitals and all the military ones across China unaffected.

Matas and I visited about a dozen countries to interview Falun Gong, who managed to leave both the camps and the country. They told us of working in appalling conditions for up to sixteen hours daily with no pay and little food, crowded sleeping conditions and torture. Inmates made a range of export products, including Christmas decorations and chopsticks, as subcontractors to multinational companies. This constitutes, of course, both corporate irresponsibility and a violation of WTO rules and calls for an

effective response by all trading partners of China. Our governments should ban forced labour exports by enacting legislation which places an onus on importers in each country to prove their goods are not made in effect by slaves.

EVIDENCE

I would like to go very briefly through a bit of the evidence that led us to our conclusion. Investigators made many calls to hospitals, detention centres and other facilities across China claiming to be relatives of patients needing transplants and asking if the hospitals had organs of Falun Gong for sale. We obtained on tape and then transcribed and translated admissions that hospitals were using Falun Gong organs throughout China.

Falun Gong practitioners, who were detained and later got out of China, testified that they were systematically blood-tested and organ-examined while in detention in forced labour camps across the country. The blood testing and organ examination could not have been for their health, since they were regularly tortured, but it would have been necessary for organ transplants and for building a bank of live “donors”. In a few cases, family members of Falun Gong practitioners were able to see mutilated corpses of their loved ones between death and cremation. Organs had been removed.

We interviewed the ex-wife of a surgeon from Sujiatun district in Shenyang City in Liaoning. She told us that her surgeon husband told her that he removed corneas from 2,000 Falun Gong practitioners between 2001 and 2003, at which time he refused to continue. The surgeon made it clear to his wife that none of these sources survived the experience because other surgeons removed other vital organs and all of the bodies were then burned.

Finally, there's no other explanation for the transplant numbers than sourcing from Falun Gong. China is the second-largest country in the world after the U.S. for transplantation, yet until 2010 China did not have a deceased donation system, and even today that system produces donations that are statistically insignificant. The living donor sources are limited in law to relatives of donors and are officially discouraged because live donors often suffer health complications from giving up an organ.

The number of prisoners sentenced to death and executed that would be necessary to supply the volume of transplants in China, is far greater than even the most exaggerated death penalty statistics and estimates, in the tens of thousands. Moreover, in recent years death penalty volumes have gone down, but transplant volumes, except for a short blip in 2007, have remained constant.

It's encouraging that the Spanish courts have recently issued arrest warrants for five former party-state officials, including former President Jiang Zemin for human rights abuses in Tibet. I hope that all persons actively involved in organ trafficking will one day face the International Criminal Court.

Economy

International affairs columnist Jonathan Manthorpe concluded in the *Vancouver Sun* a couple of years ago that one observes in China variations of a Ponzi scheme. “A local government, without a functioning system for raising tax revenue—and...riddled with corruption...sells development land to garner cash... (first getting rid of (farmers) living

on the land)... And, this being China...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”.

In the *Financial Times* not long after Manthorpe wrote was a story about how in one coastal city luxury apartments were 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 in the building would consume every penny of a typical resident’s income for 350 years.

He Qinglian, an author and economist, wrote that in China today. “Over 100 million farmers do not have land. Tens of millions of city dwellers are unemployed...there are four basic requirements for a society to sustain itself: the ecological system...; the moral system...; basic living rights...; (and) a political system that maintains the normal operations of a society. Currently, the...only thing left is the political dictatorship. “

Manufacturing remains the lifeblood of most successful economies. Canadians have watched numerous manufacturing jobs at home - including thousands of garment industry ones in Montreal after quotas were lifted in 2000 - disappear because irresponsible investors felt they could make bigger profits in China. A report on state capitalism in the January 21, 2012, issue of the *Economist* made two key points:

- State capitalism (fuses) 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 a “red machine” on their desks, providing a link to the Party’s high command. It also has cells in most companies in the private sector.
- Transparency International ranks China 75th 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 (about six million each).” It concludes, “By turning companies into organs of the government, state capitalism simultaneously concentrates power and corrupts it.”

Former Premier Wen jiao-bao noted more than a year ago, “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.”

Governments, investors and businesses should examine why they are supporting the violation of so many universal values in order to increase trade and investment with

China. For years this has resulted mostly in national jobs being outsourced to China and continuous increases in bi-lateral trade deficits. Are the rest of us so focused on access to inexpensive consumer goods that we ignore the human, social and natural environment costs paid by many Chinese nationals to produce them?

In mid-January, 2013, Wal-Mart pledged to hire more than 100,000 American veterans and boost its sourcing from domestic suppliers. The retailer announced a three-part plan to help jump-start the American economy, which includes spending \$50 billion to buy more American-made goods over the next ten years and helping its part-time workers move into full-time positions. How about Canadian and Norwegian companies again recognizing that Canadians with good manufacturing and other jobs are their best consumers?



Peter Navarro

Peter Navarro, a professor at the University of California with a Harvard PH.D. in economics, argues convincingly that consumer markets worldwide have been "conquered" by China largely through cheating. Navarro has proposals to ensure that trade becomes fair. Specifically, he says all 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;
- apply 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 and elsewhere.

The Nobel laureate economist Paul Krugman has predicted that Beijing's ongoing refusal to let its currency float will cause retaliation in a world struggling with overcapacity. He adds that by displacing the output and jobs of other nations with its own low-wage goods, China is arguably the prime culprit in holding back a robust recovery in global economies.

The Chinese people want the same things as the rest of us, respect for all, education, safety and security, good jobs, the rule of law, democratic and accountable governance and a sustainable natural environment. If the party-state ends its systematic and gross violations of human rights at home, especially in respect of Falun Gong practitioners,

and abroad and begins to treat its trade partners in a transparent and equitable way, the new century can bring harmony and coherence for China and the world. The first step in a better direction is to end organ pillaging now.

Thank you.