

FORCED LABOR IN CHINA

ROUNDTABLE

BEFORE THE

CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

JUNE 22, 2005

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FORCED LABOR IN CHINA

WEDNESDAY, JUNE 22, 2005

CONGRESSIONAL-EXECUTIVE
COMMISSION ON CHINA,
Washington, DC.

The roundtable was convened, pursuant to notice, at 10 a.m., in room 2255, Rayburn House Office Building, David Dorman (Staff Director (Chairman)) presiding.

Also present: John Foarde, Staff Director (Co-chairman); Susan Roosevelt Weld, General Counsel; Patricia Dyson, Senior Counsel, Labor Affairs; Carl Minzner, Senior Counsel; Adam Bobrow, Counsel, Commercial Rule of Law; and Katherine Palmer Kaup, Special Advisor on Minority Affairs.

Mr. DORMAN. It is just about 10 o'clock, so we will get started in just a minute. Before we do that, I would direct everybody's attention to the table in the hallway, which has statements from all the witnesses. So if you would like to have a copy of the witness statements before we get started, now is the time to do that. Good.

Well, thank you to our witnesses and to the audience for attending this staff-led issues roundtable, one in a series of roundtables put on by the Congressional-Executive Commission on China.

Today, this roundtable will examine the use of forced labor in China. Forced labor is an integral part of the Chinese administrative detention system. China has adopted, like all members of the ILO, the Declaration on Fundamental Principles and Rights at Work, which includes a guarantee for freedom from forced labor. The Commission remains troubled that China is not meeting its obligation under that particular Declaration, hence the roundtable today.

Section 307 of the Tariff Act of 1930 prohibits the import of goods made by prisoners into the United States. To enforce this law, the United States signed a Memorandum of Understanding with the Chinese Government in 1992 in which the Chinese Government agreed to assist in investigating reports of prison labor products reaching the United States. According to the State Department's 2004 Human Rights report, at last year's end, the backlog of relevant cases remained substantial. The Commission expects the Chinese Government to meet its obligations under the 1992 Memorandum of Understanding.

There are continuing reports of the use of forced labor in Chinese detention facilities. Reports indicate that Falun Gong practitioners and other prisoners detained under China's reeducation through labor system have been producing goods for local and export mar-

kets under highly abusive conditions, and we will hear some testimony today specifically on that issue.

Corruption associated with the management of profit-making prisons has generated some national attention in China. In September 2003, the Chinese Government announced experimental plans to separate the production units from the direct supervision of prison wardens and place them under the control of provincial administrators. To date, no such plans have been implemented.

In spring 2005, Chinese diplomats assured U.S. officials that the International Committee of the Red Cross [ICRC] will soon be opening an office in Beijing. Once in place, the ICRC may be able to create more transparency in the Chinese detention system. Again, the Commission expects the Chinese Government to meet its obligation to allow an ICRC office.

I am very pleased to introduce our witnesses. We have a very distinguished panel. As has been the case in previous roundtables, the way that we run the proceeding is to give each witness, after an introduction, 10 minutes for an opening statement. We are rather strict in holding witnesses to their time, to allow plenty of time for questions and answers. After all the witnesses have given their statements, we go to a question and answer period, giving each staff member on the dais five minutes to ask a question and hear an answer. We will continue the roundtable until 11:30, or until we run out of questions. Generally, we find it easy to fill out the entire 90 minutes with conversation.

I am very happy to introduce the first member of our distinguished panel, Mr. Harry Wu. Mr. Wu is founder and Executive Director of the Laogai Research Foundation. The Laogai Research Foundation has documented the use of forced labor in China since 1992. The Foundation publishes an annual Laogai handbook, newsletters, special investigative reports, and assists television media in preparing documentary films on the Laogai system.

The Foundation has expanded its focus to report on other human rights issues, including organ harvesting and the persecution of religious believers.

Mr. Wu, you have 10 minutes for your opening statement.

STATEMENT OF HARRY WU, FOUNDER AND EXECUTIVE DIRECTOR, LAOGAI RESEARCH FOUNDATION, WASHINGTON, DC

Mr. WU. Ladies and gentlemen, today we have come here to talk about forced labor in China. If we talk about forced labor, we must talk about the Laogai, China's vast labor reform system and the Chinese Communist Party's primary instrument for detaining political dissidents and penal criminals.

The two major aims of the Laogai are to use all prisoners as a source of cheap labor for the Communist regime, and to reform criminals through hard labor and compulsory political indoctrination.

Many actions have been taken over the past 15 years that were supposed to curb U.S. imports of products coming from Chinese prison camps. For instance, the Memorandum of Understanding on Prison Labor was signed by the United States and China, detention orders were enforced by the U.S. Customs Service, and companies

suspected of importing Laogai products were taken to court. However, from the testimony of Mr. Fiedler and Mr. Xu, we can see that these actions have not stopped forced labor products from entering the United States.

We must understand the nature of the Laogai itself in order to understand forced labor in the Laogai and to learn how to stop these products from being exported to countries outside China. The Laogai is not a dying institution, as some have suggested. It is true that the composition of the camps has changed. In the past, the majority of criminals were jailed for political reasons, and the majority of today's inmates are incarcerated for more common crimes. Nevertheless, this does not indicate a fundamental change in the nature of the Laogai. To the contrary, the Chinese Government's dependence on the Laogai as its primary tool of suppression is as strong now as it was in the days of Chairman Mao Zedong's rule.

For those imprisoned for common crimes but deprived of their due process or forced to labor under barbaric conditions, the Laogai is alive. For those imprisoned for publicizing their beliefs, for those caught fighting for Tibetan independence or labor unions, for those persecuted for asserting their religious rights, the Laogai is very much a living institution.

When President Ronald Reagan proclaimed that the Soviet Union was an evil empire, he had many reasons for doing so, but one of the main reasons was the existence of the Soviet gulag. Recently, much attention has been focused on the North Korean gulag. Some people today even say that the Guantanamo Bay prison camp is an American gulag. But why is there no discussion of the Chinese gulag? Very few people today talk about the Chinese gulag. The forced labor products we are talking about here today come from the Chinese gulag. If we are talking about forced labor products in China, we must also talk about the Laogai.

Some American academics, including James Seymour from Columbia University and another professor from Georgetown University, have said that while the Laogai is "pretty bad," it cannot be compared with the Soviet gulag. However, is this really the case? Today more than a quarter century after Mao's death, the Laogai system still thrives, and an untold number of prisoners continue to suffer behind the high walls and the barbed wire fences of more than 1,000 Laogai camps.

A majority of the inmates currently in the Laogai is incarcerated for reasons that have little to do with politics or class background; however, the Laogai still serves its political purpose. Individuals deemed to be threats to China's one-party system may be held for "crimes against the state or public security" or "revealing state secrets," or for other offenses that have the ring of more common crimes, such as hooliganism or arson, that actually mask politically motivated incarceration.

Additionally, the general lack of due process in the Chinese legal system victimizes countless individuals. Well-documented reports of several human rights organizations have revealed a system where individuals are often convicted and sentenced with no trial at all. Even when an individual is able to secure their right to trial, they are often refused the right to adequately defend themselves,

or they are convicted through so-called “evidence” that was extracted through torture.

If we want to see the advent of democracy and freedom in China, we must talk about the Laogai, because democracy and freedom are incompatible with the Laogai. There are many hearings in CECC and other institutions devoted to the discussion of human rights violations in China, including the persecution of Tibetans, Uighurs, Internet, and religious dissidents, and Falun Gong practitioners.

These issues are all discussed separately, even though members of all of these persecuted groups are ultimately sent to the Laogai. The Laogai system, as a whole is never discussed. Efforts by the Laogai Research Foundation and other human rights groups to focus international attention on this system resulted in the Chinese Government dropping the term “laogai,” (reform through labor) from its official documents and replacing it with the word “prison” in 1994. This, as well as other pronouncements by the Chinese Government in recent years, was designed to create the impression abroad that the Chinese system is similar to penal systems found in the West. However, as Chinese authorities emphasize, the function of reform through labor remains unchanged. Severe violations of human rights continue to take place in the Laogai system.

China’s efforts to stop the use of the word “laogai” in order to improve its international image came too late. The Laogai Research Foundation was pleased to bring about the addition of the word “laogai” in the Oxford English Dictionary [OED] in 2003, after over a decade of efforts to raise awareness and expose the Laogai, China’s brutal system of labor camps. This marked an historical milestone for the Laogai Research Foundation and its work.

The inclusion of the word “laogai” into the lexicon of the OED is not only a recognition of the Laogai’s existence, but is also acknowledgement of the hard work of those trying to expose its atrocities. The Oxford English Dictionary’s entries for “laogai” make the distinction between the Soviet gulag as a thing of the past and the “laogai” as a system that remains fully operational in China today.

It is common knowledge that every totalitarian regime must have a suppressive mechanism to maintain its hold on power. China is no exception. Issues such as the persecution of Tibetans and Falun Gong practitioners, the detention of Internet activists, and forced labor products in China should not be discussed in isolation.

The subject of China’s Laogai encompasses all of these issues, and the system of repression embodied by the Laogai must be talked about as a whole in order to get to the root of the suppression that is taking place and bring about freedom in China. Thank you.

[The prepared statement of Mr. Wu appears in the appendix.]

Mr. DORMAN. Mr. Wu, thank you very much. I just want to express our gratitude to you for testifying today and providing your expertise on this subject to the Commission.

Next, we will hear from Mr. Jeff Fiedler, who is President of the Food and Allied Services Trades Department of the AFL–CIO, and a co-founder of the Laogai Research Foundation.

When Mr. Wu was detained in 1995, Mr. Fiedler coordinated the public campaign to win his release. Mr. Fiedler is a member of the

Council on Foreign Relations and the Pacific Council on International Policy.

He attended three of the American Assembly Conferences on China sponsored by Columbia University, and has been interviewed on CBS, NBC, ABC, CNN, and CNBC regularly on China policy, international trade issues, human rights, and child labor.

Mr. Fiedler, you have 10 minutes for your opening statement.

STATEMENT OF JEFFREY L. FIEDLER, PRESIDENT, FOOD AND ALLIED SERVICE TRADES DEPARTMENT, AFL-CIO, AND CO-FOUNDER OF THE LAOGAI RESEARCH FOUNDATION, WASHINGTON, DC

Mr. FIEDLER. I will limit myself to the United States and U.S. Government policy, practice, and recent history, if you will, regarding forced labor products coming into the United States, and I will not detail my written testimony.

For background purposes, it is important to understand that the first Memorandum of Understanding [MOU] on Prison Labor that was negotiated by the State Department under the first Bush Administration was, in my view, in response to political circumstances in the United States that potentially exacerbated the relationship between the United States and China, and complicated the Most Favored Nation [MFN] status debate from some people's point of view. In its first instance, in my view, the term "prison labor" was intentionally misleading. In other words, the U.S. Government did not accept the term "forced labor," it used "prison labor," which was deceptive in the following sense, that, oh, California has prison labor. We just do not want to import products into the United States that are made cheaply by prisoners in another country in the world. That was not, of course, our issue. Our issue was that the forced labor system itself in China was the aberration and was what should be dealt with.

Then the MOU's implementation—by the way, there is one other variant of this, and that is, the word "inspection" was used in association with the MOU. If you look at the attachments to my testimony with the actual MOU, you will not see the word "inspect" anywhere in it. Those of you who have diplomatic experience understand that the word "inspection" is very different in meaning from the word "visit." There are nuclear "inspections," then there are "visits." One term is more powerful than the other, the word "inspection." And the Chinese never agreed, by the way, to any inspection. They agreed to a bureaucratic system that was not very good, and even then they did not implement it.

But ending Chinese "prison" exports of forced labor products to the United States became a must-do condition in the MFN debate under the Clinton Administration—President Clinton set implementation of the MOU as a must-do condition for the Chinese.

Well, there was no way that the Clinton Administration could say that the Chinese were implementing the agreement, so in a diplomatic sleight of hand, in my view, they negotiated a Statement of Cooperation which said the Chinese would do better. They then held the Statement of Cooperation up as compliance with the must-do condition. So you see that all of this stuff is done in a po-

litical context, which, arguably, would have been better if there were no sort of political pressure for this.

Now, after the MFN, and subsequently Permanent Normal Trading Relations [PNTR] debates for China and entry into the World Trade Organization [WTO], the government has fallen asleep on the question of forced labor exports to the United States. The Customs Service certainly does not talk to us. They do not talk to the Falun Gong. You do not read anything about this issue. You see no findings in the Federal Register.

Yet people like us and our researchers will go to the Internet to a Web site called "China Big," which is co-owned by R.H. Donnelly, a U.S. company, and find, I believe, 126 forced labor camps listed on the Internet with their commercial names. There are very few with their actual prison names, but there are a couple, and we believe 31 to be camps or production facilities run by the police that are associated with camps. This, by the way, is on top of the 99 camps we found doing \$700 million a year in production listed in Dun & Bradstreet's China directory some years ago.

So what is the point of the U.S. Government doing it? You see in my testimony a series of proposals to change U.S. policy and change U.S. law. Our objective should not be, simply, under the 1933 Act, to punish U.S. people who import forced labor products. The evidence for that is largely in China, and the U.S. legal system does not recognize the validity of the testimony if the witnesses are somewhere else, or the paper documents are somewhere else, and I would not want to send somebody to jail, either, based upon flimsy evidence. But now the issue becomes, one, are we interested, as a matter of policy, in ending forced labor in China? Two, as a vehicle to do that, are we interested in ending forced labor exports by the Chinese to our country and other countries? If we are, then we should set different evidentiary standards for the importation of hand tools, for instance. Those are not human beings, those are hand tools.

We should use our intelligence resources in ways that we have not done up until now. I mean, once someone asked us, "How come you can find forced labor product exports in the United States and the U.S. Government cannot?" My not-too-glib answer was, "Because we want to, and they do not." I still believe that. So if people are serious, this Commission, and others, can sit down and say, all right—let's look at the problem. There is a task force, I believe, in the law that established this Commission, that has probably never met, or has rarely met, and has not issued a report of any kind that the public has seen, at least that I could find. And we sit down and say, "All right, here is the problem." This is what they did when the Laogai Research Foundation exposed it: you drove them deeper underground. Oh, well. You got only a few dollars a year, but we are the U.S. Government and we have a little bit more.

We will offer rewards to U.S. businessmen, and to Taiwanese businessmen, and Korean businessmen, and European businessmen and women, anybody who reports hard evidence to the U.S. Government that can be corroborated about forced labor in China.

Let me tell you, I suspect that more than a few people are privately angry, such as the U.S. businessman who was making binder clips and who took it upon himself some years ago to track

the forced labor exports down himself, with our assistance. There are businessmen who are angry that they are being undercut by Chinese forced labor products. I am less interested in business than I am in ending the forced labor system. I am much more interested in that. But it is a vehicle for us to do so, and I think the Commission ought to give more serious thought to actually getting to enforce the cooperation and the task force that exists in current law. We would be more than agreeable to help in that process.

Mr. DORMAN. Good. An extra minute for Mr. XU.

Mr. FIEDLER. I try to be timely.

Mr. DORMAN. Thank you very much for that testimony.

Mr. FIEDLER. He much deserves the extra minute.

[The prepared statement of Mr. Fiedler appears in the appendix.]

Mr. DORMAN. Both you and Mr. Wu have provided us plenty to talk about in the question and answer session.

Our next witness is Mr. Gregory Xu, a Falun Gong practitioner, and researcher on the treatment of Falun Gong practitioners in China. Mr. Xu has collected reports from all parts of China on the imprisonment of practitioners since 1991. He is a software engineer for a technology company.

Mr. Xu, 10 minutes for your opening statement, please.

**STATEMENT OF GREGORY XU, FALUN GONG PRACTITIONER,
AND RESEARCHER ON THE TREATMENT OF FALUN GONG
PRACTITIONERS IN CHINA, EDISON, NJ**

Mr. XU. Mr. Dorman, staff members of this Commission, ladies and gentlemen, thank you for giving me this opportunity to speak on the plight of Falun Gong practitioners in China.

We are grateful for the support that this Congress has shown us during this difficult time. We are, however, sad to report that in the past six years, the persecution of Falun Gong in China has gone into a covert one, but has continued to worsen. Over the years, between 200,000 and 1 million reportedly have been sent to forced labor camps without trials. The persecution methods used in such camps are extremely cruel, encompassing a wide variety of brutal tortures; and yet the Chinese Government has imposed strict blockades in an attempt to conceal information and absolve itself of responsibility.

Most recently, Falun Dafa Information Center [FDI] has learned that Ms. Gao Rongrong, whose face was grossly disfigured as a result of torture in Longshan Forced Labor Camp, was murdered and died on June 16, 2005. Ms. Gao went through nearly two years of incarceration, brainwashing, and torture for her beliefs in Falun Gong. Her case even involved directives from Luo Gan, one of the Standing Committee members on the Chinese Communist Party's Politburo.

In July 2003, Ms. Gao was sent to Longshan Forced Labor Camp. On May 7, 2004, at approximately 3 p.m., Tang Yubao, the deputy head of the No. 2 Prison Brigade, along with team leader Jiang Zhaohua, summoned Ms. Gao to the office and began to torture her with an electric baton.

The torture continued for about seven hours, and the inmates in the labor camp said that Ms. Gao sustained multiple burns to her face, head, and neck. Ms. Gao's face was covered with blisters and

her hair was matted with pus and blood. So severe were the injuries, that Ms. Gao's face was disfigured and she had difficulty seeing. Shocking photos made their way overseas, and they were publicized widely. You can see, actually, from the other report, Ms. Gao's picture. Details of her case were submitted to relevant government offices in the United States and other nations, and were also presented to the United Nations. As international pressure mounted concerning Gao's case, Luo Gan, one of China's highest-ranking officials, stepped in. Luo proceeded to order the Liaoning Province Chinese Communist Party Political Judiciary Committee, the Procuratorate, the Department of Justice, and the police department to conceal any and all information about Ms. Gao's case.

On March 6, 2005, Ms. Gao was located by police and again abducted. Neither her location nor her condition was revealed to her family members until June 12, when she was sent to the Medical University Hospital in Shenyang City from the Masanjia Labor Camp. According to Ms. Gao's family, by the time they reached the hospital on June 12, Ms. Gao had lost consciousness. Her organs were atrophying, and she was hooked up to a respirator. They said she was little more than skin and bones. Ms. Gao died four days later. Chinese police are now pressuring Ms. Gao's family to cremate her body quickly, trying to eliminate the evidence of torture.

Ms. Gao's death is part of a disturbing pattern of systematic rights violations, systematic cover ups, and zero accountability. Since China's former president, Jiang Zemin, launched the persecution of Falun Gong in 1999, according to incomplete statistics, more than 180 forced labor camps in China have directly participated in persecution through illegal forced labor of over 200,000 Falun Gong practitioners.

In addition to forced brainwashing and torture, China's labor camps also force a large number of Falun Gong practitioners to work as slave laborers. Falun Gong practitioners have been made to work overtime shifts, subject to punishment by deprivation of food or sleep if assigned quotas are not met, and tortured if they refuse to cooperate. They are often arbitrarily detained beyond their release dates because of the huge profits that the camps stand to gain as a result of free labor.

Practitioners are forced to work more than 10 hours a day, sometimes even continuously overnight. Because of the terrible working conditions and the highly labor intensive work, Falun Gong practitioners have all suffered various degrees of damage, both mentally and physically. Some have become disabled, or have even died. About 30 percent of all of the death cases of Falun Gong practitioners resulted from torture in the labor camps. Sixty-nine labor camps have directly caused the deaths of Falun Gong practitioners, including elderly people in their 60s and an eight-month-old infant. Even women, children, or disabled practitioners were not spared.

U.S. citizen Charles Lee was arrested upon arriving at the Guangzhou airport on June 22, 2003. He was rushed through a one-day show trial on March 21, 2003, and sentenced to a three-year prison term for his intention of exposing human rights violations against the Falun Gong practitioners by the Chinese Government.

According to the information from his friends, throughout two and a half years of detention, Dr. Lee has suffered both physical

and mental abuses. He has been beaten, force fed, deprived of sleep, handcuffed for days at a time, and forced to watch anti-Falun Gong brainwashing videos. Starting from early to late June 2004, Dr. Lee was forced to make Christmas lights daily. At times, he was forced to work 10 to 12 hours a day, and seven days a week. These Christmas lights are to be exported to the United States.

FDI and the World Organization to Investigate the Persecution of Falun Gong [WOIPFG] investigated the persecution of Falun Gong and has collected ample evidence that shows China's labor camps cooperated with companies to force Falun Gong practitioners to manufacture forced labor products without any payment during their detention. Products from these labor camps are exported to more than 30 countries and regions, including the United States, Canada, Australia, France, Germany, New Zealand, Southeast Asia, et cetera.

For example, WOIPFG reported that there are two main products made for the Henan Province hair products industry by over 800 detainees, including illegally detained Falun Gong practitioners in Hunan Province's No. 3 Labor Camp and the Shibalihe female labor camp in Zhengzhou city, have been pushed to work day and night by guards who threaten them with torture, punishment, and humiliation. They work extra hours to bring in foreign exchange income and more profits for the labor camps for the Henan Rebecca Hair Products, Inc.

To increase profits, Hunan Province and No. 3 Labor Camp even buy Falun Gong practitioners as slaves from other places for 800 yuan each. When the labor camp was short of funds and was about to be shut down, many Falun Gong practitioners were abducted and incarcerated in this camp where they were forced to make hair products. The United States is the largest distribution and consumer market of hair products in the world. Henan Rebecca Hair Products, Inc. accounts for a significant market share in the United States.

Statistics show that the United States has a need for 15 million human hair weavings, many of which come from Henan. WOIPFG has submitted a petition to the Department of Homeland Security for an immediate investigation and environmental action on certain wigs exported by Henan Rebecca Hair Products, Inc.

The crackdown on Falun Gong over the past six years in the People's Republic of China has led to unjust imprisonment of hundreds of thousands of innocent practitioners. Consequently, many children have lost either one or both parents, sometimes even their caregiver. According to the 2005 report of Global Mission Rescue [GMR], on persecuted Falun Gong practitioners, five children were killed in police custody; 18 children lost both of their parents during the persecution; 102 children lost one of their parents; 43 children are directly targeted, tortured, and thrown into prisons in the labor camps because of their parents' belief in Falun Gong; 39 children were forced to separate from their parents because their parents are detained. In addition, hundreds of thousands of children have been forced to slander Falun Gong, or upon refusal, be expelled from school. Moreover, many young ones are discriminated against, as their parents are practicing Falun Gong.

This data, however, only represents the information investigated and confirmed by GMR. Due to censorship and the tight hold on information related to Falun Gong in China, what has been reported so far represents perhaps only a tiny tip of the iceberg. I hope that this testimony will help you understand the severity and the scope of this ruthless campaign of persecution against the Falun Gong practitioners of China.

Thank you for your consideration. I would be pleased to answer questions.

[The prepared statement of Mr. Xu appears in the appendix.]

Mr. DORMAN. Mr. Xu, thank you very much for your testimony.

For those of you who have arrived late, I just want to point out that written statements from the witnesses are on a table in the hallway. There are also additional materials from the Laogai Research Foundation on the table. Our Senior Counsel for Labor Affairs, Pat Dyson, has put a few copies of the new ILO report on forced labor on the table as well. So, please feel free to take copies if you would like.

Each of the staff on the dias now has five minutes to ask a question and hear an answer from the witnesses. We should be able, I think, to get through two rounds of questions before we reach 11:30.

I have a brief question for the entire panel, and a shorter question, if I have time, for Mr. Fiedler specifically.

Realizing the depth of experience here today on this particular issue, and at least two of you have been researching this issue much, much longer than the Commission, I wanted to get a sense of where the Chinese leadership is on this issue right now, because an important part of what this Commission tries to do, as you point out, Mr. Fiedler, is to usefully, effectively, constructively, insert itself into the conversation. Pat Dyson recently showed me a speech from last year, I think, by China's Minister of Justice. The speech, which I referenced in my opening statement, described some plans, some intentions, some discussions by the Chinese Government to separate production units from the management authority of prison wardens.

Something else that Pat has briefed me on is discussions in China on eliminating forced labor, not so much because it violates sensibilities and international agreements, but instead because the profits from forced labor feed official corruption, a problem we all know is growing in severity in China.

So, based on your understanding and extensive research, could each of you in turn comment on your analysis of comments like this from Chinese authorities, and what these comments tell us in terms of intentions.

Mr. Wu, would you like to begin?

Mr. WU. I think, first of all, we have to realize that American law is talking about forced labor in that, if the product is processed by forced labor, or partially or wholly made by forced labor, it is illegal.

Jeff Fiedler mentioned the binder clips. The entire material of the binder clips comes from a legitimate factory, but they are only using female prisoners to assemble the clips. We have evidence that all the female prisoners' fingers are bloodied just from putting

wires into the clips. This process is illegal. End it, and the prison men will go to court.

Another case is artificial flowers. A witness who is now in New York was forced to make such flowers, in a detention center, before he had undergone a trial. The flowers were designed and made by other legitimate companies or factories. The prisoners, even before undergoing a trial, were waiting in the detention center and assembling products. This is illegal. So we must know what is the real definition of what is known as an illegal product? It is not like we are able to easily ascertain that, "Oh, this is a brand from a prison camp."

The Chinese today say, "Well, we have a police family workshop." So an American investigator goes to China and they say, "Do you want to see it? I can show you all these daughters and sons of policemen working on the production line. They are not prisoners at all." But the parts come from the workshop in which the prisoners work.

I can go further. I can tell you, probably seven years ago, Chrysler Corporation had a Jeep Cherokee factory in China. Several years ago, the Jeep Cherokee factory in Beijing announced that "we are pretty good now, and most of our parts come from Chinese companies, not necessarily imported from the United States." They had a long list of Chinese suppliers. Among these suppliers, a number of them were prison camps. According to American law, it is illegal to import the Jeep Cherokee to the United States, because some parts were partially made by forced labor. I really doubt that Americans really care about this issue.

If they really want to do something about it, they should implement the law. I am not talking about a human rights issue at this moment. I am an American citizen, an American taxpayer. I want to ask the government to implement the law. It is their duty. It is my right to ask for it. You listened to what Jeff Fiedler said. They do nothing. There is a case—and later maybe Mr. Fiedler can explain to you about the graphite products—and they just drop it. For example, the binder clips case. All of this hard evidence and these witnesses were produced by us. Otherwise, the case would never have come to light. But we have such a powerful Customs Service institution there, the question is whether they implement the law or not.

Mr. FIEDLER. To answer your question more directly, obviously I am suspicious of the Chinese leadership's expression of a desire to change. We have heard them on any number of subjects.

In my view, they want their system to appear to be a prison system like everyone else's yet the sort of persecution of the Falun Gong has presented them with a dilemma. The government is acting much more like it did 30 years ago than like it was heading toward more recently.

The notion of profitmaking. Actually, the rationale was not profitmaking to start with. The rationale was to have the system be self-paying so that it was not a drag on the government's revenue. It led into profitmaking.

It led into profitmaking, in my view, among other reasons, because recently—in the last 10 or 15 years—you did not have any power in China unless you had access to dollars. Anybody who had

access to hard currency and business was more powerful than somebody who did not. The overseers of the system did not want to be left out in the rush, in the laissez faire capitalist rush that was overtaking China, one can argue. So I do not believe that they are serious, other than to make it appear as if they have a new system. We do not see any evidence. As a matter of fact, we see all evidence to the contrary to that development.

Mr. DORMAN. Good. My time is up.

Mr. Xu, if you would like to comment on my question, we can get it in the next round. I want to move on, because we have many staff members who would like to ask questions.

I am going to turn the microphone over to John Foarde, my colleague, who serves as Staff Director for our House of Representatives Co-Chairman Congressman Jim Leach.

John.

Mr. FOARDE. Thank you, Dave.

Let me address this question to both Jeff Fiedler and Harry Wu, just for the record, so we can understand more fully. All three of you have spoken quite eloquently about the export of forced labor products to the United States from China. How much export of forced labor products is there to other countries besides the United States, and do you have any sense of whether or not it is more or less than to the United States, and roughly what percentage may be going elsewhere?

Mr. WU. We do not have accurate numbers because the statistics are hiding in, as the Chinese have said, indirect exports. The United States is the only country in the world that forbids products made by forced labor from being imported. We find many products in London, in Toulouse, in Paris, and nobody cares about that. So, we do not have any figures for that. But, anyway, they just go on.

Mr. FIEDLER. There are certain kinds of products. For instance, the Liaoning Laogai that historically produced entire trucks, which were exported throughout Southeast Asia. The Chinese product manuals that we have examined over the years, and of course ever since we exposed the information they kind of stopped bragging about it, always included information about exports. They would say they export to the United States, Europe, and Australia. I do not know how much of it is, in fact, true. We have no real sense of the size of the trade.

But you can get a sense, from the Dun & Bradstreet information that was from the Chinese statistical annuals, on Laogai company revenue. Again, one must take such information somewhat with a grain of salt as with any statistics coming out of China. Of 99 camps, according to their information, they were doing \$700 million worth of business.

These were largely coastal camps and Guangdong camps that mirrored the sort of economic development of the country, not the backwater, provincial camps that make bricks and cement. By the way, the labor is no more gratifying in those places than it is in the coastal areas. So, it is very hard. We do not have any good numbers. I do not think anybody has any good numbers.

Mr. FOARDE. Thank you. I know that my colleagues all have questions, so I am happy to yield the floor to someone else.

Mr. DORMAN. I next would like to recognize the Commission's General Counsel, Dr. Susan Roosevelt Weld.

Susan.

Ms. WELD. Thanks, Dave.

I am interested in the ways in which Falun Gong prisoners are treated either like other prisoners or differently. I wonder if any of you have statistics on the Laojiao—reeducation through labor camps—which do not require a trial before people are sentenced to them. What percentage of the inmates in the lao jiao system are Falun Gong practitioners who have been picked up for Falun Gong offenses?

Mr. XU. Since the information is blocked, we do not have an exact percentage. But I can give some examples. They have expanded the prisons, and spent a lot of money to expand the prisons after 1999, because with the imprisonment of so many Falun Gong practitioners, the cells were full. That is one example.

Ms. WELD. What evidence do you have of the expanded prisons? Is it just size of population or the actual area of the prisons, or the kinds of labor?

Mr. XU. Expanding scales of prison size and incorporating Falun Gong practitioners.

Ms. WELD. Thank you.

Mr. WU. According to Chinese law, the lao jiao is not a prison, so they are not prisoners. So if an American wanted to visit a prison, they would say, no, this is the facility of some institution, not a prison. They would say that this facility exists out of consideration. I myself spent 19 years mostly in a lao jiao prison, with no trial, no papers. That is it. Today, the estimated number of lao jiao prisoners is probably, at a minimum, 300,000. The higher estimate is a half million. If we take the middle number, it is about 400,000, and probably 15 percent of these prisoners are Falun Gong practitioners.

Ms. WELD. Fifty percent?

Mr. WU. Fifteen percent of them. It is probably around 60,000, concentrated in certain provinces. They particularly focus on certain provinces, such as: Shandong, Liaoning, Heilongjiang, Henan, Hebei, and Shaanxi. These reeducation camps are full of Falun Gong practitioners.

Ms. WELD. Very quick follow-up. Are the Falun Gong inmates segregated from other inmates and subject to different kinds of treatment?

Mr. WU. Yes. The Chinese Communist Government has a different policy for Falun Gong practitioners. The policy directive from the former president, Jiang Zemin, is that if a Falun Gong practitioner is killed, he should just be buried. Also, another policy is to deprive Falun Gong practitioners economically and defame them.

The main purpose for putting Falun Gong practitioners into labor camps is, as the authorities call it, reeducation. They try to convert them, force them to give up their beliefs. You can hear many cases about torture, and the purpose for this torture is to force them to give up their beliefs.

Mr. DORMAN. Good. Thank you.

I would like to recognize, next, Pat Dyson, who is the Commission's Senior Counsel for Labor, and she is also the person who organized this roundtable.

Thank you, Pat.

Ms. DYSON. I want to thank all of you for coming and giving your testimony. It has been most useful. I wanted to ask Mr. Wu to describe what the working conditions are. We are all talking about forced labor, but how many hours are people required to work? What are the safety conditions? What are the results on people's health and welfare when they have gone through four or five years of this process?

Mr. WU. Number one, it is a national policy that all prisoners are forced to work. The purpose for this is not only to make a profit to support the government, support the regime. This is a way that the government supposedly helps you to "reform."

The first day you arrive at the camp, the warden will say, "Do you know how you have become a criminal? We are going to help you." Is your sentence 5 years, 10 years? Not only will you receive punishment, but you have to engage in hard labor, or else you never can become a "new socialist person." So this is not something to punish you, and it doesn't matter whether you like it or do not like it. You have to do it. If you do not engage in the hard labor, they say, "Well, how can I help you?" So this labor is a kind of offer from the government. You have to do what they say.

Number two, there is no other country in the world where the prisons are enterprises. This practice of prison enterprises is not carried out just occasionally, or temporarily, or locally somewhere. This is national policy.

Each labor camp, except one prison, Qincheng Prison—because this is a very special prison, for high-level, senior political criminals—chooses names, both enterprise names and prison names. It is true that they are enterprises. The Chinese call this the Special Enterprise System.

Number three, except in "Potemkin villages," except for these model camps for foreigners to visit, the situation in common prison camps depends on the nature of the camps. If it is an agricultural camp, in the wintertime the labor is slow because there is nothing to do in the fields, and because other agricultural camps have stopped their work.

Mostly, like me, we were digging a canal in the winter or repairing the roads. In the summertime, you work for a very long time. When the sun rises, you just go to work. When the sun is setting, you come back. There is no time out for rest. Sometimes, when you are harvesting the crops, you are working for a longer amount of time. This is in agricultural camps.

As for the other camps—for example, the coal mine—I worked in a coal mine for nine years, from 12 o'clock to 12 o'clock, two shifts a day. And I also worked long hours in a chemical factory, from 12 o'clock to 12 o'clock, two shifts a day. Today, there is a very special policy, the so-called "accumulate your score" policy. According to this policy, if you work hard, you earn points. There is a daily quota for every laborer. If you work hard and you have done your job, then you earn points.

If you accumulate points, they can reduce your sentence, by three months, or six months, or maybe give you a favor so that you can buy more food, or your family can come to visit you, and they have a special place where you can stay with your wife during the night because you work hard. Because today they really are talking about profit.

Mr. FIEDLER. There is nobody that we know of on the outside enforcing any conditions that we would normally think appropriate. There is famous footage that Harry took in the early 1990s in the Qinghai Hide Factory, which is a prison, of a prisoner standing half-naked in a vat of chemicals tanning a hide. In the United States, we do not tan many hides any more because the chromium tanning process is so toxic. We send most of our hides to China, actually. But there is nobody checking these conditions. They clearly vary, but nobody really knows, except for ex-prisoners who have suffered them recently.

Mr. DORMAN. Good. I would like to recognize, next, CECC Senior Counsel Carl Minzner for five minutes.

Mr. MINZNER. Thank you very much. I have to confess, I am not an expert in criminal or labor law, so this is definitely a very useful experience for me to be able to listen to you. Just from listening to your testimony, it sounds like you are describing the problem of forced labor in China as a two-part problem. On the one hand, it sounds like the central leadership has made a decision that it is permissible to use severe punishment and abuse of political prisoners, particularly of groups such as the Falun Gong.

Second, it sounds like you are also describing a highly decentralized system in which each camp has significant incentives, particularly financial incentives, to make money and significant leeway to compel prisoners to engage in forced labor in order to generate profits for the camp staff.

All of you have very eloquently talked about the first point. I wondered if you could explore the second point a little bit more. Particularly, what are the incentive structures that the individual prisons operate under?

Are there quotas that are sent down on how much should be produced? Who keeps the money that results as a result of the products? Perhaps if we can understand what the incentives are in the individual camps, it might help us think more about how to address them.

Mr. FIEDLER. Can I start on that? In the prison literature from the government journals and some of their reports, prisons brag about how much money they kick upstairs to the central government. So, there is some number of dollars, X percentage, that may go to the central government. The rest stays in the system. They have got a budget to operate the place. I do not know how many of you have done budgets, but I have never seen a budget that was not manipulated in some way.

So, they run the place on X number of dollars, then there is money left over for themselves, and their families, and their friends, and the companies that they are dealing with.

We have no idea what the financial relationship is between, for instance with the binder clips, the private company paying and what the kick-back was to the warden for providing the female

prisoners. So suffice it to say, some people have criticized and said, “Well, they are not really making a profit.” Well, it depends. I mean, what is a profit? Profit at the end of the day is money left on the table, and there is no money left on the table because everybody else has taken it? I do not know.

On the decentralization question, it is a national policy, as Harry said. It is a big country. It is hard to implement any national policy entirely. There is lots of leeway for people to do things. There was probably not a written national policy for torture, but I would not say that torture is the result of decentralization of the Laogai system.

Mr. WU. The financial system in the prison camps is divided into different time periods. For 30-some years, under the Mao time period, it was entirely what was called a “planned economy” system.

At that time, everything was planned by the government, the local government, the provincial government, and whatever the profit, it was given back to the government as planned. The policemen made a fixed salary. They did not receive any bonus, just their salary. I was in a prison camp at that time, and in the prison camp there was no bonus for the prisoners at all. Prisoners simply had to work. Most of the work was primitive labor. There was no cost, so you could never figure out the output.

After Deng Xiaoping came into power, there was a new time period of probably 10 to 15 years, under which a new system was implemented, called the “market economy” system. Each prison camp enterprise became an independent financial unit that made money. Police were given a salary and benefits, and the maintenance of the facility was funded by its production profits.

If production was going well, the police could make a lot of money. They therefore wanted to encourage prisoners to work hard. They gave the prisoners a kind of bonus, a small amount of money.

So, for example, there was a prison in Anhui Province. It was a pretty old industrial factory, making textile products, with very old machines. They could not renovate the machines, and the quality of their products was pretty bad. They could not earn much money, and then they went bankrupt. The local government said, “You do not have money, and I am not going to pay your salary.”

Some police in the prison camps were pretty wealthy because their products are produced for export, for the market, and they sold very well. They made a lot of money—double, maybe triple their monthly salary.

This one, a textile prison camp, had no money, so the police had no money each month. They were suffering. Then they had a new order. They said, “We will now gather 1,500 prisoners, and another 500 prisoners, and another 500 police families together in a big meeting and say, “We have a new policy. Everybody listen. I do not care who you are, whether you are a policeman or you are a prisoner. If you can offer me an opportunity to make money, I will take it. I will follow you.” Then one person says, “I can do it. I can offer you an opportunity.” Then she offers something.

The next day, this prisoner was taken out of her cell, and she was assigned to be a manager of the company, and then taken out of her prison uniform and accompanied by policemen out of the camp, in search of opportunities to make money. But the prison au-

thorities were corrupt and the warden committed suicide because he violated the law.

This caused big problems, because the whole security system is unstable. Some of the prison camps made huge amounts of money, and some of them suffered.

Then Jiang Zemin came up with a new policy. Under this new policy, every warden, every police car over there, was given a certain payment. Under the so-called 3-3-4 system, 30 percent of the profit is given to the central government, 30 percent is given to the local government, and 40 percent remains in the prison for the benefit of the policemen. So if you earn more, it is to your benefit under this new system.

Mr. DORMAN. Good. Thank you very much. I would like to recognize Dr. Kate Kaup, the Commission's Special Advisor on Minority Affairs.

Kate.

Ms. KAUP. Thank you. I would like to follow up on a few questions that have already been raised, specifically on the conflict between implementation and existing laws and regulations. Clearly, implementation is a problem throughout China in a variety of policy arenas. But are there written regulations on the books for health and safety conditions in the Laogai system? Are there any kind of restrictions on the number of hours that prisoners are forced to work? Has the Chinese Government shown any willingness at all to discuss this, either with the United States or domestically?

Mr. WU. Oh, yes, they have a policy. Eight hours a day, six days a week. They can even enroll in a university and get a degree. Yes.

Ms. KAUP. And are any of these regulations new or have they all been on the books for years?

Mr. WU. Just like the Chinese Constitution, all the time they had the articles there for the freedom of speech, the freedom of religion.

Mr. DORMAN. Thank you. Finally, I would like to recognize Adam Bobrow, a Senior Counsel on the Commission.

Mr. BOBROW. Thank you, David. Thank you to all the panelists.

Just a quick initial question for Mr. WU. You mentioned that other countries where China might export some of these products have no laws on the books to prevent the import, or to make illegal the import, of prison labor product? That is true?

Mr. WU. Yes.

Mr. BOBROW. So the United States is the only country that does.

Mr. WU. The only country. The British have a regulation. This is my favorite country because I am an American citizen. But some countries go pretty far. We even find Japanese companies that directly cooperate with prison camps in joint ventures, making tea. They do not care.

Mr. BOBROW. In that light, I guess the problem is—and you can correct me if I am wrong—there is no way to tell the difference at the border between products made in prison and products not made in prison. Obviously, there is a serious amount of intermingling.

Mr. FIEDLER. They especially intermingled after Harry revealed the Shanghai Hand Tools factory exporting wrenches and stuff. The problem is not the evidence. The problem is not that they are inter-

mingling. The problem is the will to develop a solution. So for instance, if we find evidence that the Chinese are intermingling, and therefore you cannot tell, what do you do? Let them continue to intermingle and con you? Or do you say, "Tell you what, you cannot send us any hand tools at all because we cannot tell? We will get our hand tools from somewhere else." Then you have created an enormous amount of internal pressure among the legitimate hand tool manufacturers in China. They say, "Hey, wait a second, government. Just for a couple of prison hand tools, you are going to mess up the entire hand tool industry in China?" Now, does somebody think that is unfair? We are not putting anybody in jail here, we are just not letting them sell us any hand tools.

So, we have sat back for, now, 13 years, and allowed the Chinese Government and the Chinese prison system to con us, based on our sort of silly standard. Oh, they are mixing them up. The head of Asbury Graphite in New Jersey, in 1995, admitted on national television that the graphite he was buying was made in a forced labor camp. He admitted it on camera, the 7 o'clock NBC national news. Nothing ever happened to him. Graphite continued to come in because the U.S. Customs Service said, but we cannot tell the difference. It does not have a brand on it. Like, an apple does not have a brand on it either.

So we said, "Oh, can you do some forensic tests on it?" They use a certain kind of graphite, by the way. The reason that they are getting it is because it is the only place in the country that produces this kind of graphite.

There was testimony about brake rotors in a civil court case in Southern California where the person who imported them said, "We did it." Nothing happened. We caught Columbus McKinnon, an upstate New York-based company, making chain hoists. We had photographs of the chairman of their board standing next to prisoners.

The Customs Service investigated for two and a half years, referred it to a U.S. Attorney for prosecution, and the prosecutor turned it down because of the U.S. evidentiary problem. The Chinese Government built a new chain hoist factory in Zhejiang Province. The two places where you get chain hoists in China are two forced labor camps. So you think that it would occur to us, as a matter of policy, to say, "Well, I will tell you what. We do not like your chain hoists. We will get them from Czechoslovakia, or somewhere, because you are mixing and matching, throwing 'Double Pigeon' labels on it." I am offended. I really am offended by our lack of creativity. And I do not mistake it as a lack of creativity. I tag it as a lack of will on the part of our government to do anything about this problem. Sorry for the outburst.

Mr. WU. Can I add something?

Mr. DORMAN. Yes.

Mr. WU. It is a very difficult job for the Customs Service. I will give you a couple of examples. One is that of Diamond brand hand tools, wrenches. We found them in Texas. I went to China. I have all the photographs documenting the Zhejiang Province No. 2 Prison where they made the wrenches.

But later it was difficult, because Diamond brand wrenches are very well-known around the world. I found these wrenches in Lon-

don, in Toulouse, in Hong Kong, everywhere, because the brand name, just like McDonald's, like Gucci's, is very well-known. Then the Chinese Government merged another two legitimate factories that produced the wrenches under the one brand, Diamond. It was a prisoner product. So you could not figure out that this one is made by prisoners, and this one is made by a legitimate factory. I can take you there and you can see it. It is a legitimate factory. That is one case.

In a second case, I found boots, rubber boots, in Wal-Mart. It was a big shock. In Wal-Mart, K-Mart, and Home Depot. Also, I went inside China. I posed as a businessman. I went in front of the prison camp, I went to the sales department, I bought the boots, and I brought them back here. They were the same as the boots you could find in K-Mart, Wal-Mart, and Home Depot. But what can we do? Shall I name Wal-Mart? What is the evidence? Wal-Mart can deny it and say, "We do not know." They came from a trading company located in Los Angeles. The source was different, but the product was exactly the same. I can show you which Wal-Mart I bought them from, and which prison camp in China that I bought them from. How can we take these people to court? I do not know. I am scared to death to do it.

The other thing today, let me say it this way: the warden, the prison authorities, they are not able to choose professional workers or skilled laborers, because they are dealing with prisoners. They are dealing with peasants, maybe a teacher, maybe an old man. They have no choice. They do not hire people or interview people.

So we have to be very clear. Most of this labor today in prison camps is primitive labor. They do not really make a lot of products. This is a very special situation today where people really do not need skills, and do not even need a facility. For example, they can just sit with a small bench and assemble artificial flowers. They do not need any skills. They do not need any knowledge. They can assemble toys, assemble Christmas lights, do processing work.

Many today, in Guangdong and Fujian Provinces, are prisoners right now. But they are only doing a part of the processing, such as 1,500 prisoners in one prison camp, Jieyang. What are they doing? The design and cutting is done outside the prison camp. They only put a button on. You never know what is going on.

So the major problem is "what is the Laogai?" Forced labor is a national policy. If this country can use these products, they will definitely continue with forced labor. It is their policy.

Mr. DORMAN. Good. Thank you.

I have just a few more questions to begin the second round.

Back to a theme from the first round of questions, and like then, I am looking for comments and insights based on your deep experience. One thing that the Commission has been watching closely is the Chinese Government's commitment to open an International Committee of the Red Cross office in Beijing.

What is your sense of the impact this office will have when it opens? Will the ICRC find a more responsive Chinese Government in terms of prison visits and adding some transparency to this problem?

Mr. FIEDLER. Hopefully. I have great respect for the International Red Cross and I have little respect for the Chinese

Government. So, it means it is all really up to the Chinese Government. You can have a very good International Red Cross representative there, and yet an uncooperative Chinese Government, and you are not going to accomplish much.

Now, the fact that the Red Cross opens up an office, to some degree, confers legitimacy on the Chinese Government. Right? I mean, it makes everybody think wishfully that the situation is changing. I do not believe that the only criteria that we ought to set out for judgment on improvements in the Chinese system, even a major one, should be the presence of the International Red Cross.

I think there are a lot of criteria, such as the existence of forced labor, the continued existence of torture, the continued lack of due process, the continued persecution of Catholics, Falun Gong, Protestants, or whatever. There are lots of other criteria that ought to be addressed as true measures of progress.

Mr. XU. I would like to comment on this ICRC office. I think it is a very good move. In opening this office, it will definitely monitor and put pressure on the Communist regime, and watch their behavior. Also, one suggestion. When you are dealing with the Communists, it is good to know, what is Chinese Communism?

Recently, I read a series of articles from the Epoch Times. It is an editorial: Nine commentaries on Chinese Communism. It is very good and will tell you the nature of Chinese Communism. When you deal with them, it is better to look at that.

Mr. DORMAN. Good. Thank you.

Another short question regarding current procedures regarding U.S. Customs. What is the procedure right now, if any, for providing information to U.S. Customs on prison labor products entering the United States? Is there a procedure?

Mr. FIEDLER. Procedure? Like, a formal, you fill-out-a-form procedure?

Mr. DORMAN. Telephone number to call?

Mr. FIEDLER. No, I do not believe so. I mean, in fairness to the Customs Service, they will take information any way you can give it to them: call them up, write it down, give them photographs. But the problem is not so much how it comes. The problem is that I do not think the Customs Service has actively solicited the information. I do not think that they are interested.

I do not think, by the way—to be critical of Congress and the President—I do not know that there is any internal bureaucratic or political pressure for them to do so. So they are sitting back there saying, we will keep our heads down, and nobody is making any noise. Harry Wu has not gone into China again, because if he does he will do another 15 years. So, there is no pressure.

Mr. DORMAN. Good. Thank you.

One final question, a quick question. I looked over your written testimony, and you point to the importance of current, accurate information on such practices. I have looked through Mr. Xu's written statement. Of course, I have Mr. Wu's Laogai Research Foundation handbook in front of me.

Certainly without revealing sources or methods, can you give us a brief account of whether this information is current or not, or any other distinguishing features, that would be important, I think, for any government agency to take action.

I am thinking in very general terms. Is most of this information based on first-person accounts of people who have been imprisoned in these sorts of facilities? What other sources do you use?

Mr. FIEDLER. Generally speaking, his information is largely on first person account as former prisoners, and family members of prisoners. Our information is based on a number of things, such as first person accounts, statistical information, Chinese documents, commercial data bases where the Chinese list these prisons, their addresses, their names, a lot of historical data. We have to be very careful. You will see some camps still listed in the handbook, and we say they are no longer camps, that they shut this place down. But we leave it in for historical purposes. I am sure that there are problems. We do not phone them up and poll them all, although that is not entirely a bad idea, if your Chinese language skills are good enough. We can scam them. We used to scam them inside China all the time. It is dangerous work. But there are a variety of sources for information.

Mr. WU. I want to briefly talk about the rubber boots case. This prison camp produces 8 million pairs of rubber boots every year. According to government documents, they are mostly for export, including to the United States and Japan.

A couple of years ago, there was a deputy chief from a particular prison camp who defected. He escaped to Russia. I met him in Vladivostok. I interviewed him and collected all the information, written and by videotape. I turned it over to the Customs Service. In the Custom Service, there was a man named David Banner who interviewed this man in Moscow. Since then, nothing has happened. Unfortunately, the man was later forced by Chinese agents to return to China, and has now disappeared.

The Falun Gong has offered lots of information, particularly regarding Christmas lights. Is Customs going to take care of it? This has been witnessed. A location has been established. The Customs Service says, let us talk to the Chinese authorities. I remember there was a bill passed by the House—John Foorde maybe knows about this—for \$2 million for the Customs Service officials to stay in Beijing to take care of things. What have they done this year? I just want to know. They spend our money sitting in Beijing. What are they doing?

I really care about the Memorandum Of Understanding. For example, according to the MOU, if America requests it, the Chinese have to, within a certain time period, respond and allow the Americans to visit the camps and investigate. But this never happens.

Mr. FIEDLER. By the way, I said in my written testimony, but did not say in my oral testimony, we should abrogate the MOU. It is meaningless. Once we abrogate the MOU, we can work on that. Why should anyone expect the Chinese Government to incriminate itself?

I mean, it wants to keep its system going. We are asking, with a straight face, "you give us the evidence so that we can criticize you or we can take action against you," I mean, it is nonsensical.

Mr. XU. To Mr. Dorman's question, mainly, our data was from personal accounts, Falun Gong practitioners that have been rescued to Western countries. They tell us their stories. There are between 200,000 and 1 million Falun Gong practitioners that have

been sent to labor camps, and a lot of them, through the Internet, and also the telephone, release this information on their personal experiences to the outside.

Mr. DORMAN. Well, good.

As always, the 90 minutes has flown by. We have more questions, but perhaps we can continue the conversation offline in the future.

I, for one, have found this conversation very, very useful, and certainly am deeply appreciative of the fact that you have all come here and testified, and am particularly happy to see such a distinguished panel.

So on behalf of our Chairman Senator Chuck Hagel, and our Co-Chairman Congressman Jim Leach, I will bring this roundtable to a close. And again, thanks to our three witnesses for testifying today and sharing their deep experience and knowledge on this subject. Thank you very much.

[Whereupon, at 11:30 a.m. the roundtable was concluded.]

A P P E N D I X

PREPARED STATEMENTS

PREPARED STATEMENT OF HARRY WU

JUNE 22, 2005

While economic reforms have been implemented in China, political reforms have not been correspondingly carried out, and the Laogai system remains a critical factor in the Communist Party's ability to maintain political control. Efforts by the Laogai Research Foundation and other human rights groups to focus international attention on this system have resulted in the Chinese government dropping the term "laogai" (reform through labor) from its official documents and replacing it with the word "prison." This, as well as other pronouncements by the Chinese government in recent years, was designed to create the impression abroad that the Chinese system is similar to penal systems found in the West. However, as Chinese authorities emphasize, the function of reform through labor remains unchanged. Severe violations of human rights continue to take place in the Laogai system. The Laogai, just as the Gulag, is an obstruction to freedom and democracy. The Laogai is incompatible with freedom and democracy.

The Laogai is not a dying institution as some have suggested. It is true that the composition of the camps has changed. In the past, the majority of criminals were jailed for political reasons, and the majority of today's inmates are incarcerated for more common crimes. Nevertheless, this does not indicate a fundamental change in the nature of the Laogai. To the contrary, the Chinese government's dependence on the Laogai as its primary tool of suppression is as strong now as it was in the days of Chairman Mao Zedong's rule.

The Laojiao (re-education through labor) component of the Laogai was revived by Deng Xiaoping in the early 1980s, providing the Communist government with the right to arrest and detain dissenters without a formal charge or trial for a period of three years. Laojiao has since developed into one of the most commonly used tools for punishing and suppressing political and religious dissent, and is currently being used to suppress the Falun Gong movement.

In recent years, Chinese authorities have sent thousands of Falun Gong practitioners to the Laogai, where many of them have faced and continue to face torture, beatings, starvation, and forced labor under terrible conditions. Meanwhile, petitioners who have traveled en masse to Beijing and other cities to air their grievances about the destruction of their homes, unemployment, or unfair treatment have been imprisoned in the Laogai. These petitioners have usually done nothing illegal, and the police officers who detain them are often given monetary rewards based on the number of people they detain.

China has used lethal injection in its implementation of the death sentence since the late 1990s. This method of execution often takes place in hospitals. The Chinese government proclaims that this is a "civilized, progressive and humane" way to execute criminals. However, with no checks and no transparency in the legal system, we have enough reason to believe that this method is abused and that lethal injection is often unjustly used toward the end of harvesting prisoners' organs. It is also very difficult for the outside world to learn about and therefore condemn executions that take place quietly in a hospital.

The slogan for the Laogai remains "Reform first, production second." Millions of Chinese in the camps still face the daily "reform" components and political indoctrination, or brainwashing. Mental and physical abuse is common. The Chinese government, meanwhile, continues to refuse the International Committee of the Red Cross access to the Laogai.

Regarding the "production" aspect of the above slogan, the dual penal and commercial role of the Laogai is affirmed by China's Ministry of Justice. In its 1988 Criminal Reform Handbook, the ministry states that the Laogai "organizes criminals in labor and production, thus creating wealth for society." It has developed into diverse forms and plays an important role not only in the judicial but also in the economic arena. Our research and analysis shows that, as an institution within the Chinese communist regime, the Laogai has benefited tremendously from the opening of China to international commerce. International trade provides the camps access to hard currency as they export their products—everything from socks to diesel engines, raw cotton to processed graphite. By trafficking its forced labor products in the international marketplace, the Laogai system has grown bigger and stronger. This material reinforcement of the Laogai is happening despite the fact that the na-

ture and scope of the system's abuses are becoming increasingly apparent to the world community.

Due to strong resistance from Western nations against forced labor products, in 1991 China's State Council re-emphasized the ban on the export of "forced labor products" and stipulated that no prison is allowed to cooperate or establish joint ventures with foreign investors. However, the State Council's move was merely a superficial one, and prisoners today still produce forced labor products in great numbers. The Chinese government grants special privileges to enterprises using labor camps and prisons, to encourage and attract foreign investment and export. Prisoners are forced to manufacture products without any payment, and are often forced to work more than 10 hours a day and sometimes even overnight. Those who cannot fulfill their tasks are beaten and tortured. The forced labor products these prisoners produce are exported throughout China and the world.

Dictatorships throughout history have used mechanisms of fear and control to maintain the absolute power of their regime and annihilate political dissent. Hitler built the concentration camps of the 20th century not only to terminate the Jews but also to destroy his political opposition. Lenin began building labor camps right after the Russian Revolution to punish the anti-Bolshevik "unreliable elements" in 1918. His heir Stalin threw tens of thousands of Russians of different nationalities into the Gulag after the Great Purge that took place in the 1930s. Labor camps also played a significant role in the Soviet Union's industrialization at that time. Gulag prisoners were used as a source of infinite manpower to excavate the natural resources throughout the vast nation.

The Laogai, modeled after its Soviet counterpart, the Gulag, was established under Mao Zedong to serve as an instrument of political control for the newly empowered Chinese Communist Party. A combination of forced labor and regimented thought reform were to be the methods of reforming "counterrevolutionaries" and "reactionaries" from the former Chiang Kaishek regime into "new socialist beings." People were thrown into camps not because they were criminals but because they had been categorized into "bad" classes, as landlords, rich peasants, counterrevolutionaries, "evil" elements, rightists, etc. People were labeled as "criminals" because they or their parents belonged to these classes.

An examination of the Laogai in both theory and practice reveals a system that is fundamentally different than other systems of crime and punishment. Regardless of any reduction of the ratio of political prisoners to other prisoners in recent years or of the claims of the Chinese government regarding improvements in the conditions in the Laogai and in the Chinese judicial system, the theories that form the basis of the Chinese system pre-determine certain conclusions regarding its function, its methodology and its ideology.

In the fifty years since the creation of the Laogai, little of its organizational structure has changed. The Laogai system, despite minor modifications in regulations, is still governed by the same directives that were issued under Mao. These policies have led to three distinct categories of incarceration: Convict Labor-Reform (Laogai), Reeducation through Labor (Laojiao), and Forced Job Placement (Jiuye).

Today, more than a quarter century after Mao's death, the Laogai system still thrives, and an untold number of prisoners continue to suffer behind the high walls and the barbed wire fences of more than 1,000 Laogai camps. A majority of the inmates currently in the Laogai are incarcerated for reasons that have little to do with politics or class background; however, the Laogai still serves its political purpose. Individuals deemed to be threats to China's one-party system may be held for "crimes against state or public security" or "revealing state secrets," or for offenses that have the ring of more common crimes, such as hooliganism or arson, that actually mask politically motivated incarceration. Additionally, the general lack of due process in the Chinese legal system victimizes countless individuals. Well-documented reports of several human rights organizations have revealed a system where individuals are often convicted and sentenced with no trial at all. Even when an individual is able to secure their right to trial, they are often refused the right to adequately defend themselves, or they are convicted through "evidence" that was extracted through torture.

The Criminal Procedure Law of 1979, along with the Revised Criminal Procedure Law of 1997, have proven inadequate both in content and implementation. The "legal reform" that came about in 1978 and became more agitated in the 1990s did indeed bring some changes to the judicial field. The procuratorate, arbitration, notarization, and attorney systems were revised. Hundreds of laws and regulations were reviewed and reformed, and new laws were promulgated. Theoretically, there are now more managerial mechanisms in the judiciary than before, since the National People's Congress set up a supervisory organ to carry out supervision in the judicial area. However, everything must still follow the main principle of acting "in favor

of the leading role of the Communist Party.” The fact that in the year 2001 China had more judges (130,000) and prosecutors (159,638) than lawyers (100,198) reflects the phenomenon of the unbalanced public and private legal situation in the country.

The recent “legal reform” launched and touted by Chinese authorities has received a wide range of international assistance from European countries and the United States. This assistance has provided many public servants, such as prosecutors, public security officers, and wardens, the opportunity to go abroad to learn from Western countries’ legal systems. Yet these better trained legal servants lack both the ability and the will to help their poor and underprivileged Chinese compatriots when they return to China.

HISTORY OF THE LAOGAI

The initial conception of the Laogai was not a Chinese innovation, but was actually passed down to China from the Soviet Union, where the Soviet Communists had already formed the Gulag, the predecessor of the Laogai. This cooperation originated in a defense treaty signed by the Soviet Union and China in 1950 whereby the Soviet government agreed to lend aid to China and to assist in the development of certain basic institutions of society, including the Chinese penal system, to be modeled directly after the Gulag. This tutelage led to the early years of the Laogai, and to a blending of the tenets of both the Chinese and the Soviet philosophies of reform through labor to form what is known today as the Laogai.¹

During the early years of the Laogai, many prisons dedicated much of their labor force to massive state-run reconstruction projects that would have been impossible to undertake through the labor of the Chinese people at large. So it was that millions of Chinese prisoners came to labor on the massive irrigation, mining and dam building projects that were carried out during the Great Leap Forward at the end of the 1950s. The most infamous of these projects took place in the more remote provinces, such as Gansu, Guizhou, Xinjiang and Tibet. In numerous camps in these areas, prisoners were forced to work at projects to reclaim wastelands and to unearth dangerous mines. Due to the treacherous conditions and the famine that resulted from the disastrous policies of the Great Leap forward, hundreds of thousands perished in China’s prisons during this time.²

During the earlier years of the Laogai’s existence, the proportions of political prisoners confined in its facilities were greater than they are today. Due to the massive and unending political campaigns of the 1950s and 1960s, there remained a constant influx of counterrevolutionaries who were forced to join common criminals serving time in the camps. During the 1950s, it is estimated that up to ninety percent of those serving sentences in the Laogai were initially arrested for political reasons. This number declined slowly but steadily during the sixties and seventies, but due to continuing purges and to the horrors of the Cultural Revolution, it was not until the 1980s that the ratio dropped down to approximately ten percent. Public Security Bureau documents state that in 1985, 10 percent of those detained in Labor Reform Prisons (excluding Laojiao and Jiuye) were counterrevolutionaries and 1.8 percent were historical counterrevolutionaries.³ These numbers may have changed slightly since 1985, but it is impossible to calculate a precise estimation with a lack of official documents.

Because the reasoning for China’s opening was motivated more by a desire to improve economic development than to achieve any development in the political system, the majority of laws written as a result of the opening related to economics and business and not to crime and punishment. There were, however, a small number of laws relevant to the prison system that emerged at this time. Among these, the Criminal Law of the PRC was among the most important. Signed into law in 1979, this law included guidelines on Laogai ideology, crime and punishment, the death penalty, and three different categories of political offenses. These categories include the following: crimes of counterrevolution, crimes of endangering public security, and crimes of disrupting the order of social administration. The law defines “counterrevolutionary crimes” as the following:

“All acts endangering the People’s Republic of China committed with the goal of over-throwing the political power of the dictatorship of the proletariat and the socialist system.”

When Deng Xiaoping came to power following Mao’s death and hundreds of thousands of so-called counterrevolutionaries were rehabilitated, many thought the years of horror had passed. Although the era heralded by Deng the pragmatist brought

¹Leong, Albert. *Gulag and Laogai*. Eugene: University of Oregon Press, 1999.

²Jasper Becker. *Hungry Ghosts: Mao’s Secret Famine*. New York: Henry Holt and Co. 1996.

³Hongda Harry Wu. *Laogai: The Chinese Gulag*. Boulder: Westview Press, 1992.

an end to mass purges, statements of Deng Xiaoping also justified the suppression of political dissidents, such as the following:

“Under the present conditions, using the suppressive force of our Nation to attack and disintegrate all types of counterrevolutionary bad elements, anti-party anti-socialist elements and serious criminal offenders in order to preserve public security is entirely in accord with the demands of the people and with the demands of socialist modernization construction.”⁴

The CCP, to this day, has also proven no more tolerant of dissent. Beginning with the brutal crackdown on those who participated in the Democracy Wall Movement of 1979, Deng set the rules for Chinese political life in the post-Mao era. Eventually, under Deng’s leadership, Chinese authorities amended the Chinese constitution to abolish earlier guarantees of the rights to speak out freely, hold debates and put up wall posters. Authorities often do not think twice about suspending the legal guarantees that remain enshrined in the nation’s constitution and laws. Against a backdrop of modernization and reform in Chinese corporate law, dissidents are still detained illegally, deprived of legal representation, tortured, and forced to labor and have their sentences extended for political reasons. In short, they remain the victims of a regime that does not respect the rule of law.

Thus even as China moves toward further economic integration with the international community, the Chinese prison camp system retains its political function. According to the Chinese government document “Criminal Reform Handbook” (approved by the Laogai Bureau of the Ministry of Justice in 1988):

“The nature of the prison as a tool of the dictatorship of classes is determined by the nature of state power. The nature of our Laogai facilities, which are a tool of the people’s democratic dictatorship for punishing and reforming criminals, is inevitably determined by the nature of our socialist state, which exercises ‘The People’s Democratic Dictatorship.’ The fundamental task of our Laogai facilities is punishing and reforming criminals. To define their functions concretely, they fulfill tasks in the following three fields: 1. Punishing criminals and putting them under surveillance. 2. Reforming criminals. 3. Organizing criminals in labor and production, thus creating wealth for society. Our Laogai facilities are both facilities of dictatorship and special enterprises.”

Several more legal reforms came in the 1990s, the most significant of these being the revised Criminal Code of 1997 and the Criminal Procedure Code of 1997. These two revised codes brought changes to certain provisions from the 1979 versions, although such alterations in language resulted in little progress in practice. For example, in the new law, the section from the 1979 law that was entitled “counterrevolutionary crimes” was renamed “crimes against state security,” and the previously stated definition of counterrevolutionary laws was deleted from the provisions. However, the laundry list of political crimes remains within the law with few changes from its previous version. Far from indicating that activities previously considered “counterrevolutionary crimes” are now legal, this omission expands the scope of punishable acts to all those which fit the vague, undefined notion of “endangering state security.” Additionally, both the 1979 and 1997 versions of the Criminal Procedure Code included provisions for protection of rights to due process and to appeal in what appears on paper to be a law-abiding system of crime and punishment.⁵ Reports of human rights groups, governments and multilateral organizations everywhere document China’s continuing failure to protect rights of due process for its citizens. In recent years, many reports have even stated that circumstances have deteriorated during the last few years as China has carried out crackdowns on groups such as Falun Gong, the China Democracy Party, and Internet authors who Communist authorities feel pose a threat to their power. Communist authorities have also recently cracked down on the large numbers of petitioners who have flocked to Beijing to seek justice for the loss of property due to construction projects, as well as for unfair employment practices and other grievances.⁶

Despite recent societal advances in the People’s Republic of China, the most troubling aspects of the Communist Party’s leadership, such as the Laogai, still remain. With its roots in Mao’s leadership, today’s Chinese communist system is characterized by a massive bureaucracy that oversees the public ownership of the principal

⁴Deng Xiaoping Xuanji (Selected Works of Deng Xiaoping). Beijing: People’s Press, March 30, 1979, pp. 87, 155, 333.

⁵Lawyers Committee for Human Rights. Opening to Reform? An Analysis of China’s Revised Criminal Procedure Law. New York: Lawyers Committee for Human Rights, 1996.

⁶See 2003 and 2004 reports from the U.S. State Department, Amnesty International, Human Rights in China, the Laogai Research Foundation and the Guancha web site, www.guancha.org in Chinese, www.cicus.org in English, published by the China Information Center.

means of production, despite widely touted economic reforms. The Communist Party economic theory, whether espoused by Mao or Deng, posits that human beings are key instruments of production. While Deng loosened state control over certain aspects of Chinese people's private lives, he and his successors have continued to deny the Chinese people fundamental political rights such as the freedoms of speech, press, assembly, and association.

The underlying rationale for China's forced labor camps remains political necessity. The primary purpose of the Laogai is not simply to maintain order in society or to punish criminals in accordance with the law, but to protect and consolidate the dictatorship of the Chinese Communist Party.

THOUGHT REFORM

Perhaps the most unique aspect of the Laogai is the focus on thought reform (sxiang gaizao). Mirroring the enormous efforts of large-scale thought manipulation of the Chinese population following the Communist takeover, thought reform has been an intrinsic part of the Laogai since its establishment. In October 1951, Premier Zhou Enlai stated at a national conference to central government officials: "Our thoughts have been either bandaged by feudalism or enslaved by imperialism . . . in order to serve the demands of our new China, we need to reform our thoughts constantly . . . thought reform is inevitable, if an intellectual wants to serve the new China and the people." On September 29 of that same year, Zhou had already given a five hour-long speech at Beijing University (Beida) with the topic "Regarding the reform of the intellectuals." Premier Zhou used his personal experience to persuade the students and teachers at Beida of the importance of correcting one's mistakes and reforming one's thoughts, stating that this was the only way to adjust an intellectual to suit the socialist new China. After Zhou's speech, a movement of thought reform spread out among colleges and universities throughout the nation. Mao Zedong praised this campaign as a "new phenomenon, worthy of being celebrated." Mao emphasized that: "Thought reform, especially the thought reform of the intellectuals, is one of the most important conditions necessary to achieve real democratic reform and the step-by-step industrialization of our nation."⁷

The tendency of Chinese authorities to emphasize the struggle of the majority to eliminate a tiny minority of enemies of the people remains prominent. The ongoing campaign against Falun Gong practitioners and members of various house churches in China illustrates this pattern. Struggles of this kind will drag on for months with hundreds and sometimes thousands arrested and sent to be re-educated. Meanwhile, the campaign will go on, reporting that while the masses continue their struggle, many individuals among the minority of enemies have been successfully reeducated, but the struggle must continue to eliminate the "tiny, tiny recalcitrant minority" of enemies that threaten the good of the people and the motherland.⁸

Nowhere is this struggle more prominent than in the Laogai. While the intense political study sessions of the Maoist era are a thing of the past, prisoners must still repeatedly confess their crimes and provide self-criticisms, as the Chinese legal system still lacks a presumption of innocence. Prisoners are still stripped of their personal identity and reduced to accepting only the identity they can be offered through the Communist authorities. All criminals must renounce any political and religious beliefs that the state considers subversive. The Catholic priests, Falun Gong followers, and democracy activists trapped in the Laogai today must all confess their "crimes" against the nation, recant their beliefs, and undergo special re-education classes, which according to recent reports may incorporate torture. Group humiliation is also a well-known tenet of Laogai thought reform patterns. Prisoners are turned against one another and are forced to criticize and sometimes even physically beat one another in struggle sessions. This again reinforces the isolation of the prisoner and the feeling that they will not become part of the group until they submit to the authorities and allow themselves to be "re-educated."⁹ Even more common in contemporary China, however, is the melding of reform and labor to

⁷ See Xiao Shu, "Tianma de zhongjie-zhishi fenzi sxiang gaizao yundong shuiwei" (The end of a heavenly horse—Some details about the thought reform movement of the intellectuals), http://www.boxun.com/hero/xiaoshu/4_1.shtml.

⁸ Amnesty International, *No One is Safe: Power, Repression, and Abuse of Power in the 1990s*. New York: Amnesty International, 1996.

⁹ Robert J. Lifton, *Thought Reform and the Psychology of Totalism*. Chapel Hill: University of North Carolina Press, 1989. To read more about thought reform in the Laogai, see also the eight volumes of the Laogai Research Foundation's Black Series, a Chinese-language series of political prisoners' autobiographies—information on this series can be found on the Foundation's web site, www.laogai.org.

produce the desired results: the Chinese Communist Party squeezes out every available ounce of labor from its prisoners to prove that they are but tools at the mercy of the state.

COMPONENTS OF THE LAOGAI

The Laogai Research Foundation has gathered evidence on the main components of the Laogai as defined by Chinese law, policies, and practices. The legal definition of the Laogai entails six main components: prisons (*jianyu*), reform-through-labor detachments (*laodong gaizao dui* or *laogaidui*), reeducation-through-labor facilities (*laodong jiaoyang suo* or *laojiaosuo*), detention centers (*kanshousuo*), juvenile offender facilities (*shaoguansuo*) and the practice of forced-job-placement (*qiangzhi jiuye* or *liuchang jiuye*). In general, prisons and laogai detachments house “convicts,” prisoners who have received formal sentencing by the courts (due process and judicial independence in China notwithstanding). The distinction in the terms “prison” and “laogaidui” originated in a 1994 Prison Law in which China’s prison system was renamed, altering the term from “Laogai” (reform through labor) to “prison.” An article in the January 7, 1995 edition of the government-sanctioned *Beijing Legal Daily* (Fazhi ribao) revealed the reasoning behind this superficial change:

“Our renaming of the Laogai is what our associating with the international community calls for, and it is favorable in our international human rights struggle. Henceforth, the word “Laogai” will no longer exist, but the function, character and tasks of our prison administration will remain unchanged.”

Reeducation-through-labor facilities, or *laojiaosuo*, house prisoners who receive “administrative discipline” and sentencing of up to three years by police or the courts with no formal trial. Detention centers are for “convicts” sentenced to short-term (usually less than two years’) imprisonment by a court, those awaiting sentencing, and prisoners who are awaiting execution. Juvenile offender facilities are for adolescent “convicts” or reeducation-through-labor detainees. Finally, forced-job-placement personnel are subject to indefinite assigned labor at forced labor facilities as directed by the courts or the Laogai Department following the completion of their sentences. These prisoners are deemed “not fully reformed” and are therefore denied their freedom even after the completion of their sentences. This kind of extended imprisonment was widely practiced through the 1990s.¹⁰ Today *qiangzhi jiuye* has been largely abolished, but is still practiced in some regions.

The Chinese Communist Party utilizes numerous forms of imprisonment under China’s Public Security Bureau (PSB), the Ministry of Justice, and the People’s Liberation Army. However, whether individuals are thrown into a prison (*jianyu*), a reeducation-through-labor camp (*laojiao suo*), a juvenile offender facility (*shaoguan suo*), a county detention center (*kanshou suo*), or are those inmates who have finished their sentences but are forced to remain in the camps as forced job placement (*qiangzhi jiuye* or *liuchang jiuye*) workers, all are equally deprived of their freedom. Whatever the Communist Party may wish to call them, they remain under de-facto imprisonment. Furthermore, it is only with rare exception that these prisoners—regardless of the pretext for their incarceration—are not forced to labor against their will. When it appears in this Handbook, the term Laogai is used to refer to all forms of imprisonment used by the Chinese Communist Party. The CCP maintains control over all of these entities, and depends upon each of them to sustain its power.

LAOGAI: REFORM THROUGH LABOR

Only criminals who have been arrested and sentenced are confined to the Laogai prisons. All prisons include factories, workshops, mines or farms in which all prisoners are forced to labor. Each prison also has an alternate production unit name. It is very hard to say how many labor reform camps there are in each province or autonomous region with any certainty because of the secrecy with which the Chinese Communist Party enshrouds these camps. Never has the Chinese government allowed the Red Cross or any other international body to inspect conditions in the Laogai.

According to testimony gathered by the Laogai Research Foundation, conditions vary from camp to camp and from year to year depending on the shift of ever-changing political campaigns. Certain basic tenets remain the same, however, as all prisoners are forced to labor, undergo thought reform and submit to prison authorities.

¹⁰ See Cheng Zhonghe, *Forty Years in China’s Inferno*. Washington, D.C.: Laogai Research Foundation’s Black Series, 2002. The author spent ten years in prison after he had already fully served his 20-year sentence. See also Palden Gyatso, *Fire Under the Snow*, The Harvill Press, 1997. Palden Gyatso, a Tibetan monk, stayed in prison for forced job placement for ten years after he had already fully served his 15-year sentence.

Appalling conditions for laborers persist in many camps. LRF researchers have confirmed sites where prisoners mine asbestos and other toxic chemicals with no protective gear, work with batteries and battery acid with no protection for their hands, tan hides while standing naked in vats filled three feet deep with chemicals used for the softening of animal skins, and work in improperly run mining facilities where explosions and other accidents are a common occurrence. Political prisoners are commonly housed together with other prisoners, although there are numerous reports of the solitary confinement of political prisoners.

Laogai prisoners are often forced to work extremely long hours, deprived of sleep and forced to take on a highly intensive workload. For instance, in 2001, prisoners at the Beijing Xin'an Female Labor Camp near Beijing were forced to work from 5 a.m. until 2 or 3 a.m. the next day to make toy rabbits.¹¹ In another instance, some 10,000 detainees at the Lanzhou Dashaping Detention Center and the Lanzhou No. 1 Detention Center were forced to use their hands to peel the shells off melon seeds. While working outside, many of these detainees suffered frostbite, cracked and bleeding hands, damage to their teeth and the loss of fingernails. They were forced to squat on their heels to do this work continuously for more than 10 hours, with no pay. In 2001, a Falun Gong practitioner and prisoner at the Lanzhou No. 1 Detention Center was unable to finish his work quota because of the physical ailments he suffered as a result of the work, and was thereby tortured by prison inmates at the orders of a prison official. After suffering severe injury to his abdomen as a result of this torture, he died at the beginning of January 2002.¹²

Reports of torture are common and include beatings with fists and cattle prods, exposure to extreme cold and extreme heat, sleep deprivation, shackling and starvation. Members of China's Uighur minority, among others, are frequent victims of torture in Chinese prisons. A 31-year-old activist from China's Uighur minority was tortured to death in the Chapchal Prison in Xinjiang Province in October 2000.¹³ According to the Tibet Information Network, during the 1990s, nuns imprisoned in the Laogai in Tibet had a one in twenty chance of being raped or killed while in prison.¹⁴

In 1994, the CCP responded to increasing international attention to the Laogai camps by officially changing the name of the camps from Laogai (reform through labor) to "Jianyu," the Chinese term for prison. But as stated previously, this small change in semantics does nothing to change the essential nature of the camps, which continue on, in every other respect, just as they had prior to the change.

"REEDUCATION-THROUGH-LABOR" (LAODONG JIAOYANG)

Laodong jiaoyang, commonly abbreviated as "Laojiao," serves as one of the most useful tools for the Chinese Communist Party in its constant efforts to silence critics and punish political prisoners without having to bother with legal proceedings. According to the 1957 law which created Laojiao, it is an administrative measure of reform through forced labor designed to "reform idle, able-bodied people who violate law and discipline and who do no decent work into new people, earning their own living; it is also made in order to further strengthen social order and enhance socialist construction."¹⁵ A 1982 Chinese State Council circular to the Public Security Bureau titled "Measures for Reeducation through Labor" similarly refers to Laojiao as an "administrative action for carrying out strict education and reform." This allows the Public Security Bureau to detain and sentence individuals for up to three years without any legal proceedings. A variety of agencies and individuals, from family members to employers to the police, can recommend, through a petition process, individuals to reeducation. Most often, local police determine a reeducation term.

Laojiao camps are not included in any official accounting of the number of prisoners in the Laogai system. By the same logic, those in Laojiao camps are not considered convicted prisoners and, as such, are not covered under the international treaties for treatment of prisoners, nor are the goods they are forced to manufacture covered by the bilateral agreements between the United States and Chinese governments banning trade in forced labor products.

¹¹ "Investigation Reveals Production of Laogai Goods for Export," World Organization to Investigate the Persecution of the Falun Gong, reprinted in the Laogai Research Foundation's *Laogai Report*, 2003 Vol. 1 1 No.4.

¹² *Ibid.*

¹³ Agence France Presse "Uighur Tortured to Death in Chinese Prison," October 24, 2000.

¹⁴ Steven Marshall. *Hostile Elements: A Study of Political Imprisonment in Tibet in 1987-1998*, London: Tibet Information Network, 1999.

¹⁵ Law passed by the 78th meeting of the Standing Committee of the People's Congress on August 1, 1957. Promulgated by the State Council on August 3, 1957.

Reports by several other human rights organizations, including Amnesty International, Human Rights Watch, and LRF also document the continued use of the Laojiao system to arbitrarily detain both penal and political criminals alike.

Evidence indicates a recent increase in the construction of Laojiao facilities, suggesting that the system has proven itself an effective muzzle for many individuals deemed hostile by the Chinese government. According to a 1997 report by the U.N.'s Working Group on Arbitrary Detention, published after the Group's trip to China that year, there are 230,000 persons in 280 Laojiao camps throughout the country. The figure represents more than a 50 percent increase over four years. At the end of 1993, the reeducation through labor population figure was 150,000. A 1996 report issued by the Chinese Ministry of Public Security and obtained by a Taiwanese publication, indicates that as of September 24, 1996, there were a total of 1.78 million persons in Laojiao.¹⁶

JIUYE: FORCED JOB PLACEMENT

One of the most blatant human rights abuses of the CCP is "Jiuye." According to Chinese government regulations and criminal theory, a prisoner who is deemed to be "not well reformed" or a recidivist may be forced to remain indefinitely in the Laogai camp in which they completed their sentence. Chinese law stipulates that the following individuals should be subject to Jiuye:

"Criminals who are not well reformed should usually undergo forced job placement in the camp. They include: important counterrevolutionaries . . . who show no evident signs of repentance during their terms and may revert to crimes after completing their terms, and assaulting the socialist system, vilifying the Party's line, principles, and policies . . . seriously violate reform regimen . . . those who consistently refuse to labor, or deliberately sabotage production and do not correct themselves despite repeated admonitions."¹⁷

Forced Job Placement is an applied system without clear judicial regulations. There is no strict definition of the targeted groups or individuals—it is a prolonged laogai system. Hundreds of thousands of "criminals" have been detained indefinitely in laogai farms, mines or factories to produce wealth for the state. Hundreds of accounts of the implementation of these inhumane regulations can be read in the memoirs of Laogai prisoners.¹⁸

JUVENILE OFFENDER CAMPS

In accordance with Communist regulations, juvenile offender camps are organized on provincial, municipal, and autonomous regional levels. Statistics show that there are now a total number of approximately 50–80 such camps, with a total prisoner population of approximately 200,000–300,000. These numbers do not include those juveniles who have been sent to Laojiao and prison facilities.

All juvenile offenders are forced to labor like other prisoners and are organized along the same lines as their older counterparts.¹⁹

THE LAOGAI ECONOMY AND FORCED LABOR IN CHINA'S LAOGAI SYSTEM

The Laogai remains the most extensive and secretive network of forced labor camps operated by any country in the world. The slogan for the Laogai remains "Reform first, production second." Millions of Chinese in the camps still face the daily "reform" components and political indoctrination, or brainwashing. Mental and physical abuse is common. The Chinese government, meanwhile, continues to refuse the International Committee of the Red Cross access to the Laogai.

Regarding the "production" aspect of the above slogan, the dual penal and commercial role of the Laogai is affirmed by China's Ministry of Justice. In its 1988 Criminal Reform Handbook, the ministry states that the Laogai "organizes criminals in labor and production, thus creating wealth for society." It has developed into diverse forms and plays an important role not only in the judicial but also in the economic arena. Our research and analysis shows that, as an institution within the Chinese communist regime, the Laogai has benefited tremendously from the opening of China to international commerce. International trade provides the camps ac-

¹⁶Li Zijing, *Cheng Ming Monthly*, November 1996, pp. 14–16. Excerpted in the January 1997 issue of *Inside China Mainland*.

¹⁷Decisions on handling fugitive and recidivist criminals and reeducation-through-labor personnel" adopted by the 19th session of the 5th Standing Committee of the National People's Congress, June 10, 1981.

¹⁸Many autobiographies have been written by former Laogai inmates—see the eight-volume *Black Series of the Laogai Research Foundation*, Washington, D.C. 2001–2004.

¹⁹Hongda Harry Wu. *Laogai: The Chinese Gulag*.

cess to hard currency as they export their products- everything from socks to diesel engines, raw cotton to processed graphite. By trafficking its forced labor products in the international marketplace, the Laogai system has grown bigger and stronger. This material reinforcement of the Laogai is happening despite the fact that the nature and scope of the system's abuses are becoming increasingly apparent to the world community.

Due to strong resistance from Western nations against forced labor products, in 1991 China's State Council re-emphasized the ban on the export of "forced labor products" and stipulated that no prison is allowed to cooperate or establish joint ventures with foreign investors. However, the State Council's move was merely a superficial one, and prisoners today still produce forced labor products in great numbers. The Chinese government grants special privileges to enterprises using labor camps and prisons, to encourage and attract foreign investment and export. Prisoners are forced to manufacture products without any payment, and are often forced to work more than 10 hours a day and sometimes even overnight. Those who cannot fulfill their tasks are beaten and tortured. The forced labor products these prisoners produce are exported throughout China and the world.

Today, more than a quarter century after Mao's death, the Laogai system still thrives, and an untold number of prisoners continue to suffer behind the high walls and the barbed wire fences of more than 1,000 Laogai camps. A majority of the inmates currently in the Laogai are incarcerated for reasons that have little to do with politics or class background; however, the Laogai still serves its political purpose. Individuals deemed to be threats to China's one-party system may be held for "crimes against state or public security" or "revealing state secrets," or for offenses that have the ring of more common crimes, such as hooliganism or arson, that actually mask politically motivated incarceration. Additionally, the general lack of due process in the Chinese legal system victimizes countless individuals. Well-documented reports of several human rights organizations have revealed a system where individuals are often convicted and sentenced with no trial at all. Even when an individual is able to secure their right to trial, they are often refused the right to adequately defend themselves, or they are convicted through "evidence" that was extracted through torture.

During the early years of the Laogai, many prisons dedicated much of their labor force to massive state-run reconstruction projects that would have been impossible to undertake through the labor of the Chinese people at large. So it was that millions of Chinese prisoners came to labor on the massive irrigation, mining and dam building projects that were carried out during the Great Leap Forward at the end of the 1950s. The most infamous of these projects took place in the more remote provinces, such as Gansu, Guizhou, Xinjiang and Tibet. In numerous camps in these areas, prisoners were forced to work at projects to reclaim wastelands and to unearth dangerous mines. Due to the treacherous conditions and the famine that resulted from the disastrous policies of the Great Leap forward, hundreds of thousands perished in China's prisons during this time.²⁰

The Laogai Economy

Besides being an important part of China's public security and a tool of the dictatorship of the proletariat, the Laogai camps are also an integral part of China's national economy. Chinese authorities see the Laogai as a source of endless cost-free labor and are continuously studying the application of forced labor in increasing productivity and profits. Since the establishment of Deng Xiaoping's expansion and reform of China's export economy, the Communist Party has sought to use these state organs of repression to turn a profit. The use of forced labor in China is simply seen as another input into the economic equations of the Communist State. The deliberate application of forced labor by the Chinese government has spawned an entirely new field in China's economy: the economics of slavery.

The millions in the Chinese Laogai constitute the world's largest forced labor population. While those in the Laogai face political indoctrination and physical and mental deprivation as part of the "reform" regimen, they are simultaneously forced to labor and face production quotas in their "labor" evaluation. The universal slogan in the Laogai is "Reform First, Production Second."

However, in recent years, the economic goals of the Laogai have come to supersede even the political aims. Production seems to have taken the place of reform as the ultimate goal. Laogai officials are more concerned with meeting production quotas and turning a profit for the Communist Party and for personal gain than with actually reforming the criminals serving time in the Laogai.

²⁰Jasper Becker. *Hungry Ghosts: Mao's Secret Famine*. New York: Henry Holt and Co. 1996.

In an opening essay of an official Chinese government document entitled, “On the Present Conditions of Laogai Economics,” the integration of the Laogai as one segment of the central government’s economic program is laid out accordingly:

“In our nation, the Laogai economy is a branch of the economy of specific nature. Laogai economics has the dual characteristics of the management of economic administration and the study of reform through labor. In viewing the socialist ownership of means of production under the control of the whole people it is a component of the socialist national economy . . . Among Laogai products, some are indispensable goods in the national plan and the people’s lives, some are used in national defense industries; some special products which are made with Laogai characteristics are welcomed by society; some have already been named as national or provincial superior products; [and] some have reached world-class, advanced levels. Some of the products are even exported to various parts of the world, not only earning large amounts of foreign currency, but also winning praise for the state.”²¹

Chinese authorities carefully monitor labor production in the Laogai system to reward the most productive facilities and “correct” the poor performance of less productive facilities. Laogai enterprises participate in national evaluations to confirm that forced labor has reached certain standards. As stated in a 1991 Asia Watch report:

“The use of forced labor is a central government policy, not one developed on an ad-hoc basis by labor reform units in the coastal provinces where a large portion of the goods are produced.”²²

In a bulletin entitled *The Demands of the Country’s Condition—Strength and Realities*, the CCP expounded upon the need for the Laogai camps to be productive:

“Due to our national condition and strength, the country cannot provide to the Laogai Departments all the expenses they require. Because of this, it is extremely necessary that Laogai Departments, while not influencing the reform of criminals [i.e. not sacrificing the reform aspect of the Laogai system], strengthen production and management administration, and mobilize and expand prisoners’ enthusiasm to labor and produce, thus creating more wealth for the state through reform-through-labor.”²³

The actual scope of the “Laogai economy” as a component of the overall Chinese economy is difficult to quantify using open sources. As the Laogai became a major issue in world condemnation of the Chinese dictatorship’s disregard for basic human rights, documentation of the Laogai became scarce. The Chinese government considers information relating to the camps to be “state secrets.”

The Chinese government refuses access to the Laogai by the International Committee of the Red Cross to inspect conditions of political prisoners. Authorities also deny the U.S. Customs and Border Protection the right to inspect Laogai facilities suspected of importing their products to the United States, despite a binding bilateral agreement to allow visits to the Laogai for such purposes. The Chinese government rebuffs any attempts by foreign organizations or governments to independently inspect or study the dual political and economic role of the Laogai. For instance, in June 2004, China finally agreed to allow the first visit by U.N. Special Rapporteur on Torture Theo van Boven after about a decade of discussions, but then postponed the visit at the last minute, prompting criticism from human rights groups and others.²⁴

Laogai administrators must adhere to the traditional emphasis on reform of prisoners in order to mold them into “new socialist persons” while reaching certain productivity and profit levels. The removal of direct government support for the Laogai pushes the drive for increased production and income for individual enterprises. This causes, however, a contradiction between the traditional role of the Laogai camps as centers of reform and the necessary role of the Laogai as producer in the “socialist market economy with Chinese characteristics.” In China’s attempts to modernize the Laogai economy and to make products and production suitable for international progress, the aspect of “reform” has often taken a back seat to production, and even more than that, to profit.²⁵

Given that the end result of the emphasis on production is for the Laogai enterprise to look for the greatest source of income available in the marketplace, it fol-

²¹ Gu Jianguo, *Laogai Jingji Xue (Laogai Economics)*. China Railways Publishers: 1990.

²² *Prison Labor in China*. News from Asia Watch report. April 19, 1991.

²³ *The Laogai Research Foundation*, June 30, 1999.

²⁴ *Agence France Presse*, “Bush asked to pressure China to allow U.N. probe on torture,” October 5, 2004.

²⁵ *Ibid.*

lows for those Laogai enterprises that have the highest quality production to make the ensuing move on to international markets through exports. Despite denials by Chinese government officials, Laogai products have time and time again been found to be available on the international market. In reality, the Chinese government constantly encourages the export of Laogai goods, as can be seen in the following excerpts from Chinese government documents:

“Laogai units, which develop foreign-oriented economies, not only create large amounts of foreign currency for the state and increase state revenues; the Laogai units themselves develop.”²⁶

“Laogai units which develop foreign-oriented economics push their products into the international market [where they] not only win praise for the state, but also increase the foreign currency revenue of the state and accelerate the economic construction of the state. Because of this, the development of the Laogai economy itself or the development of the national economy as a whole is absolutely essential.”

“To vigorously develop foreign-oriented economics whenever it is possible and permissible is an important path to further strengthening the Laogai economy, to accelerate technological progress, to arm the Laogai management detachments, to fully utilize the initiative and creativity of cadre guards, employees and technical personnel, and to improve qualifications of all categories of personnel to enhance the impact and role of the Laogai economy.”²⁷

As a result of these policies, goods made by Chinese prisoners have time and time again found their way into U.S. and world markets. And countless unknowing consumers have purchased goods produced in China’s forced labor camps.

Most Laogai camps have two names: a public name (usually an enterprise name), and an internal administrative name. Yinying Coal Mine in Shanxi Province, for example, is the public name for the Yangquan No. 1 Prison. In carrying out the dual political and economic functions directed by Chinese Communist forced labor theory, individual Laogai facilities operate under distinct names for each of their identities. Laogai facilities may operate under multiple enterprise names in order to publicize their production and participate in the commercial arena, as well as to avoid detection by international observers. Furthermore, Laogai facilities may also operate under multiple internal names as designated by the Judicial Department in the course of implementing the “reform” of prisoners and central government edicts. For example, the Laogai with the commercial name Qingdao Shengjian Machine Works has two internal names: Lanxi Prison and Prov. No. 2 Prison.

Forced Labor

The grueling, punitive forced labor component of the Laogai, aside from presenting a cruel means of physical punishment for prisoners, also provides a number of financial benefits for the Chinese government. Since the establishment of Deng Xiaoping’s “open” China and the formation of China’s “socialist market economy,” the Chinese government has sought to operate the Laogai at a profit. Goods made in the Laogai have become a part of China’s domestic economy, and to an extent, Laogai-made goods are also filtering into foreign markets, including the United States.

The theoretical basis of the Chinese Communist ideas regarding reform through labor have their roots in the writings of Marx and Engels as they were interpreted by the Soviets and then reinterpreted by Mao Zedong. Fundamentally, these theories promote the idea of criminals as exploiters who do not possess the ideology of the proletariat. In order to be stripped of their “parasitical” ideology, they must be taught to work, like the members of the proletariat, and then therefore take on their revolutionary ideology.²⁸ As the Laogai became an institution of Chinese society, labor and production remained integrally tied to the function of “reforming” criminals. In the following directive, the Chinese Communist Party defends forced labor by prisoners:

“Our Laogai facilities force prisoners to labor. It is determined by the nature of criminal punishment in our country, by the dictatorial functions of our facilities and their aim of reforming prisoners into new, socialist people. Our Laogai facilities are both special schools for Laogai prisoners and special state-owned enterprises.”²⁹

²⁶ Ibid.

²⁷ Ibid.

²⁸ Harold Tanner. China Information, “China’s Gulag Reconsidered: Labor Reform in the 1980s and 1990s,” Vol. 9, No. 2/3, Winter, 1994–1995.

²⁹ Approved by the Laogai Bureau of the Ministry of Justice. Shaanxi People’s Publishing House, 1988, pp. 132–133.

According to Communist theory, the ultimate goal of forced labor is two-fold, production and reform:

“Laogai production serves as a means for reforming prisoners and bears the political obligation of punishing and reforming prisoners; it also serves as an economic unit producing goods for society and bears the economic obligation set by guidelines of the state. These dual obligations and dual accomplishments (the reforming of prisoners into new men and the production of material goods) must be advanced and practiced throughout the entire process of Laogai production.”³⁰

Mao Zedong explains the role of forced labor in the Laogai in the following statement:

“Towards enemies, the people’s democratic dictatorship uses the method of dictatorship . . . [that] compels them to engage in labor, and, through such labor, be transformed into new men.”³¹

As a result, the Laogai forces its prisoners to plant, harvest, engineer, manufacture, and process all types of products for sale in the domestic and international markets. The theory behind the Laogai is clear:

“Except for those who must be exterminated physically due to political considerations, human beings must be utilized as a productive force with submissiveness as the prerequisite. Laogai units force prisoners to labor. The Laogai’s fundamental policy is, ‘Forced labor is the means, while thought reform is the basic aim.’”³²

According to Article 74 of the The Law of Reform through Labor (zhonghua renmin gongheguo laodong gaizao liaoli, 1954), the financial sources of the labor camps are as follows: (1) the national budget appropriation; and (2) the revenue of reform-through-labor institutions. Article 8 of the Prison Law enacted in 1990 includes a regulation about the structure of prisons:

“The state ensures the necessary structure of reforming the criminals in prison. All of the prison’s budget for the people’s police, the costs of reform, the living costs of the criminals, and establishment and other special costs should be included in the state’s budget plan. The state guarantees the production equipment and cost, which is necessary for the prisoners’ labor.”³³

Since the market economy has largely taken over the planned economy in China, the importance of “labor reform” has shifted. Forced labor is no longer the means but in terms of the economic aspects is now the goal in the Laogai system. The state’s appropriations to the prisons are insufficient, so that local prisons now have to manage their finances on their own. There is an system of self-reliance in place in the Chinese prison system that puts prison authorities under pressure to produce, be self-sufficient and hold the prison compound financially intact. The author Qu Mo wrote an article in which he suggested that prisons and enterprises should be separated. The Beijing author first criticized the current situation in Chinese prisons, and then talked about prison reform:

“In the long-term range of implementation, organizing the prison inmates to work becomes a means of production. ‘Create economic profit’ becomes the end goal of labor reform. Even the income and living standard of the warden are directly connected to the prisoners’ productivity. ‘Reform’ has taken a step back and ‘create and gain’ has been pushed to the front. This kind of upside-down management has is greatly in error. Prison authorities exert the greatest efforts in making use of the prisoners’ manpower, instead of caring for their reform and education.”

“Judicial authorities have also taken notice of this situation. From September 1 (2003) prison reform has been started at six trial locations—in Heilongjiang, Shanxi, Shaanxi, and Hubei provinces, as well as in Shanghai and Chongqing. According to a People’s Daily report, the final goal of prison reform is to separate the function of law implementation and enterprise management.”³⁴

Liu Shi’en, a professor at the Central Legal Police Academy, also showed great concern about the unreasonable economic rules in prison in his article “Some

³⁰ Gu Jianguo. *Laogai Jingji Xue (Laogai Economics)*. China Railways Publishers, 1990, p. 31.

³¹ Mao Zedong Xuanji (Selected Works of Mao Zedong), Vol. 4, Beijing, People’s Press, March 30, 1979, p. 371.

³² *Laodong Gaizao Faxue*, Beijing University Press, 1991.

³³ See the Prison Law of the People’s Republic of China, <http://www.xsijy.com/flk/jyf.htm>.

³⁴ See Qu Mo, “Gaobie ‘jianqi heyi’ tizhi” (Farewell to the combined system of ‘prison and enterprise’), original Chinese text, at: http://news.bbc.co.uk/hi/chinese/china_news/newsid3143000/31434901.stm.

Thoughts on Prison Production after the Separation of Prison and Enterprise” (Jianqi fenkai hou jianyu shengcha dingwei de sikao)³⁵ on the web site of the Ministry of Justice. In this article, Professor Liu suggested strongly that prisons and enterprises should be separated. He stated that prison enterprises are incompatible with the market economy, as the market competition principles of prison enterprises alienate the principle of reforming and educating the prisoner. Also, he argued that prisoners, who lack professional training and on average have a low degree of education, are not ideal workers in terms of productivity.

After making a case that prisons and enterprises should be separated, Liu offered some thoughts as to how prison production could be better developed, as follows: (1) There should be more investment from the state and other enterprises or financing initiatives from society; (2) prison production should be limited to certain fields of processing, because this does not require much equipment and the management is simpler; (3) the state should offer low interest rate credit to prisons in terms of capital assets and circulating funds; (4) favorable tax regulations should be implemented for prisons; and (5) the government should buy back prison products. According to Liu, with all of these measures and state support, the prison would develop a more healthy system of production and labor.³⁶

PREPARED STATEMENT OF JEFFREY L. FIEDLER

JUNE 22, 2005

The United States negotiated a Memorandum of Understanding on Prison Labor in 1992 (MOU) with the People’s Republic of China during the Bush Administration. The Clinton Administration then negotiated a Statement of Cooperation in 1994 (SOC). The texts of these documents are attached.

These agreements have not stopped the illegal trade in forced labor products from China. In my view, the motives of successive U.S. administrations have been more political than aimed at stopping the illegal trade. Specifically, the first Bush Administration was seeking to defuse the issue of Laogai products within the context of the debate about continuing China’s Most Favored Nation trading status. The Chinese government also shared the concern and thus agreed to negotiate an agreement when it would have otherwise ignored U.S. entreaties on the subject. It is more than a little interesting to note that the MOU and SOC fail to use the term “forced labor” but rather use “prison labor.” Words are important. The result of this was to leave the impression that the Chinese Laogai is similar to the U.S. prison system, an argument that was made repeatedly during the MFN debate. Nothing, of course, could be further from the truth.

Revelations of continued forced labor product exports by the Laogai Research Foundation in the years after the MOU was signed, Chinese government stonewalling implementation of the agreement, and the fact that implementation was a “must do” condition for the renewal of MFN forced the Clinton Administration to take action. Unfortunately, the action was more cosmetic than substantive. The SOC was signed just prior to the President’s decision to renew China’s MFN status. The fact that they had signed the SOC was presented as evidence that the Chinese were “cooperating.” This struck us as cynical at the time, and history has proven us correct.

The most fundamental, and fatal flaw in both the MOU and SOC is that U.S. efforts to use them to enforce our laws is dependent upon the willingness of the Chinese government to provide evidence incriminating themselves. No one in America would be expected to do so, and the Chinese communists who want to profit from this trade certainly will not.

The reality is that U.S. attorneys are unwilling (and to a great extent, unable) to prosecute cases against American citizens based upon evidence gathered in China. The only exception to this is when another American citizen witness is willing to come forward to provide irrefutable eyewitness evidence. The Chinese Laogai camps and trading companies simply continue to do business only being forced to go a little further underground.

Current U.S. law concerning forced labor products is directed at punishing U.S. importers who “knowingly” import these products. While this is certainly justifiable, the real goal should be to end forced labor in China. To this end, our law should be designed primarily to punish the mainland Chinese companies which engage in

³⁵ See Liu hi’en’s article: http://www.legalinfo.gov.cn/moj/zgsfzz/2004-07/26/content_119995.htm.

³⁶ Ibid.

this illegal trade. Under current law they escape punishment almost entirely. We must create a series of significant disincentives in our law which would have the effect of forcing the Chinese government to end the illegal trade. Such laws would be compatible with WTO rules.

By no means should we change the rules of evidence for prosecuting American citizens suspected of committing a crime. These thresholds should remain high. But, when it comes to providing the Chinese the right to send their products into the United States we should apply different standards, ones which recognize the reality of how easy it is for the communist government in China to circumvent and manipulate our legal system.

Representatives of the Customs Service and State Department have repeatedly testified before Congress about the problems of obtaining Chinese compliance with the MOU and SOC. The GAO published a report in 1995 detailing specific problems. Nothing has changed in the last decade. The agreements are effectively useless.

We propose that the United States abrogate the MOU and SOC and the Congress enact new laws which would:

1. Provide the Customs Service the administrative authority, based upon solid intelligence information, to ban entire categories of products from China if it is found that forced labor products of the same type are being sent into the United States. For example, if China is found to be sending in brake rotors from a Laogai camp, Customs would have the authority to ban all brake rotor imports from China for a set period of time. We suggest that a three year ban would be an appropriate period to create a strong disincentive. This would also take care of the current problem of the Chinese mixing Laogai products with legitimately produced products as a way of hiding the former.

2. Provide the Customs Service the administrative authority, based upon solid intelligence information, to ban all imports from the Chinese state trading company which cooperates in the illegal importation of forced labor products. For example, if MinMetals is sending in the brake rotors it can no longer do any import business with the United States. We have similar laws and regulations in effect for weapons proliferators. The Chinese company known as NORINCO is currently under U.S. sanctions which prevent it from exporting products to the United States and ban their subsidiaries from operating here.

3. Provide the State Department and/or the U.S. Citizenship and Immigration Services the authority to revoke the business visa of any PRC national working in the United States for a company or any of its subsidiaries which has been found by the Customs Service to be involved in the illegal trade in forced labor products. The State Department should further be required to deny the visa application of any PRC national from the company sent to replace the ones required to leave the United States. This would have the net effect of banning the company from operating a business in the United States.

4. Include in the legislation a ban on U.S. companies from doing business (buying, selling or establishing joint ventures) in China with any company or its subsidiaries or parents which has been found by the U.S. Customs Service to be dealing in forced labor products.

5. The Customs Service should institute a financial reward system for anyone who reports information to it regarding the export of Laogai products to the United States. Payment of the reward would be forthcoming only after the information is corroborated by other sources. It is my expectation that business people of all nationalities would provide information concerning their competitor's illegal practices. More than the money involved, such informants would likely have to be convinced that the U.S. government is serious about ending forced labor in China rather than simply appearing to be going through the motions.

Some would object by saying we would be punishing legitimate companies in China. This is true, but the Chinese have historically used "legitimate" companies to traffic in forced labor products and, we believe it is the only way to create the incentive inside China to abide by our laws. It also is narrowly focused on those products which on a case by case basis are found to be made by forced labor.

My proposal shifts the negotiating power to the United States in dealing with this problem, and replaces an empty diplomatic agreement with real tools of enforcement directed at the source of the illegal trade. It removes from the process dependence on the Chinese government for information implicating itself, and it provides the means to combat Chinese evasions which the United States is currently powerless to combat. It also potentially creates substantial pressure on the Chinese government to end the practice of forced labor itself, especially if the United States were to enlist other of China's trading partners in this effort.

Thank you.

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA ON PROHIBITING IMPORT AND EXPORT TRADE IN PRISON LABOR PRODUCTS

The Government of the United States of America and the Government of the People's Republic of China (hereinafter referred to as the Parties),

Considering that the Chinese Government has noted and respects United States laws and regulations that prohibit the import of prison labor products, has consistently paid great attention to the question of prohibition of the export of prison labor products, has explained to the United States its policy on this question, and on October 10, 1991, reiterated its regulations regarding prohibition of the export of prison labor products;

Considering that the Government of the United States has explained to the Chinese Government U.S. laws and regulations prohibiting the import of prison labor products and the policy of the United States on this issue; and

Noting that both Governments express appreciation for each other's concerns and previous efforts to resolve this issue,

Having reached the following understanding on the question of prohibiting import and export trade between the two countries that violates the relevant laws and regulations of either the United States or China concerning products produced by prison or penal labor (herein referred to as prison labor products).

The Parties agree:

1. Upon the request of one Party, and based on specific information provided by that Party, the other Party will promptly investigate companies, enterprises or units suspected of violating relevant regulations and laws, and will immediately report the results of such investigations to the other.

2. Upon the request of one Party, responsible officials or experts of relevant departments of both Parties will meet under mutually convenient circumstances to exchange information on the enforcement of relevant laws and regulations and to examine and report on compliance with relevant regulations and laws by their respective companies, enterprises, or units.

3. Upon request, each Party will furnish to the other Party available evidence and information regarding suspected violations of relevant laws and regulations in a form admissible in judicial or administrative proceedings of the other Party. Moreover, at the request of one Party, the other Party will preserve the confidentiality of the furnished evidence, except when used in judicial or administrative proceedings.

4. In order to resolve specific outstanding cases related to the subject matter of this Memorandum of Understanding, each Party will, upon request of the other Party, promptly arrange and facilitate visits by responsible officials of the other Party's diplomatic mission to its respective companies, enterprises or units.

This Memorandum of Understanding will enter into force upon signature.

DONE at Washington, in duplicate, this seventh day of August, 1992, in the English and the Chinese languages, both texts being equally authentic.

For the Government of the United States of America:

For the Government of the People's Republic of China:

STATEMENT OF COOPERATION ON THE IMPLEMENTATION OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA ON PROHIBITING IMPORT AND EXPORT TRADE IN PRISON LABOR PRODUCTS

1. Summary: The statement of cooperation on implementation of the prison labor MOU was signed at 09:00 LT in Beijing March 14, 1994. Ministry of Justice Reform Through Labor Bureau Director-General Wang Mingdi signed for the Chinese side, Econ Mincouns Szymanski signed for the U.S. side. This message contains the final text of the document as signed and a background document distributed at Secretary Christopher's press conference where the signing of the document was announced. End Summary.

2. Final text of the statement of cooperation on implementation of the prison labor MOU, signed at 09:00 LT in Beijing March 14, 1994 follows:

BEGIN TEXT

As the Chinese government acknowledges and respects United States laws concerning the prohibition of the import of prison labor products, and the United States government recognizes and respects Chinese legal regulations concerning the prohibition of the export of prison labor products;

As China and the United States take note and appreciate the good intentions and efforts made by both sides in implementing the "Memorandum of Understanding" signed in August 1992;

The Chinese government and the United States government agree that conducting investigations of suspected exports of prison labor products destined for the United States requires cooperation between both sides in order to assure the enforcement of the relevant laws of both countries. Both sides agree that they should stipulate clear guidelines and procedures for the conduct of these investigations. Therefore, both sides agree to the establishment of specialized procedures and guidelines according to the following provisions:

First, when one side provides the other side a request, based on specific information, to conduct investigations of suspected exports of prison labor products destined for the United States, the receiving side will provide the requesting side a comprehensive investigative report within 60 days of the receipt of said written request. At the same time, the requesting side will provide a concluding evaluation of the receiving side's investigative report within 60 days of receipt of the report.

Second, if the United States government, in order to resolve specific outstanding cases, requests a visit to a suspected facility, the Chinese government will, in conformity with Chinese laws and regulations and in accordance with the MOU, arrange for responsible United States diplomatic mission officials to visit the suspected facility within 60 days of the receipt of a written request.

Third, the United States government will submit a report indicating the results of the visit to the Chinese government within 60 days of a visit by diplomatic officials to a suspected facility.

Fourth, in cases where the U.S. Government presents new or previously unknown information on suspected exports of prison labor products destined for the United States regarding a suspected facility that was already visited, the Chinese government will organize new investigations and notify the U.S. side. If necessary, it can also be arranged for the U.S. side to again visit that suspected facility.

Fifth, when the Chinese government organizes the investigation of a suspected facility and the U.S. side is allowed to visit the suspected facility, the U.S. side will provide related information conducive to the investigation. In order to accomplish the purpose of the visit, the Chinese side will, in accordance with its laws and regulations, provide an opportunity to consult relevant records and materials onsite and arrange visits to necessary areas of the facility. The U.S. side agrees to protect relevant proprietary information of customers of the facility consistent with the relevant terms of the prison labor MOU.

Sixth, both sides agree that arrangements for U.S. diplomats to visit suspected facilities, in principle, will proceed after the visit to a previous suspected facility is completely ended and a report indicating the results of the visit is submitted.

Both sides further agree to continue to strengthen already established effective contacts between the concerned ministries of the Chinese government and the U.S. Embassy in Beijing and to arrange meetings to discuss specific details when necessary to further the implementation of the MOU in accordance with the points noted above.

Done at Beijing, in duplicate, this Thirteenth day of March, 1 992, in the English and the Chinese languages, both texts being equally authentic.

Representative of the Chinese side: Wang Mingdi

Representative of the United States side: Christopher J. Szymanski

3. The statement of cooperation was signed, for the Chinese side by Ministry of Justice Reform Through Labor Bureau Director-General Wang Mingdi and for the U.S. side by Econ Mincouns Christopher J. Szymanski.

PREPARED STATEMENT OF GREGORY XU

JUNE 22, 2005

Mr. Chairman, members of this Commission, ladies and gentlemen:

Thank you for giving me this opportunity to speak on the plight of Falun Gong practitioners in China.

We are grateful for the support this Congress has shown us during this difficult time. We are, however, sad to report that in the past six years, the persecution of Falun Gong in China has gone into a covert one but continued to worsen. Over the years, between 200,000 and 1 million have been reportedly sent to forced labor camps without trials. The persecution methods used in such camps are extremely cruel, encompassing a wide variety of brutal tortures; and yet the Chinese government has imposed strict blockades in an attempt to conceal information and absolve its responsibility. The labor camps in China have the authority to imprison Falun Gong practitioners for as long as three years without any due process and can arbitrarily extend the terms of imprisonment at will.

I. THE LATEST CASUALTY OF LABOR CAMP

Most recently, Falun Dafa Information Center(FDI) has learned that Ms. Gao Rongrong, whose face was grossly disfigured as a result of torture in Longshan Forced Labor Camp, was tortured to death on June 16, 2005. Ms. Gao went through nearly two years of incarceration, brainwashing, and torture for her beliefs in Falun Gong. Her case even involved directives from Luo Gan, one of the standing members on China's Politburo.

Ms. Gao, an accountant at the Luxun College of Fine Arts in Shenyang City, was stripped of her job in 1999, soon after Falun Gong met with suppression. Ms. Gao then lodged legal appeals with authorities in Beijing, calling for an end to the wrongful persecution. Authorities then, acting outside the law, detained Ms. Gao. In July 2003, Ms. Gao was sent to Longshan Forced Labor Camp. On May 7, 2004, at approximately 3 pm, Tang Yubao, the deputy head of the No. 2 Prison Brigade along with team leader Jiang Zhaohua, summoned Ms. Gao to the office and began to torture her with an electric baton. The torture continued for about 7 hours, and the inmates in the labor camp said that Ms. Gao sustained multiple burns to her face, head, and neck. Ms. Gao's face was covered with blisters and her hair was matted with pus and blood. So severe were the injuries that Ms. Gao's face was disfigured and had difficulty of seeing things.

In a desperate attempt to escape her torturers, Ms. Gao later jumped from the 2nd floor office window of the facility, sustaining multiple fractures. Subsequent hospitalization allowed those close to Ms. Gao to take photos of the injuries to her face and body. The shocking photos made their way overseas, where rights activists publicized them widely. Details of her case were submitted to related government offices in the United States and other nations, and were also presented to the United Nations.

While hospitalized, Gao was under constant surveillance from the Chinese police. Authorities declared she would be returned to captivity upon release from the hospital. On October 5, 2004, however, Ms. Gao—having recovered sufficiently to be moved—was able to leave the hospital with the help of a small group of friends, thus avoiding abduction by police and the possibility of further torture.

During Ms. Gao's short escape between October 5, 2004 and March 6, 2005, Falun Gong practitioners in the United States contacted the U.S. Department of State for rescuing Ms. Gao. Politburo Standing Committee Member Personally Oversaw Gao's Case.

As international pressure mounted concerning Gao's case, one of China's highest-ranking officials stepped in: Politburo Standing Committee member Luo Gan. Luo proceeded to order the Liaoning Province Chinese Communist Party Political Judiciary Committee, the Procuratorate, the Department of Justice, and the Police Department to conceal any and all information about Ms. Gao's case.

After Ms. Gao's escape, Shenyang City Police Department (State Security Division) began tapping the phones of all Falun Gong practitioners in the region, hoping to discover who had helped publicize Ms. Gao's case and secure her escape. A manhunt ensued, as all individuals believed to have facilitated Ms. Gao's hospital escape were ordered rounded up. One such individual who was abducted, Mr. Feng Gang had to be admitted to Masanjia Hospital after thirteen days of hunger strike protesting his unlawful abduction. Another individual, Mr. Sun Shiyou, is reported to have been severely tortured by authorities, including having his genitals shocked by electric batons. Mr. Sun's family members were also abducted.

On March 6, 2005, Ms. Gao was located by police and again abducted. Neither her location nor her condition was revealed to family members until June 12; they learned she was being held at Medical University Hospital in Shenyang City. According to Ms. Gao's family, by the time they reached the hospital on June 12, Ms. Gao had lost consciousness, her organs were atrophying, and she was hooked up to a respirator. They say she was little more than "skin and bones." Ms. Gao died four days later. Chinese police are now pressuring Ms. Gao's family to cremate her body quickly, trying to eliminate the evidence of torture.

It was reported that Public Security Bureau agents closely guarded the room in which Ms. Gao was held at the hospital. The agents intended to prevent news of her condition and maltreatment from reaching the outside world; this fits a pattern of complicity that reaches to the highest levels of China's regime.

II. FORCED LABOR IN CHINA'S LABOR CAMPS

Ms. Gao's death is part of a disturbing pattern of systematic rights violations, systematic cover up, and zero accountability. And Ms. Gao is just the latest victim of China's forced labor camp system. The re-education-through-labor system has become a very effective tool of control and suppression in the past fifty years for the Chinese Communist Party's (CCP).

According to WOIPFG (World Organization to Investigate the Persecution of Falun Gong), there are two direct purposes behind China's system of "re-education-through-labor," firstly to create a reliable and cheap labor force through forced labor, and second to brainwash prisoners. This is the so-called "reform one's mind through labor." This not only violates the basic human rights of the detainees, but also encourages the prison and labor camp systems to persecute the detainees because of the huge profit in products made through forced labor. In addition, it shakes the stability of international labor and trade markets when these cheap products are dumped on the international market. Many consumers buy the products, totally unaware of the reasons behind the cheap price.

Since China's former president Jiang Zemin launched the persecution of Falun Gong in 1999, according to incomplete statistics, more than 180 forced labor camps in China have directly participated in the persecution through illegal forced labor of over 200,000 Falun Gong practitioners. In addition to forced brainwashing and torture, China's labor camps also force a large number of Falun Gong practitioners to work as slave labors. Falun Gong practitioners have been made to work overtime shifts, subjective to punishment or deprivation of food or sleep if assigned quotas are not met, and tortured if they refuse to cooperate. They are often arbitrarily detained beyond their release dates because of the huge profits that camps stand to gain as a result of free labor. Practitioners are forced to work more than 10 hours a day, sometimes even continuously overnight. Because of the terrible working conditions and highly labor-intensive work, Falun Gong practitioners have all suffered various degrees of damage, both mentally and physically. Some have become disabled or even died. About 30 percent of all the death cases of Falun Gong practitioners resulted from torture in labor camps. Sixty-nine labor camps have directly caused the deaths of Falun Gong practitioners, including elderly people in their 60s and an 8-month-old infant. Even women, children, or disabled practitioners were not spared.

For example, Qiqiha'er Shuanghe Female Labor Camp is a processing site that has no government approved certificate for producing agricultural chemicals. Falun Gong practitioners are, however, forced to pack very toxic pesticide powders with no protective work suits at all, which have caused serious physical harm to the practitioners. Many practitioners have had bleeding noses, others feel sick, vomit, have had severe coughs (there was blood in their phlegm) and abnormal bleeding; still others have nearly gone blind because the labor camp is filled with choking toxic pesticide dust. The victims are forced to continue their work even when they show symptoms of being poisoned. On the packages, it is clearly stated that in producing the pesticides there must be protective facilities and workers must take showers after work. However, there are no shower facilities in the chemical factory. In the hot summer, when the chemical dust and sweat mixed together, it would irritate the skin; as the sweat dried out, one could attain tinea-type skin ulcers. The victims would feel itchy and painful. The police would often forbid practitioners to wash, and therefore these practitioners have to go to bed with chemical dust all over their bodies.

At one time, Falun Gong practitioners Zhang Guiqin, Qi Baiqin, Lin Xiumei and Jiang Yuehong refused to work to protest the persecution, but they were tortured for doing so. They were forced to 'sit on iron chairs,' a form of torture where their hands were handcuffed from behind their back, their feet were put into two square

holes and they were sandwiched between the back of the iron chair and an iron slab in front of their chest. They were tortured until their feet were swollen, their skin torn and flesh gaping or they lost consciousness. Afterwards, six Falun Gong practitioners, headed by Gao Shanshan, jointly urged the authorities to stop the persecution. The labor camp confined Gao Shanshan into a solitary compartment at once and illegally extended her term in the labor camp for an additional two months to make this 20-year old practitioner suffer mentally.

Zhang Zhijie, the team leader of the prison guards at the Shuanghe Female Labor Camp, and guard Chen Jianhua illegally extended most practitioners' terms of detention for another year so that they could maintain a high employment and high bonuses.

Because it was illegal to produce agricultural chemicals, when the authorities came to inspect the camp, production would stop immediately. Falun Gong practitioners were also forced to pack sanitized chopsticks in their dormitories where they did not have even basic disinfected facilities, not to mention proper workshops.

For another example, Shandong No.1 Female Labor Camp, located at 20 Jiangshuiquan Road, Jinan City, is commonly known as Jinan Female Labor Camp. Since October 2000, however, the number of detainees increased sharply to more than 700 people. More than 95 percent of them were Falun Dafa practitioners who had been illegally kidnapped and detained there. According to WOIPFG, the labor camp signed business deals with Jinan Tianyi Printing Co., Ltd. and several other companies, and turned the labor camp into handwork workshops for these enterprises, in order to increase profit from foreign investment so that the labor camp staff could get more bonuses. The labor camp forced the detainees to do excessive amounts of labor work. As a result, detainees (including elderly ladies over 60 years old) had to work 13 to 14 hours a day and sometimes even overnight without pay. Due to working overtime for long periods of time, a lot of detainees had difficulty standing, and it was very common for someone to faint in the workshop. Those who refused to work would be put into a "confined solitary compartment" which was totally dark. The practitioners confined there were not allowed to go to sleep, to wash their faces or brush their teeth. They were also not allowed to come out of the compartment to go to toilet and were forced to stand continuously for more than 20 days until they became unconscious. These people would then have such swollen feet so that they could not wear shoes and could not walk.

III. WHY ARE CHINA'S PRODUCTS SO CHEAP

Because of the strong resistance from western democratic countries against "forced labor products," in 1991 China's State Council re-emphasized the ban on the export of "forced labor products" and stipulated that no prison is allowed to cooperate or establish joint ventures with foreign investment. In reality, however, the Chinese government has granted numerous preferential policies to enterprises under labor camps and prisons, to encourage and attract foreign investment and export. In the document [2001] No.56 from the State Bureau of Taxation under China's Ministry of Finance, it is clearly stated that if the property rights of a company are solely owned by a prison or forced labor camp system, the company is exempt from corporate income tax and the land inquisition levy.

FDI and WOIPFG has collected ample evidence that shows China's labor camps have cooperated companies to force Falun Gong practitioners to manufacture forced labor products without any payment during their detention. Products from these labor camps are exported to more than 30 countries and regions, including the United States, Canada, Australia, France, Germany, New Zealand, Southeast Asia, etc.

The forced labor system not only violates the basic human rights of the detainees, but also encourages abuse and torture as camps raise their quotas in pursuit of even more profit. Meanwhile, the camps use part of the profits to construct more forced labor facilities. In addition, the products produced through forced labor are competitive and highly attractive in international markets because of their extreme low cost. As a result, this has led some foreign companies not aware of a product's background to participate in joint venture production, importing and selling the forced-labor-produced items. This not only violates the laws of their own countries and international laws, as many countries forbid the importation and selling of products manufactured through forced labor, but also shakes the stability of international labor and trade markets, threatening some of their homeland companies that share the same market sectors.

A good example is the lobbying campaign initiated by the six largest U.S. textile and fabric trade organizations during their summit in Washington, D.C., on June 10, 2003. On July 2, 2003, the American Textile Manufacturers Institute (ATMI)

published a shocking report stating that with the quota removal for Chinese textile products, more than 1,300 textile plants in the U.S. would have to close by early 2004, resulting in the loss of over 630,000 jobs. The U.S. textile and apparel market would be under China's control if protective measures were not implemented in a timely manner. Ample evidence indicates that some textile manufacturers such as the Shanghai Three-Gun Group Co., Ltd. the Shandong Leader Handicraft Articles Co., Ltd., and Henan Rebecca Hair Products Inc., China, collaborate with "re-education-through-labor" camps or detention centers to force Falun Gong practitioners into unpaid hard labor during their detention. The unlawfully detained practitioners are forced to endure more than 10 hours of hard labor per day or even overnight shifts in addition to their regular hours. Those products are produced at the cost that their competitors can not match.

III.1. BEIJING XIN'AN FEMALE LABOR CAMP

According to WOIPFG, Beijing Xin'an Female Labor Camp, located in Nanyuan, Daxing Country, Beijing, does handwork for several companies for their export products. Beijing Mickey Toys Co., Ltd, a joint venture specializing in design, manufacture, sales and export of soft toys, is one such company. In February 2001, nearly 1000 illegally detained Falun Gong practitioners were forced to make toys with no pay. This forced labor produced 100,000 toy rabbits for Beijing Mickey Toys Co., Ltd subcontracted by Nestle.

Ms. Jennifer Zeng is a Falun Gong practitioner currently living in Australia. She was detained in Xin'an Labor Camp and was one of the practitioners forced to make Nestle toy rabbits. She described her experience as follows. "In the labor camp, we were forced to do all kinds of heavy labor work, including planting grass and trees, clearing garbage, digging cellars for storing vegetables in winter, knitting sweaters, knitting cushions, making toys, producing disposable syringes, wrapping sanitized chopsticks and so on. Most of the products were for export. In particular, the sweaters we knitted were large sizes only suitable for foreigners who are big in build. In February 2001, we received an order for 100,000 toy rabbits. According to the police, the toys were being made for Nestle to be used in their promotions. The rabbits were about 30 cm. long, brown in color, with a long neck, wearing a large bright red collar made from fleecy material, with two black whiskers on each side of the face, about 5-6 cm long. Some of the rabbits wore cowboy vests, some wore dustcoats, and some had one eye patched up like a pirate. There were English letters on their chests, with their fists clenched, thumbs up. There were three toes on their feet, canary yellow in color. Their tails were white in color and very short."

Falun Gong practitioners are forced to work for extremely long hours without pay in Xin'an labor camp. Ms. Zeng recalls, "It would go through over 30 processing lines to make a rabbit like this, and it would take over 10 hours to make one. But the processing fee for each rabbit was only 30 cents (equivalent to Au\$0.06, US\$0.04). The processing fees were paid to the labor camp. We didn't get anything. Usually we began work after getting up at 5 o'clock in the morning, and worked until 2 or 3 o'clock in the morning the next day. Sometimes we had to work overtime, otherwise we could not finish the job. At the busiest time, I did not dare to wash my hands after going to the toilet, in order to save a few minutes. At night, sometimes I was so exhausted that I could not even count clearly from 1 to 9. Yet I still had to force my eyes open to knit sweaters. The pattern of the sweater was quite complicated; sometimes we finally finished the knitting after much effort only to discover the next morning it had been knitted completely wrongly. So, we had to unpick the stitches and redo it. Long hours of highly intensive workload and severe lack of sleep made me feel, for a very long period of time, that the only thing I needed in my life was sleep."

The picture to the left is a photo of the toy rabbits manufactured for Nestle taken from Mickey Toys Co. Ltd. It's clear that they are the same as Jennifer described.

The Sydney Morning Herald and Geneva Le Temps, both reported on this case. On December 28, 2001, the Sydney Morning Herald published an article by Kelly Burke: "Cute toy rabbits belie ordeal of Chinese labor camps." Nestle released a statement to the Herald, confirming that the company placed an order with an established Beijing-based toy manufacturer, Beijing Mickey Toys Co. Ltd. for 110,000 plush rabbits for a Nesquik promotion early that year.

III.2. LANZHOU DASHAPING DETENTION CENTER AND LANZHOU NO.1 DETENTION CENTRE

Lanzhou Zhenglin Nongken Food Ltd, established in 1988 in Gansu by Taiwanese businessman Lin Ken, is one of the earliest Taiwan-financed enterprises in Gansu. From 1992, the company embarked on a joint venture with Lanzhou Dashaping Detention Center and Lanzhou No.1 Detention Centre (also known as Xiguoyuan De-

tention Centre). According to WOIPFG, some 10,000 detainees (including dozens of illegally detained Falun Gong practitioners) were forced to use their hands to peel the shells off melon seeds, and were engaged in intensive physical labor work. Those detainees were forced to crack the seeds of a large variety of melon between their teeth, and then peel the husk off with their bare hands to remove the kernels. In winter, they had to do this work outside in the freezing cold. Many of them suffered frostbite and the skin on their hands split, with pus and blood from the wounds oozing onto the melon seeds. In the summer, the cracking and extracting of kernels from shells continued unabated. Many had their teeth cracked and damaged from cracking melon seeds, and even lost their fingernails in the process of extracting the kernels from their shells. The detainees were forced to squat on their heels to do the work from early morning till evening for more than ten hours continuously, with no pay.

In order for Zhenglin Nongken Food Ltd and Xiguoyuan Detention Centre to make a huge profit, the detainees were given high quotas for their work. The detention center staff tortured the detainees at will. Furthermore, there was corruption and economic crimes. In 1998, a division chief of Dashaping Detention Center committed suicide with a gun when he was found embezzling money of melon seed process fees.

In April 2001, 57 year-old Falun Gong practitioner Wan Guifu was illegally sent to Lanzhou No. 1 Detention Center. Wan Guifu was forced to crack melon seeds with his teeth and extract the kernels with his fingers. His lips were badly swollen and the fingernails of both his hands fell off. His fingers were bleeding and oozing pus. Because he was unable to finish his quota, Wan Guifu was tortured by inmates of Cell No. 9, after secret instructions from the captain of the 4th crew of Lanzhou No. 1 Detention Center. Wan suffered severe injury to his abdomen. On December 29, 2001, he was sent to the Lanzhou Dashaping Labor Camp Hospital but died three days later. The doctors extracted a lot of fluid from Wan Guifu's abdominal cavity, a direct result of the severe torture. According to confirmation by people (names omitted) who were detained at Lanzhou Dashaping Detention Center for a long period, the death rate of detainees at the center was very high, but because of the blockade of information, details of the death cases are usually not reported.

These unpaid manual labor provided huge profits for Zhenglin Nongken Food Ltd. In just a few years, Zhenglin Nongken Food Ltd became the biggest production base in China in roasted seeds and nuts. Its main product line, "Zhenglin handpicked melon seeds" (shelled by detainees), is sold in more than 30 countries including the United States, Canada, Australia, France, New Zealand, and Southeast Asian countries. At present, Zhenglin Nongken Food Ltd has subsidiary companies overseas in the United States, Canada, Singapore, and Malaysia. In Australia, they have an import business liaison person.

III.3. SHANGDONG PROVINCE NO. 1 WOMEN'S FORCED LABOR CAMP

Shandong Province No. 1 Women's Forced Labor Camp, also called the Jinan Women's Forced Labor Camp, is located at 20 Jiangshuiquan Road, Jinan City, Shandong Province. It is the manufacturing site for Shandong Leader Handicraft Articles Co., Ltd.

The detainees are forced to make products without pay. Soon after October 2000, the number of detainees suddenly increased from 200 to 700, with approximately 95 percent of the new detainees being Falun Gong practitioners. In order to earn foreign exchange and more bonuses, the camp often forced practitioners to work extra hours to sew bedding. The over-60-year-old women were also forced to suffer through their exhaustion, working overnight in order to complete the tasks. The detainees often fall in a dead faint on the floor because of the long-term overtime and work overload. Those who refused to work were locked up in a dark, "strictly monitored" room. Rest, sleep, washing, and using the toilet outside were all denied. Detainees were forced to keep standing for over 20 days until they finally fainted. Their legs and feet became so badly swollen that they could not wear shoes and could not even walk. They were seriously debilitated, physically and mentally. The main products include handmade bedding and domestic accessories under the brand name of "Lijie."

Within the first six months of 2002, this forced labor camp made 570,000 yuan (US\$70,000) from its production. Within two years, it built an office building over a dozen stories high, a reception building, and a big stockroom facility. The products it manufactured were sold to the U.S, Canada, Chile, Argentina, European Union, Saudi Arabia, Turkey, Kuwait, United Arab Emirates, Australia, Japan, Korea, Singapore and over 30 other countries. It is claimed that Shandong Leader Handi-

craft Articles Co., Ltd., is a major enterprise for earning foreign revenue. Its annual turnover is 70 million yuan (US\$8.5 million) and annual export is over US\$10 million.

III.4. SHANGHAI QINGSONG WOMEN'S FORCED LABOR CAMP

Chinese citizen Li Ying lived in Shanghai City and graduated from Shanghai Tongji University in 1992 with a major in Business Management. She worked in the Shanghai Zhonglu Management Consulting Company. On October 16, 2001, she was detained for practicing Falun Gong and sentenced to two years' forced labor in the Shanghai Qingsong Women's Forced Labor Camp. As a result of the persistent appeals of her fiancé, Australian citizen Li Qizhong, and the rescue effort of fellow practitioners all over the world, she was released on October 15 and arrived in Australia on November 29, 2003.

Li Ying was forced to do hard labor during the time she was detained in Shanghai Qingsong Women's Forced Labor Camp, making products for many Chinese companies and factories. Aside for the plush toys exported to Italy, she had to make products for the "Three-Gun" brand of underwear. According to her testimony, all the "Three-Gun" underwear marked with "examined by # 16" are made by detainees of Shanghai Qingsong Women's Forced Labor Camp. The detainees have to get up at 5 a.m. and work from 7 a.m. until 11 p.m. or 12 midnight. These long hours of labor result in badly blistered hands and fingers, while the wage is just 3 yuan (US\$0.35) a day. The detainees have to pay a boarding fee of 75 yuan (US\$9) per month, which is deducted from their meager wages.

Three-Gun Group Co., Ltd., is authorized to import and export. Its main product is the "Three-Gun" brand of underwear, which is sold to over 70 countries and regions. The Three-Gun Group is also a partner of the world-renowned Dow Corning and Dupont companies, from which it imports technology.

III.5. HENAN PROVINCE'S NO. 3 LABOR CAMP AND THE SHIBALIHE FEMALE LABOR CAMP IN ZHENZHOU CITY

Competition within the hair products industry is very intense since it is a highly specialized industry with minimal barriers in terms of capital, technology, and marketing. Furthermore, since the price of human hair raw materials and labor constitute a significant percentage of the overall product cost, companies fight for raw material resources and cheap labor. As a result, the detainees in nearby labor camps, jails, and detention centers have become the slave laborers for making low-cost hair products. Analysis of the situation reveals that this is one of the main reasons labor camps became the productionsites for Henan Rebecca Hair Products and other Henan hair products manufacturers.

To make products for the Henan Province hair products, over 800 detainees (including illegally detained Falun Gong practitioners) in Henan Province's No. 3 Labor Camp and the Shibalihe Female Labor Camp in Zhenzhou City have been pushed to work day and night by guards who threaten them with torture, punishment, and humiliation. They work extra hours to bring in foreign exchange income and more profit for the labor camps and Henan Rebecca Hair Products Inc. To increase profits, Henan Province's No. 3 Labor Camp even "buys" Falun Gong practitioners as slaves from other places for 800 yuan (US\$100) each. When the labor camp was short of funds and was about to be shut down, many Falun Gong practitioners were abducted and incarcerated in this camp where they were forced to make hair products, thus reviving the labor camp's business.

According to a witness, "Henan Province's No. 3 Labor Camp was awarded the 'National Civilized Work Unit' citation from the Central Politics and Law Committee '610 Office' and the Labor Camp Bureau, for persecuting Falun Gong. At the time the award was put up, three detainees fainted from exhaustion. Qu Shuangcai, Director of the No. 3 Labor Camp, brutally persecuted Falun Gong practitioners and was favored by his superiors. In May 2003, he was transferred to the Shibalihe Female Labor Camp in Zhenzhou City and promoted to director of that labor camp. Right away, he signed a contract with Henan Rebecca Hair Products, Inc. He also instituted the use of straightjacket restraints for torturing practitioners. Within several months of his arrival, three female Falun Gong practitioners were tortured to death."

With the help of free labor from Henan labor camps, in the first 10 months of 2002, the hair product export of Henan Province reached US\$138.86 million, which made it a big industry with over 1 billion yuan (US\$125 million) in revenue, and Henan became the largest hair product manufacturer in the world. The hair product industry has had a consecutive annual growth rate of nearly 30 percent, and Henan's hair products have a market share of one fourth of the world's total. Own-

ing five labor camps/hair product factories, Henan Rebecca Hair Products Inc. has been the world's leading producer of human hair weaves.

According to sources, the U.S. is the largest distribution and consumer market of hair products in the world. Rebecca accounts a significant market share in the United States. Statistics show that the U.S. has a need for 15 million human hair weavings, 10 million of which come from Xuchang, Henan.

III.6. OTHER EXPORT PRODUCTS MADE IN LABOR CAMPS

Numerous other products made in China's labor camps by Falun Gong practitioners are finally exported to the United States and other countries.

Mr. Sam Lu is now an Atlanta resident. He was put in a jail in Guangdong Province for almost two months in 2001. According to his own testimony, Sam was forced to work on export products such as toys and shopping bags without pay. He still remembers one of the shopping bags was printed with "National Gallery of Art." Sam was put into a cell only about 300 sq. feet in size, with 20 prisoners and one toilet inside. They slept and worked in the cell.

Sometimes they were forced to work until 2 am to keep up with the schedule. Only two meals a day were provided. The police used a wire whip to beat prisoners if they did not do a good job or could not keep up with the schedule.

The same kind of tragedy is happening to Sam's wife Xuefei Zhou, who was sentenced to forced labor camp for three years without any trial and without a lawyer only because she handed out flyers in the street to clarify to the truth about Falun Gong. Xuefei was forced to do embroidery work for export. The hard work, malnutrition and torture made my wife almost lose her eyesight.

III.7. U.S. CITIZEN DR. CHARLES LEE IS FORCED TO MAKE CHRISTMAS LIGHTS TO BE EXPORTED TO THE UNITED STATES

U.S. citizen Dr. Charles Lee was arrested upon arriving at Guangzhou Airport on January 22, 2003. He was rushed through a one-day show trial on March 21, 2003, and sentenced to a 3-year prison term for his "intention" of exposing human rights violations against Falun Gong practitioners by the Chinese government. He has not committed any crime, nor did he intend to. His only intent was to expose to the Chinese people the reality of the nature of the persecution that the Chinese government has concealed from them.

According to the information from Friends of Charles Lee, throughout one and half years of detention, Dr. Lee has suffered both physical and mental abuses: he has been beaten, force-fed, deprived of sleep, handcuffed for days at a time, and forced to watch anti-Falun Gong brainwashing videos. These tactics are employed to try to break his spirit, and cause him abandon his belief in Falun Gong. It is evident that the persecution of Dr. Lee directly targets his belief in Falun Gong.

Starting from June 2004 to late 2004, Dr. Lee was forced to make Christmas lights daily. At times he was forced to work 10-12 hours per day and 7 days a week. These Christmas lights are to be exported to the United States.

IV. THE INFORMATION CONCEALING AND MEDIA COVERAGE

How much does the world know about what happens in China's labor camps? Will people still buy China's exports if we know it is made in China's labor camps by Falun Gong practitioners?

Unfortunately, Ms. Gao Rongrong's death highlights the systematic cover up and the fear of Chinese Communist Party for people to know the truth. Afraid of the publicity of Ms. Gao's disfigure, Shenyang City Police Department (State Security Division) began tapping the phone lines of all Falun Gong practitioners in the region, and a manhunt ensued, resulting in re-arrest of Ms. Gao and several abducts and subsequent tortures to related Falun Gong practitioners.

Ever since Chinese Communist Party launched the persecution toward Falun Gong in July 1999, the communist regime has utilized its state run media to orchestrate a hate campaign toward Falun Gong, without allowing practitioners any voice. Chinese government penalizes severely for anybody who dares to challenge its information blockade. Mr. Liu Chengjun, male, from Jilin Province, was involved in the incident of broadcasting Falun Gong truth programs through the Changchun Cable TV System on March 5, 2002. To revenge, Chinese authorities ordered a mass arrest in Changchun soon after. The police shot Mr. Liu at his legs to arrest him. On September 20, 2002, Changchun City Intermediate People's Court sentenced him to 13 years in prison. On December 26, 2003, Liu Chengjun left this world after enduring 21 months of prison torture.

Chinese Internet market is fast-growing, yet, China is believed to extend greater censorship over the net than any other country in the world. In China, all 110,000

net cafes in the country have to use software to control access to websites considered harmful or subversive. A net police force monitors websites and e-mails, and controls on gateways connecting the country to the global internet are designed to prevent access to critical information. It has been reported that Cisco Systems has sold several thousand routers—costing more than US\$20,000 each—to enable China to build an online spying system and the firm's engineers have helped set it to spot “subversive” key-words in messages. The system also enables police to know who has looked at banned sites or sent “dangerous” e-mails. Cisco is not only concerned by a code of ethics, but also violates the Global Internet Freedom Act, passed by the House of Representatives of U.S. in July 2003, aims to combat online censorship imposed by repressive regimes such as China.

Not content with controlling Chinese language media in China, China's communist regime is doing its utmost to influence the world media. On January 21, 2005, AP's Beijing Bureau released a story “Chinese Government Shows off Repentant Falun Gong Followers,” which echoed the CCP's official portrayal of the January 2001 Tiananmen Square self-immolation tragedy, though numerous reports by independent media and human rights bodies worldwide have questioned and repudiated claims by the Chinese Communist regime linking Falun Gong to the immolations. The Falun Dafa Information Center anticipated Beijing's propaganda shenanigans, and thus sent a media advisory to the AP and others detailing concerns. That was before the AP's story ran. And yet the AP's piece went beyond merely failing to present or engage Falun Gong's concerns to doing exactly what the advisory cautioned against.

With WTO accession, China is under pressure to open up its massive media market. At the meantime, it is also seeking for vehicles to disseminate its own message across, not only to the overseas Chinese, but also to the world at large. For examples, when the AOL Time Warner and Rupert Murdoch's Phoenix Satellite Television Holdings were allowed to broadcast their programs in China, they were asked, in return, to carry news and propaganda of the state-owned China Central Television (CCTV) on the cable networks of AOL Time Warner and Rupert Murdoch's Fox. Furthermore, the broadcasting has to be managed to steering clear of issues that Chinese authority would deem offensive, such as the persecution against Falun Gong practice group, for the penalty could be cancellation of broadcast privileges. Former employees, rights organization and the free press have criticized the Murdoch empire for its failure to raise sensitive issues in China. Maybe Murdoch has learned how to bow to Beijing from the hard lesson of Star-TV discontinuing the BBC's World Service when Murdoch owned that company and talked volubly about how dictatorships would crumble under the weight of global communications.

In their efforts to conquer the world's most populous and potentially lucrative Internet market, some multinational firms are making compromises that limit the right of Chinese Internet users to freedom of information. In October 2004, U.S.-based Google admits to removing eight news sources, apparently deemed subversive, from its Chinese site. As recently as the search kingpin went public in August 2004, its founders vowed to hold the customer experience sacrosanct. According to Business Week (October 11, 2004), Google offers China users an uncharacteristic lack of disclosure on the removed content, aside from the censorship itself. On November 29, 2004, Reporters Without Borders condemned the action of the Chinese authorities in blocking access to Google's news website (Google News), starting a few weeks after the launch of an expurgated Chinese-language version of Google News. The press freedom organization said in a statement “China is censoring Google News to force Internet users to use the Chinese version of the site which has been purged of the most critical news reports. [. . .] By agreeing to launch a news service that excludes publications disliked by the government, Google has let itself be used by Beijing.”

Google's archrival Yahoo! has been censoring its Chinese-language search-engine for several years as directed by the Chinese government. For example, the top results of a search for “Falun Gong” produces only sites critical of the Chinese meditation practice in line with the regime's position. The same search using a non-censored search-engine turns up material supporting Falun Gong and about the government's repression of its followers. Meanwhile, other search-engines not conformed to the censorship, such as Altavista, have already been blocked inside China.

“With the cooperation of companies such as Cisco, Sun Microsystems, Yahoo!, and Google, Chinese authorities used American technology to monitor, sanitize, and ultimately isolate the Chinese web, creating the world's greatest Red Internet.” (Quoted from Can FDI(Foreign Direct Investment) Save the Shaking Chinese Economy? by Li Li and Ching-hsi Chang, 2004.)

The latest episode of China's control in the world media is CCP's coercion toward Eutelsat to take NTDTV off the air, so Chinese people will lose the only open window to access the uncensored TV programs.

V. THE LASTING AND FAR REACHING IMPACTS

The crackdown on Falun Gong over the past six years in the People's Republic of China has led to the unjust imprisonment of thousands of innocent practitioners, has subjected them to severe forms of mental and physical abuse, and has caused their families and loved ones countless hours of emotional agony. Consequently, in the wake of this savagery, many children have lost either one or both parents and sometimes even their caregivers. According to the 2005 report of GMR (Global Mission to Rescue Persecuted Falun Gong Practitioners, five children were killed in police custody; 18 children lost both of their parents during the persecution; 102 children lost one of their parents; 43 children are directly targeted, tortured, or thrown into prisons and labor camps because of their or their parents' belief in Falun Gong; 39 children are forced to separate from their parents because their parents are detained. In addition, hundreds of thousands of children have been forced to slander Falun Gong or, upon refusal, be expelled from school. Moreover, many young ones are discriminated as their parents are practicing Falun Gong. This data, however, only represented the information investigated and confirmed by GMR.

For example, Zhuangzhuang Pan is a five-year-old boy from Shuangyashan City, Heilongjiang Province. Zhuangzhuang's father Xingfu Pan, former Associate Director of Telecommunications Bureau Exchange Center in the city of Shuangyashan, Heilongjiang Province, was persecuted to death on Jan. 31, 2005 because he practiced Falun Gong; and his mother Li Zhang is serving a 9-year sentence in Harbin City Women's Prison. In addition, both Zhuangzhuang's uncle and aunt are in forced labor camps. Zhuangzhuang and his 64-year-old grandmother now depend on each other with no financial income.

In May, 2001, Xingfu Pan was arrested by Shuangyashan Patrol Team and was incarcerated in the Shuangyashan Detention Center. On March 7, 2002, Pan was unlawfully sentenced to 5 years in prison with no evidence. During his periods of incarceration, Pan was forced to do lots of heavy labor work in addition to endure various brutal tortures. After years of forced labor as well as various mental and physical tortures, Pan's health deteriorated dramatically. On June 18, 2004, he was diagnosed as having pleurisy and lung tissue damage. He was too weak to use the toilet on his own. On Jan. 31, 2005, Mr. Pan Xingfu died, leaving his sixty four-year-old mother, his five-year-old son and his imprisoned wife behind.

In early morning of May 2, 2002, Zhuangzhuang's grandmother was also arrested at home, and frightened Zhuangzhuang was left alone at home. To protest the unlawful detention, Zhuangzhuang's grandmother went on a hunger strike. As punishment, the 62-year-old lady was locked in an iron chair and violently force-fed with extremely salty corn gruel. Her shirt was soaked with blood from her mouth. Finally, after 15 days on hunger strike, she was released.

Seeing so many relatives being brutally taken away, little Zhuangzhuang was traumatized by these episodes. Since then, he would be in constant fear of the police taking his grandmother away again whenever he heard any loud voices.

In fact, over the past six years, millions of Falun Gong practitioners have been locked up in labor camps, brainwashing centers where they are forced to "transform," or renounce their belief in the principles of Falun Gong—Truth, Compassion and Tolerance. They are made to choose between spiritual death and physical death: If they refuse to renounce their practice, the efforts to facilitate "transformation" are intensified and many die as a result of beatings, torture, and starvation, among other methods. Their children, unfortunately, have to witness these fatal struggles.

All Chinese people have, in actuality, been pushed into compromising their consciences in order show an attitude of support for this persecution. Through the state-controlled propaganda machine, even foreign governments and corporations doing business in China are forced to choose between conscience and personal interest when faced with the persecution of Falun Gong. The campaign to annihilate Falun Gong practitioners permeates all levels of society. Children are the most deeply affected, as their pure hearts are so easily damaged or warped by brainwashing and propaganda. The abuse and trauma they suffer is something that will affect them for the rest of their lives.

VI. CONCLUSION

Due to censorship and the tight control on information related to Falun Gong in China, what is reported here represents perhaps only a tiny tip of the iceberg. I hope that this testimony will help you understand the severity and scope of the ruthless campaign of persecution against Falun Gong practitioners in China. It is my hope that this Congress will continue and double its efforts to rescue and help these innocent people and their children, and help bring an end to this human rights atrocity in China.

