

China's Organ Transplant Industry and Falun Gong Organ  
Harvesting: An Economic Analysis

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## **Abstract**

This thesis evaluated the allegation that systematic, large-scale organ seizures from unwilling Falun Gong practitioners have been supplying the majority of organs for the organ transplant industry in China since 1999. Despite the tremendous growth in the organ transplant industry after 1999, the known sources of organ supply—namely the living donors, brain-dead, Non-Heart-Beating-Donors and executed prisoners—have not shown significant growth over time and fail to explain the huge quantity of annual transplants. The detained population of Falun Gong practitioners is found to have the requisite population size and characteristics of a large “organ bank.” They are the only prison group that provides an adequate explanation for the explosive growth in the volume of China’s organ transplants between 2000 and 2005. It is the conclusion of this paper that the organs of detained Falun Gong practitioners are being systematically harvested for use in China’s organ transplant industry—and that such practice is an industrialized form of the Communist Party’s systematic persecution against Falun Gong.

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## **Introduction**

In recent years, China has become an increasingly popular destination for thousands of Americans and other foreigners who face long waiting times for kidney or liver transplants in their home country. While such waiting could take several years in the United States, the Chinese hospitals promise high-quality organs at cheap prices within a matter of weeks. The abundance of Chinese organs and their short waiting times, however, beg the question of their source. One alleged source is the executed prisoners, which China publicly admitted in 2006 after years of denial. Yet death-row prisoners only make up a tiny portion of China's prison population, and the question remains whether other groups in prison could be subjected to organ harvesting without formal execution. In July 2006, former Crown prosecutor and Canadian MP David Kilgour and international human rights attorney David Matas broke new grounds with an investigation report that found systematic organ harvesting from Falun Gong practitioners detained in China's prison system. Using 18 methods of proof and disproof that expanded to 33 methods in the revised January 2007 edition, the Kilgour-Matas report found that such organ harvesting exists on a mass scale and serves as a method of the Communist Party's physical persecution against Falun Gong practitioners.

This thesis seeks to determine whether systematic organ harvesting of Falun Gong exists from looking at the aggregate of organ transplantation data, structure and behavior of China's organ market, Chinese Communist Party's policy toward Falun Gong and known evidence of organ harvesting. Furthermore, the thesis examines how the organ harvesting from Falun Gong practitioners has industrialized into a profitable black market

enterprise created by a government policy of persecution. Existing economic literature on the organ transplant industry or organ trade either focuses on economic incentives for organ donation or the black markets for organs in Second and Third World countries. Before the news of alleged organ harvesting from Falun Gong practitioners in China broke in the foreign media in March 2006, economic literature on organ harvesting focused on death-row prisoners. As a result, there is no current literature on systematic organ harvesting from living prisoners of conscience, which serves both the primary goal of government persecution and the secondary goal of meeting the profit-driven demands of the organ transplant industry. This thesis fills this gap with a study on the Falun Gong practitioners in China.

Before going on to the substance of the issue, I want to tell readers that while this paper makes an economics study of the mass organ harvesting from Falun Gong practitioners, the latter is a grave humanitarian issue that should not be taken lightly. Nor should it be obscured by this paper's focus on the "industry" aspect of the organ transplantation rather than human rights aspects of the real murders that take place under the surgical knives. The paper only lays out the evidence, from an economic perspective, for the readers to draw their own conclusions.

## **Methodology**

For the allegation of organ harvesting from Falun Gong to be true, it needs evidence of both the persecutory intent and the atrocity. That is to say, there must be grounds to believe that Falun Gong practitioners are subjected to organ harvesting and that such atrocity exists as a form of deliberate and systematic persecution, albeit one that also supplies the needs of the organ transplant industry in China. The paper proceeds to explore these grounds in four sections.

The first section analyzes the development of the organ transplant industry in China. It looks at the demand for and supply of organs in China's organ transplant market. This section focuses on the unusual characteristics of the organ market, such as extraordinarily short waiting times, frequent batch transplants and accelerated growth in the transplant volume between 2000 and 2005, that indicate an abundance of organs in China post-1999.

Next, the paper examines known sources for the supply of organs to determine whether they could explain the enormous growth of China's organ transplant industry after 1999. This section then analyzes whether the detained Falun Gong practitioners have the size and characteristics of a large, on-demand "organ bank" and whether they are the only group that could adequately explain the growth in the organ transplant industry. The section also includes a discussion on the structure of the organ market and the economic relationship between the organ transplant industry and the Chinese government.

The third section of the paper moves on to the intent of organ harvesting. It seeks to determine whether a government policy exists to single Falun Gong practitioners out for systematic organ harvesting. This section gives a brief overview of the Chinese Communist Party's (CCP) motives, policies and methods of systematically persecuting Falun Gong.

In the fourth section, known evidence about the organ harvesting of Falun Gong practitioners are introduced and discussed. The conclusion of the paper follows.

## I. The Organ Transplant Industry

### Growth and Development

The technology of organ transplantation was introduced to China in 1978. The lack of technical expertise and capital led to ten years of stagnancy in organ transplants between 1983 and 1993. The organ transplant industry began developing in 1993 and experienced rapid growth after 1999.<sup>1</sup>

National statistics of organ transplants are illustrative of this explosive growth over the last eight years. Between 1994 and 1999, transplant facilities completed 18,500 cases of organ transplants. The national total until 1999 was 30,000. According to Shi Bingyi, Vice Chair of the China Medical Organ Transplant Association, a national total of 90,000 organ transplants were completed until 2005.<sup>2</sup> This meant that 60,000 transplants were completed in the six-year period between 2000 and 2005, a 3-fold increase from the number of transplants in the six-year period between 1994 and 1999. In 2004, 10,090 organ transplants were completed in China, a national total that is only second to the United States. In particular, the figures include 7,300 kidney transplants, over 2,500 liver transplants, and over 100 heart transplants.<sup>3</sup>

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<sup>1</sup> Speech by China's Vice Minister of Health Jiang Zuojun on December 7, 2005, "Enhance Health Technology Evaluation and Management to Propel the Medical Progress with Science and Technology – Speech at the Forum Related to Health Technology Review and Management Work," *Ministry of Health Politics Affair Report* (December 20, 2005; Issue No. 35, General Issue No. 391). Health Policy and Regulation Department of Ministry of Health. Available online at <http://www.moh.gov.cn/open/uploadfile/2005123092539680.doc>

<sup>2</sup> David Kilgour and David Matas, "Bloody Harvest: Revised Report into Allegations of Organ Harvesting of Falun Gong Practitioners in China," 31 January 2007, page 40 (sourced). Available at <http://organharvestinvestigation.net/report200701/report20070131.pdf>

<sup>3</sup> Lu Tielin and Zhou You. "First Organ Transplant Regulation About to Come out in Our Country," *Health News*, 12 January, 2006, page 7. <http://www.hbver.com/Article/gyhjqt/gvz/200601/4618.html>

Kidney transplants were the first type of organ transplants in China and remain technically the least challenging form of organ transplantation. Kidney transplants usually are not fatal to the donor. After the removal of a kidney from a living donor, the remaining kidney takes over the work of both kidneys. In 1989, transplant facilities in China performed a total of 1,049 kidney transplants. The total increased to 2,382 in 1995, 4,323 in 1999 and over 8,000 in 2005, essentially doubling over a five year period. The number of registered facilities that qualify for kidney transplantation jumped from 106 in 2001 to 368 in 2005. The number of kidney transplants per year in China is second only to the United States.<sup>4</sup>

Liver transplants, on the other hand, require donor death because the liver is a life-sustaining organ. Between 1977 and 1983, none of the 57 liver transplant patients had a post-operation survival period longer than a year. After a seven-year pause, a total of 78 liver transplants were completed between 1991 and 1998. After 1999, liver transplantation experienced near exponential growth. Transplant facilities performed 118 transplants in 1999, 254 in 2000, 486 in 2001, 996 in 2002 and around 4,000 in 2005. The number of registered liver transplant facilities also demonstrated explosive growth, increasing from 19 in 1998 to 52 in 2000 and 500 in 2005. In the United States, there are only 100 institutions qualified to perform liver transplants and 200 such transplant facilities for kidneys.<sup>4 5 6</sup>

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<sup>4</sup> Chen Shi, "China Medicine News: Current Organ Transplant Status in Our Nation," Biotech Information Net, 2 December, 2002. <http://www.biotech.org.cn/news/news/show.php?id=864>

Archived link:

<http://archive.edoors.com/content5.php?uri=www.chinapharm.com.cn/html/xxhc/2002124105954.html>

<sup>5</sup> Xing Shaowen, "Profit drives White-Hot Organ Transplant Market; Competition without Regulation Raises Concern," *The First Financial Daily*, 5 April, 2006. Reprinted on 37 Degree Celsius Medical Net. <http://www.37c.com.cn/AK/200604/AK133843060405072714.shtml>

During the fifteen years between 1978 and 1993, only 7 heart transplants were completed in all of China. That total increased to 29 by 1998 and to 82 by 2000.<sup>7 8</sup> By the end of 2005, a cumulative total of 300 heart transplants were completed in China.<sup>9</sup> More than 70% of the total heart transplants in China were performed during the five years between 2000 and 2005. In 2004 alone, more than 100 heart transplants were completed.<sup>3</sup>

In addition to the common kidney, liver and heart transplants, there are also single- and double lung transplants and joint transplants of pancreas-kidney, liver-kidney and other multiple combinations of organs. Such large organ transplants and multi-organ transplants have become commonplace in Beijing's hospitals.<sup>10</sup> The removal of multiple organs at the same time, however, will lead to the immediate death of the organ donor.

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Liu Zheng, "Organ Transplants Quietly Blossomed in China," CATV.NET, 20 October, 2004. Reprinted on *Orient Organ Transplant Center* website.

<http://www.ootc.net/HomePage/FileDocDetail.aspx?fileno=266>

<sup>6</sup> Zhang Feng, "New rule to regulate organ transplants," *China Daily*, 5 May, 2006.

[http://www.chinadaily.com.cn/china/2006-05/05/content\\_582847.htm](http://www.chinadaily.com.cn/china/2006-05/05/content_582847.htm)

Archived page: [http://web.archive.org/web/20060507112930/http://www.chinadaily.com.cn/china/2006-05/05/content\\_582847.htm](http://web.archive.org/web/20060507112930/http://www.chinadaily.com.cn/china/2006-05/05/content_582847.htm)

<sup>7</sup> Jin Yan and Wang Hongliang, "Organ Transplant – the Silent Arising Market of Big Potential," *Sanlian Life Weekly Magazine*, 23 September, 2004. <http://www.lifeweek.com.cn/2004-09-23/000019781.shtml>

Archived link: <http://web.archive.org/web/20040924104426/http://www.lifeweek.com.cn/2004-09-23/000019781.shtml>

<sup>8</sup> Xia Huisheng, "Progress of Non-kidney Large Organ Transplant in Our Nation – Opening Remark at the First National Non-Kidney Large Organ Transplant Academic Conference in 1998," *China Organ Transplant Magazine*, Issue No.1 of 1999.

<sup>9</sup> Yi Dinghua, "Discussions on Heart Transplantation, the Current Status of Heart Transplantation and Related Issues," *No. 4 Military Medical University Campus Report*, Issue No. 23 of Volume No. 25, December 2005. Reprinted on China Top Medicine Net, 7 March, 2006.

[http://www.shouxi.net/journal/articleinfo.aspx?art\\_id=147854](http://www.shouxi.net/journal/articleinfo.aspx?art_id=147854)

<sup>10</sup> "Large Organ Transplant and Multi-Organ Joint Transplant Have Become Routine Operations in the Capital's Hospitals," Latest News section (2005), Liver Transplant Department of Beijing Organ Transplant Center Website. <http://www.livertransplant.org.cn/news02.htm>

For each type of organ transplantation, the period from 2000 to 2005 represents a time of rapid increase in the number of transplant operations. In the case of liver and heart transplants that require donor death, the growth was near exponential. As the word about China's ample supply of organs spread among patients, more and more foreigners are flocking to China for organ transplants. This large exogenous increase in demand shifts the demand curve for organs outward and should lead to a demand-induced growth in the supply of organs, particularly from corpses in the case of liver and heart transplants. If the number of executed prisoners and other normal sources of corpses do not exhibit any pattern of positive growth, as the next section will explore in detail, then the organ harvesting from Falun Gong practitioners provides an explanation for this growth.

### **Waiting Times**

China has organ transplant waiting times that are incredibly short compared to other countries. In China, the typical waiting time is one to two weeks for kidney transplants and one month for liver transplants.<sup>11</sup> The average waiting time for kidney transplants is 160 weeks or 3.1 years<sup>12</sup> in the United States, 3 years<sup>13</sup> in India and 3 years<sup>14</sup> in Western

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<sup>11</sup> These short waiting times are guaranteed on the websites of Tianjin Oriental Organ Transplant Center, Shanghai City Changzheng Hospital, China International Transplantation Assistant Centre and many other hospitals and transplantation centers. They are corroborated by numerous organ recipient interviews and media reports.

<sup>12</sup> "The Matching Process — Waiting List," website maintained by the U.S. Department of Health and Human Services (HHS), Health Resources and Services Administration (HRSA), Healthcare Systems Bureau (HSB), Division of Transplantation. Data sourced from the UNOS/OPTN Annual Report 2003. [http://www.organdonor.gov/transplantation/matching\\_process.htm](http://www.organdonor.gov/transplantation/matching_process.htm)

<sup>13</sup> "FAQ's (Frequently Asked Questions)," Cambridge International Academy in India. <http://www.cambridgeindia.com/organ-donation/faq.html>

<sup>14</sup> Richard C. Morais, "Desperate Arrangements," *Forbes Magazine*, 29 January, 2007. On the Cover/Top Stories. [http://www.forbes.com/free\\_forbes/2007/0129/072\\_2.html](http://www.forbes.com/free_forbes/2007/0129/072_2.html)

Europe. The average waiting time for liver transplants is 114 weeks or 2.2 years in United States<sup>12</sup> and 1 to 1.5 years in Canada.<sup>15</sup>

The websites of many hospitals in China advertise their short waiting times to customers as a major selling point. The following are a few examples.

The Organ Transplant Research Institute of the Shanghai Changzheng Hospital is the organ transplant research center for the People's Liberation Army in China. It has an average liver waiting time of one week. Over 3,000 kidney transplants and 300 liver transplants have been completed at this center. Every year, the center carries out 200 kidney transplants and 130 liver transplants.<sup>16</sup>

The following is a growth chart for the liver transplants at the Shanghai Changzheng Hospital's Organ Transplant Research Institute, taken from its website.

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<sup>15</sup> "What is involved in having a liver transplant?", reviewed by Alberta clinical experts, Capital Health Link in Alberta, Canada.

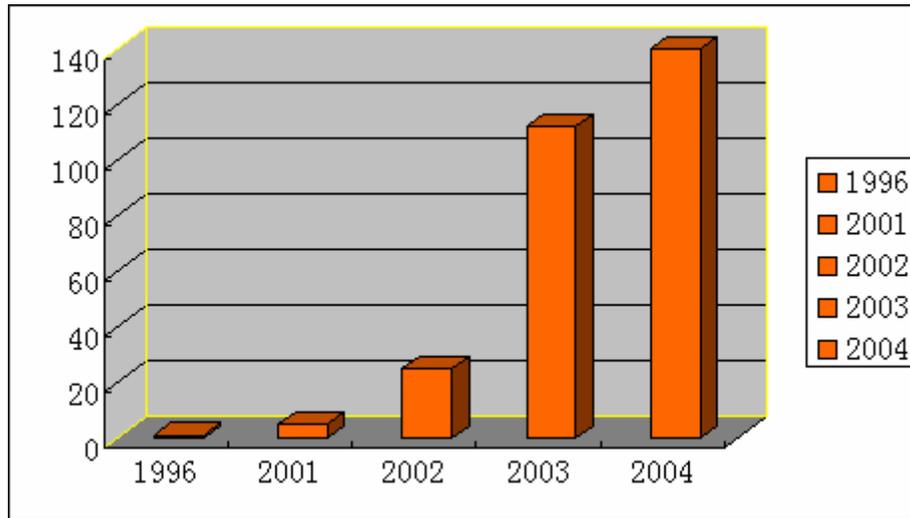
[http://www.capitalhealth.ca/YourHealth/Clinical/Transplant/involved\\_liver\\_transplant.htm](http://www.capitalhealth.ca/YourHealth/Clinical/Transplant/involved_liver_transplant.htm)

<sup>16</sup> "About Us," No.2 Military Medical University Adjunct Shanghai Changzheng Hospital website.

<http://www.transorgan.com/about.asp> Archived link:

<http://web.archive.org/web/20050210151221/http://www.transorgan.com/about.asp>

**Fig. 1 The Number of Liver Transplants Per Year at the Shanghai Changzheng Hospital's Organ Transplant Research Institute<sup>17</sup>**



The Oriental Organ Transplant Center (OOTC) of the No. 1 Central Hospital of Tianjin City has the largest liver transplant department in China. It has an average liver waiting time of 2 weeks. Starting from a total of 9 liver transplants by 1998, the OOTC has completed a total of 2,248 liver transplants by 2005. It completed 647 liver transplants in 2005, or nearly two per day. The growth curve of its annual liver transplants is near exponential.<sup>18</sup>

<sup>17</sup> "About Us," liver transplant section, No.2 Military Medical University Adjunct Shanghai Changzheng Hospital website. Original website: [http://www.transorgan.com/about\\_g\\_intro.asp](http://www.transorgan.com/about_g_intro.asp) Archived link: [http://archive.edoors.com/render.php?uri=www.transorgan.com%2Fabout\\_g\\_intro.asp&x=25&y=7](http://archive.edoors.com/render.php?uri=www.transorgan.com%2Fabout_g_intro.asp&x=25&y=7)

<sup>18</sup> Kilgour-Matas report, page 15 (sourced). (The front page has been altered. The archived page is at: [http://archive.edoors.com/content5.php?uri=http://www.ootc.net/special\\_images/ootc1.png](http://archive.edoors.com/content5.php?uri=http://www.ootc.net/special_images/ootc1.png))

Fig. 2 Cumulative total of liver transplants by year at OOTC<sup>19</sup>



“Until now we have completed a total of 2,248 liver transplants. Last year the average survival rate of patients is 97% one year after the operation,” the caption reads.



The graph shows the cumulative total of liver transplants by year. The background text reads, “Our Achievements.”

The China International Transplantation Network Assistance Center (CITNAC), located in Tianjin City, is a major transplantation center that serves foreigners. On its website, it says that the kidney transplants have waiting times between one week and one month; for liver transplants, it is between one to two months. In the case that the original operation fails, the center guarantees that the final transplant will be completed within a week.<sup>20</sup>

<sup>19</sup> Front page of the website of the Orient Organ Transplant Centre, located in the First Center Hospital of Tianjin, 24 Fukang Road, Nankai District, Tianjin City, 300192. (The front page has been altered. The archived page is at:

[http://archive.edoors.com/content5.php?uri=http://www.ootc.net/special\\_images/ooct\\_achievement.jpg](http://archive.edoors.com/content5.php?uri=http://www.ootc.net/special_images/ooct_achievement.jpg)  
[http://archive.edoors.com/content5.php?uri=http://www.ootc.net/special\\_images/ooct\\_case.jpg](http://archive.edoors.com/content5.php?uri=http://www.ootc.net/special_images/ooct_case.jpg)

<sup>20</sup> “The Selection of Volunteers,” Website of the China International Transplantation Network Assistance Center, located in Shenyang City, Liaoning Province. <http://en.zoukiishoku.com/list/volunteer.htm>  
Archived at:

<http://archive.edoors.com/render.php?uri=http%3A%2F%2Fen.zoukiishoku.com%2Flist%2Fvolunteer.htm+%26x=8&y=9>

Besides their short waiting times, what sets Chinese hospitals apart from their foreign peers is their unusual practice of carrying out frequent batch kidney and liver transplantation. This is inconceivable in countries that depend on organs from donations and randomly distributed brain deaths. For example, the OOTC at the No.1 Central Hospital of Tianjin City has eight liver transplant teams and three kidney transplant teams who can perform 9 liver transplants and 8 kidney transplants simultaneously.<sup>21</sup> Many hospitals have carried out three, four, five liver transplants and seven or more kidney and liver transplants simultaneously.<sup>22</sup> In a media interview, the President of Xiangya Third Hospital Zufa Huang said, “Our hospital used to carry out two liver and five kidney transplant operations simultaneously. We have had the capability to carry 6-7 transplant operations at the same time. We performed as much as over 200 operations annually.”<sup>23</sup>

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<sup>21</sup> “A Brief Introduction of OOTC,” Oriental Organ Transplant Center website.

[http://www.ootc.net/Aboutus/ootc\\_intro.aspx](http://www.ootc.net/Aboutus/ootc_intro.aspx) Archived at: [http://archive.edoors.com/render.php?uri=http%3A%2F%2Fwww.ootc.net%2FAboutus%2Ffootc\\_intro.aspx&x=0&y=0](http://archive.edoors.com/render.php?uri=http%3A%2F%2Fwww.ootc.net%2FAboutus%2Ffootc_intro.aspx&x=0&y=0)

<sup>22</sup> “Academician Zheng Shusen Completed Five Liver Transplants Successively on the Same Day,” Zhejiang University Adjunct No.1 Hospital Liver Transplant Center website, reprinted on the Chinese Liver Transplant Net, 1 May, 2005. <http://www.transplantation.org.cn/html/2005-05/161.html> Archived at <http://archive.edoors.com/render.php?uri=http%3A%2F%2Fwww.transplantation.org.cn%2Fhtml%2F2005-05%2F161.html&x=0&y=0>

“Armed Police General Hospital Set Another Record in Liver Transplant Operations,” under “Institution Fast News” section on the homepage of China Liver Transplant Net, 14 May, 2005.

<http://www.transplantation.org.cn/html/c36/> Archived at <http://archive.edoors.com/render.php?uri=http%3A%2F%2Fwww.transplantation.org.cn%2Fhtml%2Fc36%2F&x=0&y=0>

“Shen Zhongyang - Ten Hours in His Life,” Oriental Time and Space - Son from the East of the CCTV, reprinted on China Liver Transplant Net, 17 March, 2005. <http://www.transplantation.org.cn/html/2006-03/417.html> Archived at <http://archive.edoors.com/render.php?uri=http%3A%2F%2Fwww.transplantation.org.cn%2Fhtml%2F2006-03%2F417.html&x=0&y=0>

“Introduction of Departments: Organ Transplant Center,” No.1 Adjunct Hospital of Kunming Medical College website, 11 April, 2006. [http://www.ydyy.cn/show\\_dept.asp?newsid=58](http://www.ydyy.cn/show_dept.asp?newsid=58) Archived at [http://web.archive.org/web/20060503213934/http://www.ydyy.cn/show\\_dept.asp?newsid=58](http://web.archive.org/web/20060503213934/http://www.ydyy.cn/show_dept.asp?newsid=58)

<sup>23</sup> “Hot Program – About Kidney Transplant Department of Organ Transplant Center in Zhongnan University Adjunct Xiangya No. 2 Hospital,” Hunan On-line’s Public Health News Section, 21 October, 2005. [http://www.hnol.net/content/2005-10/21/content\\_3479431.htm](http://www.hnol.net/content/2005-10/21/content_3479431.htm)

## **Modeling the Waiting Times**

Using the queueing theory, it is possible to model the waiting times and determine whether the arrival of organs follow a random exponential distribution or a deterministic distribution from an exogenous source. Such modeling could also determine the excess capacity necessary for a hospital or the entire organ transplant industry to maintain short waiting times. For example, 6,443 liver transplants were completed in 2005 in the United States with an average waiting time of 3 years.<sup>29 12</sup> In China, by comparison, over 4,000 liver transplants were completed in 2005 with typical waiting times of a month or two.<sup>42</sup> After making proper assumptions about the average arrival rate and service rate, a queueing model could determine the excess inventory of liver suppliers needed to sustain the short waiting times for liver transplants in China. This type of modeling is an excellent area for further research. It requires advanced statistics theory, however, that is beyond the scope of this paper.

## **Supply-Driven Organ Market**

Why can Chinese hospitals guarantee waiting times of a few weeks and do transplants in batches while patients in the rest of the world must wait for years for a suitable organ?<sup>24</sup>

It is impossible to understand the Chinese organ transplant industry with a typical U.S. consumer-driven market model where demand far outpaces supply. In countries like the United States, the sources of organs are scarce. They come mostly from living donors and the brain-dead. The supply of organs is unpredictable and depends on the timing of

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<sup>24</sup> Tieh-Pai Chen, "Organ trafficking mustn't be ignored," *The Herald*, 24 September, 2006. Reference to a point made in the article. [http://www.heraldnet.com/stories/06/09/24/100opi\\_chen001.cfm](http://www.heraldnet.com/stories/06/09/24/100opi_chen001.cfm)

death or living donation, blood group and HLA matching, among other factors. Thus, organ transplants cannot be planned in batches ahead of the time or delivered on demand within a week or two. Patients who need organ transplants must wait in queue for years. In the U.S. demand-driven market model, supply curve is nearly vertical because the sources of organs in the U.S. do not correlate with price and do not change much from year to year. In addition, organ donations are required by enforceable U.S. laws to be free and voluntary. The demand curve starts out steep in the high price range, where the price elasticity of demand is inelastic for wealthy organ recipients. The demand curve flattens out somewhat as price reaches an “affordable” range because many middle-class patients simply could not afford costly transplants. When the demand curve shifts out for life-sustaining organs like livers that come from a vertical supply curve of deceased donors, it will only drive up the price for liver transplants.

In China, the hospitals have regular access to an abundance of organs. Like other countries, however, China has a long local waiting list of 2 million people.<sup>25</sup> In China’s case, these poor people are simply priced out of the Chinese organ market despite its low prices relative to other countries. As long as rich Chinese or foreign customers could afford the price, matching organs are available within a few weeks, not to mention batch transplants. Transplant centers and facilities have sprung up all over the country. Short waiting times and high transplant volumes that are typical at major transplant facilities also characterize these local facilities. Even a county-level hospital like the Gongyi City Kidney Transplant Center has performed a record of 8 batch kidney transplants in a

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<sup>25</sup> David McNeill and Clifford Coonan, “Japanese Flock to China for Organ Transplants,” Japan Focus. Republished in the Asia Times, 4 April 2006. <http://www.atimes.com/atimes/China/HD04Ad01.html>

day.<sup>26</sup> Despite the entrance of so many market players and their enormous pressure on the organ supply, the waiting times throughout China have not seen much increase.

These unusual features of the Chinese organ transplant industry indicate that it is fundamentally a supply-driven market. According to the Say's law in the supply-side economics, "supply creates its own demand." Hospitals in China could perform batch transplants and guarantee short waiting times because they have access to a large inventory of living organ suppliers. Since the demand for life-sustaining organs are highly inelastic after controlling for income disparities, the hospitals just need to set a desired supply level based on their bed and equipment capacity. In a sense, organs in China are waiting for customers instead of the other way around. When the demand curve shifts out for organs like livers that require donor death, hospitals could tap more livers from the inventory of living suppliers and more liver-transplant facilities open up, leading to a corresponding shift in the supply curve. The net effect would be an increase in the quantity of livers supplied and demanded with little shift in price.

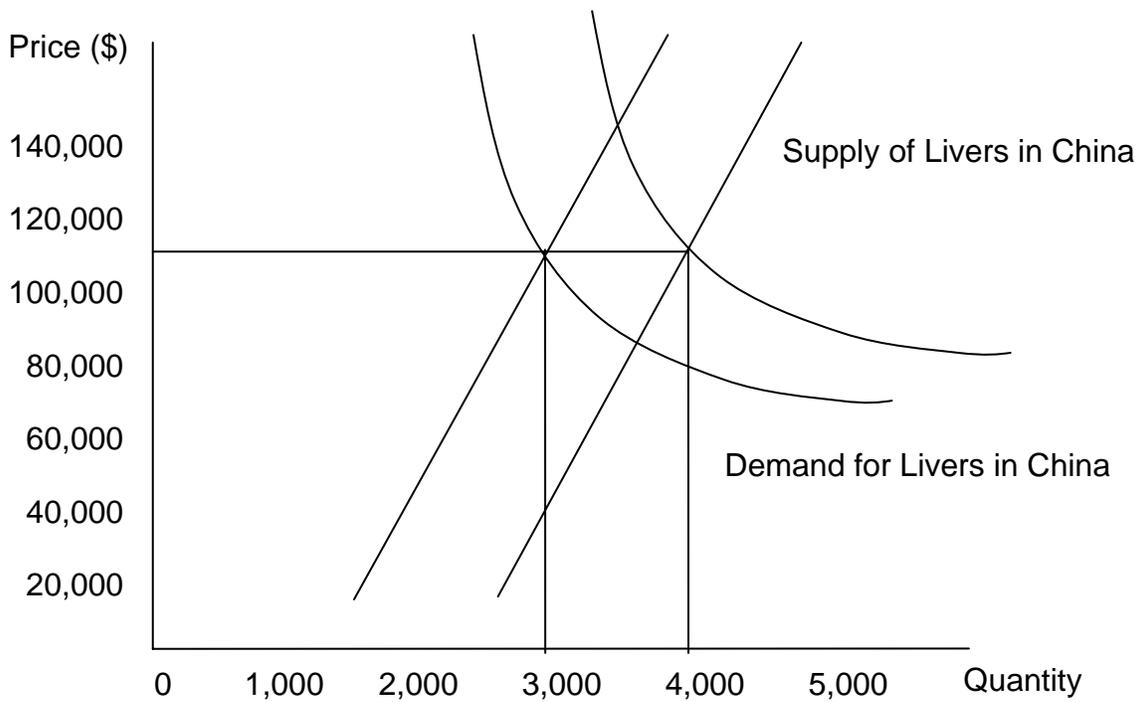
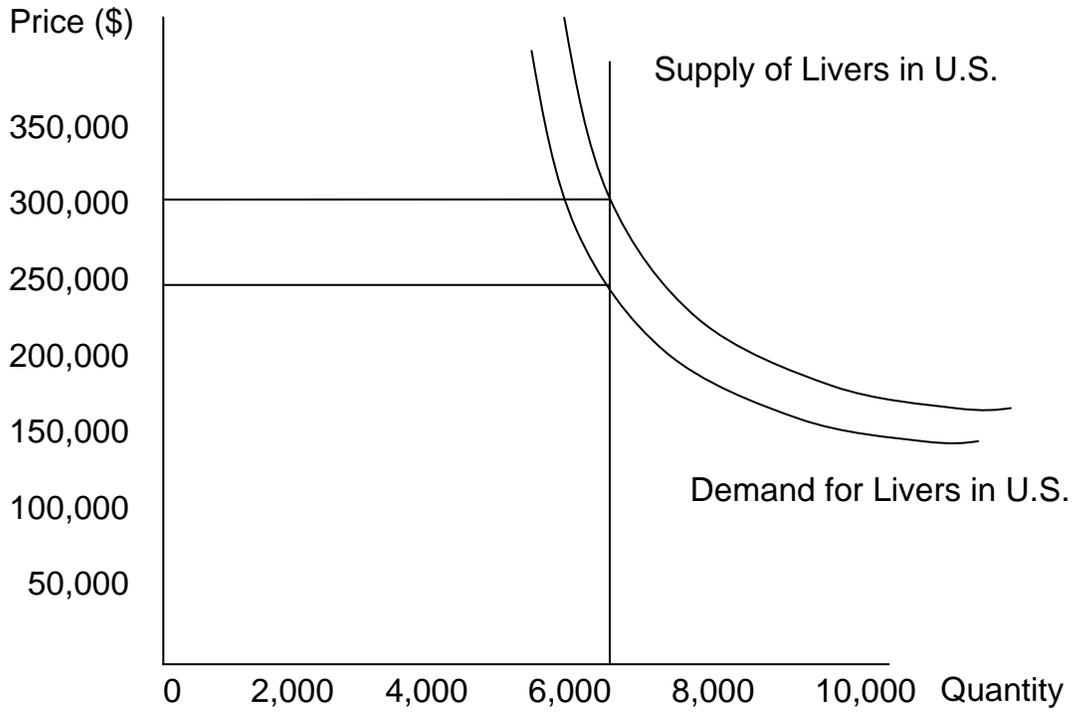
The following graphs illustrate the different market structures of China and the United States. The average U.S. liver transplant costs \$250,000 without pre- and post-operative care.<sup>27</sup> The China International Transplantation Network Assistance Center website prices liver transplants in China between \$98,000 and \$130,000.<sup>28</sup>

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<sup>26</sup> "Gongyi City Chinese Medicine Hospital," *China Chinese Medicine Newspaper*, 13 December, 2002. <http://www.100md.com/Html/Dir0/23/50/31.htm>

<sup>27</sup> "Getting a Liver Transplant," National Kidney Foundation, Inc., 14 February, 2006. <http://www.kidney.org/ATOZ/atozItem.cfm?id=160>

<sup>28</sup> "The Cost of the Transplantation," CITNAC Website, Removed in April 2006. Archived at: <http://archive.edoors.com/render.php?uri=http%3A%2F%2Fen.zoukiishoku.com%2Flist%2Fcost.htm+%x=16&y=11>



**Fig. 4** Graphs of the Liver Transplant Markets in China and the United States

In the demand-driven organ market, the waiting times are long because the patients must wait in queue for organs procured from natural deaths or donations every year. There are only so many such organs per year. Their quantity lags far behind the number of new patients that need transplants every year. In the United States, the average increase in the number of recovered organs is 522 per year in the decade from 1997 to 2006. In the same period, however, there are 6,013 new additions on average to the waiting list every year. As of March 23, 2007, there are 95,129 people on the waiting list.<sup>29</sup> Therefore, the waiting lists for organs in the United States and other countries with demand-driven markets are persistent and growing.

In China's supply-driven market, the "waiting times" are exceedingly short because the recipients are not waiting for a relatively static number of organs procured every year from natural deaths. They are only waiting for suitable blood group and HLA matches with the organs from an existing organ inventory of living suppliers. Statistically speaking, the capacity of this inventory must be large enough to accommodate two conditions: 1) to keep the "waiting times" short in spite of the growing volume of organ transplants per year; 2) to find suitable blood group and HLA matches between strangers against great odds. Since family donors only represent 1.1% of the transplants in China, the matches require a large pool of candidates. The unusual brevity of the "waiting times" for a matching organ indicates that the suppliers are most likely pretyped and pre-screened for diseases.

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<sup>29</sup> U.S. national data from the Organ Procurement and Transplantation Network (OPTN), a private, non-profit organization under federal contract created by Congress under the National Organ Transplant Act (NOTA) of 1984. <http://www.optn.org/latestData/rptData.asp>

Where do these suppliers come from? Does the allegation of large-scale organ harvesting from Falun Gong practitioners give a plausible source for this inventory? The next section on the sources of organs will explore this question in detail.

### **Government Sponsorship**

Many transplant hospitals and transplantation centers in China enjoy government sponsorship. Some are built with local government funding and belong to the Ministry of Health. The OOTC, for example, was built in 2002 with funding from the Tianjin city government.<sup>16</sup> The website of the China International Transplantation Network Assistance Center states the following:

"...the number of kidney transplant operations is at least 5,000 every year all over the country. So many transplantation operations are owing to the support of the Chinese government. The supreme demotic court, supreme demotic law - officer, police, judiciary, department of health and civil administration have enacted a law together to make sure that organ donations are supported by the government. This is unique in the world."<sup>30</sup>

The People's Liberation Army also invests in the organ transplant industry to finance the military budget.<sup>31</sup> The hospitals and transplant centers affiliated with the PLA received substantial funding from the government. The Organ Transplant Research Center of the Shanghai Changzheng Hospital received 3.5 million Yuan (\$450,000) funding from the

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<sup>30</sup> "Facts of Chinese Transplantation," Website of the China International Transplantation Network Assistance Center, located in Shenyang City, Liaoning Province. <http://en.zoukiishoku.com/list/facts.htm>  
Archived version is at:  
<http://archive.edoors.com/render.php?uri=http%3A%2F%2Fen.zoukiishoku.com%2Flist%2Ffacts.htm&x=24&y=12>

<sup>31</sup> Kilgour-Matas report, p. 9

government and the hospital.<sup>16</sup> The Southern Hospital and the Zhujiang Hospital of the First Military University each received more than 1 million Yuan (\$130,000) funding from the government. Between the two hospitals, more than 5,100 kidney transplants have been completed at a rate of 360 to 380 kidney transplants a year.<sup>32</sup>

Being a state-sponsored industry gives China's organ transplant industry a leg up in their access to China's courts, detention facilities, prisons and reeducation-through-labor camps. As the next section will explore in more detail, this privileged access could open doors to the vast and reliable potential bank of organ suppliers in these facilities.

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<sup>32</sup> "Main Topic of EEMAP: ZGCZH Is My Path of Learning," EEMAP.ORG, Southern Hospital and the Zhujiang Hospital, <http://www.eemap.org/rss/map/736>

## II. Sources of the Organ Supply

### Voluntary Donations

There is no organized system of organ donations in China. While donations from living relatives are permitted,<sup>33</sup> they only make up 1.1% of the organ supply in China. The remaining 98% of the organ supply falls outside the control of the Ministry of Health.<sup>6</sup> In kidney transplants, which is the most mature and widespread type of organ transplants in China,<sup>4</sup> family donors represented only 227 or 0.6% of 40,393 transplants between 1971 and 2001.<sup>34</sup> Prior to July 1, 2006, the government had no laws or regulations on organ transplants and donations.<sup>6</sup> Unlike other countries, China does not rely on its marginal organ donation for transplants.

In the United States, living donors represent close to half of the donations. In 2006, they make up 45.6% of the donations and 23.3% of the transplants.

Cultural beliefs about preserving the body whole after death also discourage Chinese people from donating their organs. Even without an active donation program, China has kept up its huge volume of annual organ transplants and short waiting times. This indicates that donations are not important because China can draw enough organs from other sources to meet growing global demand.<sup>33</sup>

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<sup>33</sup> Kilgour-Matas report, p. 14

<sup>34</sup> “Current Organ Transplant Status in Our Nation”, *China Pharmacy Net*, 5 December, 2002, <http://www.chinapharm.com.cn/html/xxhc/2002124105954.html>

Archived page:

<http://archive.edoors.com/content5.php?uri=http://www.chinapharm.com.cn/html/xxhc/2002124105954.html>

## **Brain-Dead Donors**

The first transplant operation involving a brain-dead organ donor was performed in July 2000<sup>35</sup>. As of March 2006, there were only nine cases of organ transplant from brain-dead donors in all of China.<sup>36</sup>

Legal regulations regarding brain-dead organ donors do not exist in China. Among countries that currently perform organ transplants, China is the only country that does not have laws defining the medical standards for brain-death. As a result, Chinese hospitals announce a person's death only when his or her heart stops beating and often after unsuccessful resuscitation, at which point the deceased's organs already lost their medical value in organ transplantation.<sup>37</sup>

## **Executed Prisoners**

In 1984, the Chinese authorities established guidelines on the use of organs from executed prisoners. The organs could be extracted if 1) the corpse is unclaimed or the family of the deceased refused to claim; 2) the deceased agreed to donate them to medical institutions; 3) the family of the deceased gave consent.<sup>38</sup> The July 2006 regulations on organ trade do not affect the old guidelines about unclaimed bodies.<sup>71</sup>

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<sup>35</sup> "Dayang Net: Inside Story about the First Organ Transplant from Brain Death Donor," *Sohu Net* (Health Channel), 29 March, 2001. <http://health.sohu.com/87/38/harticle15043887.shtml>

<sup>36</sup> Sun Changlun, "Beijing Youth Newspaper: Full Disclosure of Nine Cases of Organ Transplantation from Brain Death Donor," China Liver Transplant Net, March 6, 2006. <http://www.transplantation.org.cn/html/2006-03/400.html>

<sup>37</sup> "Xinmin Evening News: Ministry of Health Organ Transplant Center Opens in October," *Xinhua News Net*, 13 August, 2005, [http://news.xinhuanet.com/newscenter/2005-08/13/content\\_3348219.htm](http://news.xinhuanet.com/newscenter/2005-08/13/content_3348219.htm)

<sup>38</sup> "Interim Provisions Regarding the Use of Corpses or Organs from Executed Prisoners," jointly issued by Supreme Court of PRC, the Supreme People's Procuratorate of China, Ministry of Public Security, Ministry of Justice, and Ministry of Civil Affairs, etc., 9 October, 1984. <http://www.cecc.gov/pages/virtualAcad/index.phpd?showsingle=46700>

Amnesty International reports that China has more executions every year than the rest of the world combined. The AI figure is based on Chinese public records. Other observers claim that the real figure could be much higher.<sup>39</sup>

The number of executions per year in China has jumped up and down but follows no clear trend. The five-year average between 1995 and 1999 was 1680 per year. The average dropped slightly to 1616 per year between 2000 and 2005. In 2005, the number of executions was 1,770.<sup>40</sup> The number of organ transplants, however, increases dramatically every year, reaching 20,000 in 2005.<sup>41</sup> The number of kidney transplants increased from 4,323 in 1999 to 8,000 in 2005. The number of liver transplants has followed an exponential growth curve from 118 in 1999 to 4,000 in 2005.<sup>42</sup> These data show that the number of executions per year exhibits no correlation with the growth rate of transplants.

If the executions are the main source of transplant organs, the rapid growth in the volume of transplants should exert an upward pressure on the organ supply curve. In the case of liver transplants, no donor can survive after the full removal of the liver.<sup>43</sup> The near exponential growth in the number of liver transplants per year means that either the number of executions must increase over time or there must be a large alternative source

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<sup>39</sup> Amnesty International Annual reports – China, <http://www.amnesty.org/ailib/aireport/index.html>  
A table of executions per year between 1995 and 2005 is in Kilgour-Matas report, appendices, p. 174

<sup>40</sup> Kilgour-Matas report, 40-1

<sup>41</sup> Kilgour-Matas report, p. 39

<sup>42</sup> “Set High Standards for Organ Transplants,” *Health News* (web edition), 2 March, 2006, <http://www.transplantation.org.cn/html/2006-03/394.html> Archived at: <http://archive.edoors.com/render.php?uri=http%3A%2F%2Fwww.transplantation.org.cn%2Fhtml%2F2006-03%2F394.html&x=17&y=5>

<sup>43</sup> Kilgour-Matas report, 57; China usually performs whole liver transplants instead of part liver transplants.

of organs. Otherwise, the number of executions could not keep pace with the transplants and there would be a bottleneck. The volume of transplants would level off or drop down to the sustainable level; the price of transplants would rise as organs become scarce and hard to get, thus crowding out some potential organ recipients; and the waiting times would increase until the market restores equilibrium. This market behavior, however, is not observed in China. While the volume of transplants far outstrips the number of executions and shows no sign of slowing down, the price of transplants has not seen significant increase. The average waiting time remains at several weeks, far below the average waiting time of several years in other countries.

Despite the absence of any growth pattern in the executions, China's supply of organs has not hit a ceiling yet. This indicates that the executions cannot be a plausible source of organs for the dramatic growth of organ transplants.

### **Non-Heart-Beating Organ Donors (NHBD)**

To preserve their vitality, life-sustaining organs must be removed immediately after the donor's heart stops beating. Livers, for example, must be removed 3 to 5 minutes after the cardiac arrest. In the absence of brain-death standards in China, death is still defined as the termination of a person's heartbeat and resuscitation often follows. As a precaution against misdiagnosis of death, the deceased's body is usually placed in the mortuary for 24 hours. By this time, most of the organs in the deceased's body have lost

their value in organ transplantation. Health officials and medical literature in China have repeatedly urged for the adoption of brain-death laws.<sup>44 45</sup>

Therefore, organs from non-heart-beating organ donors are an implausible source of supply for the huge volume of organ transplants.

### **Gap in the Organ Supply**

To ensure short waiting times and suitable matches for tens of thousands of organ transplants per year, hospitals and other transplant facilities need access to a massive number of organs. If the executed prisoners, living donors, brain-dead, and Non-Heart-Beating Organ Donors are not the source of dramatic growth in liver transplants, who are the organ suppliers?

Organs could only come from living persons and corpses. Donations from living persons in China, who are essentially family donors, amount to only 1.1% of the organ transplants. Organs from the executed prisoners, brain-dead and Non-Heart-Beating Organ Donors amount to only a small fraction of the organ transplants. Even if all the executions were accounted for in the organ transplants—disregarding the problem of finding healthy organ suppliers with matching blood groups—the organs from corpses would only amount to 16% of the average number of transplants per year between 2000 and 2005.

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<sup>44</sup> “Experts Say that Organ Donations Cannot Happen Without Passing ‘Brain-Death’ Laws,” *New Fast Newspaper*, Golden Goat Net, 29 August, 2003. Reprinted on Sina News Net, <http://www.yyx.gov.cn/show.asp?url=NewsNews/c/2003-08-29/10361638452.shtml>

<sup>45</sup> “Organ Donation Calls for Legal Support,” Beijing Public Health Information Center, 10 October, 2006, <http://sjshb.bjsjs.gov.cn/wsyw/1230.shtml>

Therefore, at least 82.9% of the transplants must come from *involuntary living* suppliers.<sup>46</sup>

Where could one find such a large bank of involuntary living organ suppliers? In the case of whole liver or heart transplants, the transplantation requires donor death either before or during the organ removal.<sup>47</sup> Killing the organ supplier in the process of transplantation is a form of murder. Given the social stigma, it is unlikely that the surgeons will openly admit to committing murder and identify the victims, if they did so. Interviews with organ recipients show that they are also uninformed about the organ source. Many recipients say that the transplant operations are conducted in secrecy and on a “don’t ask, don’t tell” basis.<sup>48</sup> Unfortunately, there is no way to identify the organ suppliers from public records since China does not disclose such data.

### **Organs from Falun Gong Practitioners**

Several recent studies identified Falun Gong practitioners, figuring in the millions before their persecution in 1999, as the principal source of organ harvesting and transplantation in China since 1999.<sup>49</sup> The Matas-Kilgour study, in particular, concluded that detained Falun Gong practitioners are systematically targeted for involuntary blood testing and large-scale organ removal.

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<sup>46</sup> Commentary under pen name Ask Conscience, “If Those Who Had Their Organs Harvested Are not Falun Gong Practitioners, Then What?” 20 April 2006, <http://epochtimes.com/gb/6/4/20/n1293884.htm>

<sup>47</sup> Dr. Kirk C. Allison, statement at the U.S. Congressional Hearing, “Falun Gong: Organ Harvesting and China's Ongoing War on Human Rights,” Before the Subcommittee on Oversight and Investigations of the Committee on International Relations, House Of Representatives, 29 September, 2006, [http://commdocs.house.gov/committees/intlrel/hfa30146.000/hfa30146\\_0.HTM#40](http://commdocs.house.gov/committees/intlrel/hfa30146.000/hfa30146_0.HTM#40)

<sup>48</sup> Kilgour-Matas report, p. 20

<sup>49</sup> Kilgour-Matas report, p. 56

This paper first defines the required conditions of a large bank of involuntary living organ suppliers. Then it evaluates how closely the detained Falun Gong practitioners fit these conditions and whether they are the exclusive group. The main criteria include population size and density, health and social impact, among other considerations.

### **Population Size and Density**

The rapid growth of the organ transplant industry occurred after 1999, the year that the persecution of Falun Gong began. A national total of 60,000 organ transplants were completed in the six year period between 2000 and 2005.<sup>50</sup> In order to carry out such a large number of organ transplants with waiting times of a few weeks, an enormous organ bank is necessary. Given the need to match blood group and HLA, the capacity of such an organ bank must be at least a hundred thousand people.

Drawing such large numbers of involuntary suppliers from any part of the general population will provoke a public outcry. It is also impossible to guarantee short waiting times. Long travel distance and schedule conflicts are unavoidable difficulties. The need for secrecy and short waiting times require that the organ bank draw suppliers from non-public and nearby sources.

The organ bank must also have the capacity to supply many organs simultaneously for batch transplants. Transplant facilities in China often carry out batch kidney and liver transplants on the same day. The No.1 Central Hospital in Tianjin, for example, set the

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<sup>50</sup> See the Growth and Development part of section I, the Organ Transplant Industry.

record of performing 44 liver transplants in a week, or 8.8 per day.<sup>51</sup> The No.1 Adjunct Hospital of Zhongshan University has the record of performing 19 kidney transplants in a day and 7 liver transplants in a day.<sup>52</sup> One doctor holds the national record of performing 7 liver transplants on the same day.<sup>53</sup> To supply so many organs at the same time, the organ bank must have a concentrated inventory of organ suppliers pretyped for blood group and HLA matching.<sup>47</sup>

Institutions in China that have the capacity to concentrate and hold a large number of people include “reeducation-through-labor” camps, prisons and detention facilities. Official statistics in China say 500,000 were held in 310 “reeducation-through-labor” camps in 2005 and 350,000 were held in special administrative detention facilities in 2004.<sup>71</sup> More than 1.8 million inmates were held in 700 prisons in 2005 and 22,000 juvenile offenders were held in 30 jails for juveniles offenders.

The Falun Gong practitioners represent a significant part of the detained population in these facilities. The Chinese government estimates that there are 2 million Falun Gong practitioners in China. An alternative figure is between 70 to 100 million based on a 1999 government survey before the persecution.<sup>54</sup> Tens of thousands of Falun Gong

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<sup>51</sup> Jin Zhezhong, “The Tide of Koreans Going to China for Organ Transplants: Where Do the Organs Come From?”, Korea Daily, 28 January, 2005. Reprinted on the Boxun.com, <http://www.peacehall.com/news/gb/china/2006/03/200603262046.shtml>

<sup>52</sup> Tang Yingchun, “Organ Transplant Sustained the Music of Life,” *Guangzhou Daily*, 14 March, 2006, [http://gzdaily.dayoo.com/gb/content/2006-03/14/content\\_2439521.htm](http://gzdaily.dayoo.com/gb/content/2006-03/14/content_2439521.htm)

<sup>53</sup> “Remember Our Pledge and Strive to Pioneer in the Field of Organ Transplant”, *Sichuan University Labor Union Net*, 10 April, 2006, <http://202.115.32.34/gonghui/hyfc004.htm> Archived at: <http://archive.edoors.com/render.php?uri=http%3A%2F%2F202.115.32.34%2Fgonghui%2Fhyfc004.htm&x=0&y=0>

<sup>54</sup> “People’s Republic China – The crackdown on Falun Gong and other so-called ‘heretical organizations,’ ” Amnesty International, 23 March, 2000,

practitioners have been detained since the Chinese government began persecuting the group in 1999. Most were held in “reeducation-through-labor” camps.<sup>55</sup> Foreign observers estimate that Falun Gong practitioners constitute half of the 250,000 officially registered inmates at these camps.<sup>71</sup> The surge of arrests and detentions of Falun Gong practitioners after 1999 coincide with the near-exponential growth in organ transplants in China.

There are other groups detained in these facilities, including petitioners, labor activists, China Democracy Party (CDP) activists, domestic and foreign journalists, family members of former political prisoners, Uighurs, unregistered Protestants and Catholics, Muslims, and Tibetan Buddhists.<sup>71</sup> The persecution against these groups, however, began long before the period of 2000 to 2005, which saw unprecedented growth in organ transplants. None of these groups reported allegations of systematic organ harvesting.<sup>56</sup>

### **Health of the Organ Supplier**

Health of the organ suppliers is a major concern to hospitals and organ recipients.

Prospective organ donors must pass physical exams from the hospital.<sup>57</sup> Transplantation centers advertise on their websites that they select fresh and healthy organs. Transplant

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<http://web.amnesty.org/library/Index/engASA170112000> Amnesty International report states: “According to Falun Gong sources, before the ban on the group in July 1999, the Chinese government estimated that between 70 and 100 million people in China practised Falun Gong. These sources state that this official estimate was based on a survey conducted in early 1999, but that the government changed the figure to 2 million when the ban was imposed.”

<sup>55</sup> Amnesty International Annual reports 2003 – China, <http://web.amnesty.org/report2003/chn-summary-eng>

<sup>56</sup> U.S. Department of State Country Reports on Human Rights Practices – China, reports from 1999 to 2006. <http://www.state.gov/g/drl/rls/hrrpt/>

<sup>57</sup> “Brief Introduction to Organ Donation,” Fudan University Organ Transplant Center, 9 February, 2005, <http://www.transplantation.com.cn/newsmain.asp?id=188> Archived at: <http://web.archive.org/web/20050312062801/http://www.transplantation.com.cn/newsmain.asp?id=188>

doctors said during phone inquiries from undercover investigators that they select young and healthy Falun Gong practitioners in their 30s.<sup>58</sup> Hospitals and transplantation centers have a strong profit incentive to find healthy organs because the success rate of their operations and the referrals from organ recipients are directly tied to their profits.

Falun Gong practitioners are unique in their good health among detained groups. The Falun Gong spiritual discipline – combining meditative exercises with moral cultivation through the “Truth, Compassion, Forbearance” principles – is widely recognized for its mind-body health benefits. Falun Gong practitioners do not smoke, drink, or use drugs. According to a Chinese government survey of over ten thousand Falun Gong practitioners in 1998, 99.1% percent of the respondents reported health improvement after practicing Falun Gong with a cure rate of 58.5%.<sup>59</sup> <sup>60</sup> Medical research (2005) using genomic profiling found that the Neutrophils/polymorphonuclear leukocytes (PMNs) of Falun Gong practitioners exhibited enhanced immunity in comparison to the control group.<sup>61</sup> In the United States and other countries—including China before the persecution—government officials issued hundreds of proclamations to Falun Gong for

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<sup>58</sup> Kilgour-Matas report, p. 48

<sup>59</sup> Assistant Professor Lin Dan et al, “Falun Gong Health Effect Survey of Ten-thousand Cases in Beijing,” National Sports Commission, 23 October, 1998. [http://www.falundafa-pa.net/survey/survey98-1\\_e.pdf](http://www.falundafa-pa.net/survey/survey98-1_e.pdf)

<sup>60</sup> Robin Munro, “Dangerous Minds: Political Psychiatry in China Today and its Origins in the Mao Era – VIII. The Falun Gong: New Targets of Psychiatric Abuse,” Human Rights Watch and Geneva Initiative on Psychiatry, August 2002. [http://www.hrw.org/reports/2002/china02/china0802-11.htm#P1413\\_466130](http://www.hrw.org/reports/2002/china02/china0802-11.htm#P1413_466130)

<sup>61</sup> Quan-Zhen Li et al, “Genomic profiling of neutrophil transcripts in Asian Qigong practitioners: a pilot study in gene regulation by mind-body interaction,” *Journal of Alternative and Complementary Medicine*, Feb 2005, Vol. 11, No. 1 : 29 -39. [http://www.ncbi.nlm.nih.gov/entrez/query.fcgi?cmd=Retrieve&db=PubMed&list\\_uids=15750361&dopt=Abstract](http://www.ncbi.nlm.nih.gov/entrez/query.fcgi?cmd=Retrieve&db=PubMed&list_uids=15750361&dopt=Abstract)

bringing the principles of “Truth, Compassion, Forbearance” to their region and for holding free exercise workshops that brought better health to local residents.<sup>62 63</sup>

The unique association of Falun Gong practitioners with good health makes them the preferred group of candidates for the organ bank of involuntary suppliers. Other meditation groups, known also as qigong groups, are also persecuted. None of the groups, however, reported detentions that come close to the number of detained Falun Gong practitioners or mass organ harvesting.<sup>71</sup> Holding everything else equal, detained Falun Gong practitioners are the top target for the organ bank because of their large numbers and good health.

### **Social Impact**

Visiting family members are an important social obstacle to large-scale organ seizures from common prisoners and detainees. The word about organ harvesting could easily be leaked out to the public and the foreign media stationed in China, creating a public uproar. Although Chinese Communist Party officials are often impervious to the rule of law,<sup>64 65</sup><sup>66</sup> they are extremely concerned about issues that could provoke “mass incidents” and political unrest.<sup>67</sup>

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<sup>62</sup> “Awards from China,” Clearwisdom Net, [http://www.clearwisdom.net/eng/report/award\\_china.html](http://www.clearwisdom.net/eng/report/award_china.html)

<sup>63</sup> “Governmental Awards and Recognition of Falun Dafa from China and the World,” Clearwisdom Net, [http://www.clearwisdom.net/emh/special\\_column/recognition.html](http://www.clearwisdom.net/emh/special_column/recognition.html)

<sup>64</sup> “2006 Annual Report,” Congressional-Executive Commission on China, 20 September, 2006. <http://www.cecc.gov/pages/annualRpt/annualRpt06/>

<sup>65</sup> “A Series: Rule by Law,” *New York Times*, (“Articles in this series examine the struggle in China over the creation of a modern legal system.”) September 2005 to February 2007. [http://www.nytimes.com/ref/world/asia/rule\\_index.html](http://www.nytimes.com/ref/world/asia/rule_index.html)

<sup>66</sup> Joseph Kahn, “Chinese Official Warns Against Independence of Courts,” *New York Times*, 3 February, 2007.

What is unusual about the Falun Gong situation is the existence of a large population of unidentified Falun Gong practitioners whose families do not know their whereabouts. These individuals refused to identify themselves in order to protect their families and avoid retaliation from the officials in their local areas.<sup>68</sup>

In addition, the detained Falun Gong practitioners were frequently transferred between prisons and reeducation-through-labor camps. The family members of the identified Falun Gong practitioners are often denied visitation requests. They rely on limited information from friends, released inmates and local authorities to find out the conditions and whereabouts of their loved ones.<sup>69</sup>

As a result, the unidentified, the disappeared and the unreachable Falun Gong practitioners constitute an especially vulnerable group of people in the Chinese penal system. Their lack of identifiable contact with the outside world shuts off their social networks, which are an important deterrent to organ harvesting. Any news about what happened to them would not be able to reach the outside world.

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<http://www.nytimes.com/2007/02/03/world/asia/03china.html?ex=1328158800&en=60e09e48ca40a087&ei=5088&partner=rssnyt&emc=rss>

<sup>67</sup> “Protests and riots on the rise, Chinese state media says,” *Reuters*, 8 December, 2006. Reprinted in the International Herald Tribune. <http://www.ihf.com/articles/2006/12/08/news/unrest.php>

<sup>68</sup> Kilgour-Matas report, p.36

<sup>69</sup> “Latest News from China,” Clearwisdom Net, <http://www.clearwisdom.net/emh/34/> An overwhelming amount of news reports about denied visitation requests from families and news reports about transfers under the daily “Additional Persecution News from China.”

## **Regression Model on the Sources of Liver Transplants**

Liver transplants are the best choice for a regression model to analyze the sources of organ supply. Kidneys could come from living donors and either one or two kidneys could be taken from an organ supplier, thus complicating the calculations. Heart transplantation is technically challenging and there are too few heart transplants in China to provide adequate data. Other types of organs have insufficient data.

After a pause from 1983 to 1991, liver transplantation resumed in 1991 and began a trend of continuous growth starting in 1993. Since liver transplants require donor death, the possible sources of livers include the executed prisoners, brain-dead, NHBDs and living Falun Gong practitioners in detention. The supply of organs from the brain-dead, which only had nine cases by March 2006, and NHBDs is negligible and is excluded from the model.

The following is the regression equation on the number of the liver transplants from 1993 to 2005. The model measures the effect of the Falun Gong persecution, which started in July 1999, on the growth of liver transplants in the 1993-2005 period vis-à-vis the trend of yearly executions in China.

$$\ln(\text{LIVER}_t) = \beta_0 + \beta_1 \ln(\text{FLG}_t) + \beta_2 \ln(\text{PRISONER}_t) + \varepsilon_t, t = 1993, 1994, \dots, 2005$$

$\text{LIVER}_t$  = the number of liver transplants conducted in China per year

$\text{FLG}_t$  = the yearly death toll of Falun Gong practitioners due to police abuse and torture

$\text{PRISONER}_t$  = the number of executions per year in China

There is no direct way to estimate the number of Falun Gong practitioners who died as a result of live organ harvesting. The number of arrests per year does not correlate with the number of organ transplants because the detained individuals could be held for years or subjected to immediate organ harvesting, depending on the organ supplier's blood type. Many detained individuals were also released immediately or after varying periods of time. The organ harvesting of Falun Gong practitioners, however, is part of a systematic persecution, which will be explored in the next section. Thus, what is needed is a proxy to measure the intensity of the systematic persecution that includes torture, killings and organ harvesting. This model uses as proxy the number of Falun Gong practitioners who died due to police abuse and torture, which is compiled by the Falun Gong-affiliated human rights organization, Falun Dafa Information Center. The figures are conservative because they only include the deaths of individuals who have been reported and meticulously identified. According to government sources in China, the actual death toll could be several times higher. Nonetheless, the growth trend of this conservative death toll by year is a fairly good proxy variable for the growth in the intensity of the Falun Gong persecution. None of these confirmed deaths (with one or two identifiable exceptions) are related to organ harvesting.

The number of executions per year in China is compiled by Amnesty International from Chinese public media reports. Other sources say the real figure may be much higher, just like the death toll of Falun Gong practitioners. This regression model, however, measures the growth in the number of liver transplants. The magnitude of the execution

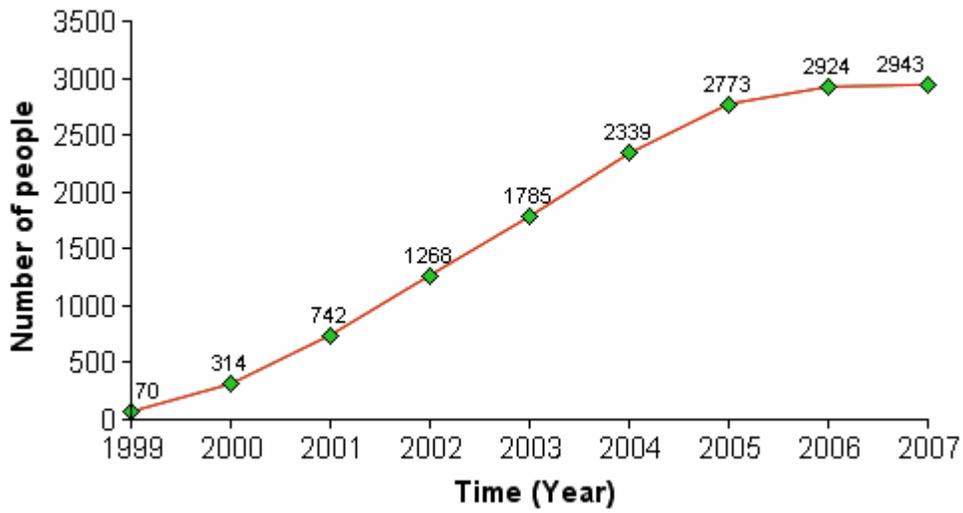
rate per year is not important as long as the reported figures in the Chinese media give a consistent measure of the upward or downward trend of executions over time.

The results of this regression show that the growth in the intensity of the Falun Gong persecution is much more significant in explaining the growth in the number of liver transplants than the trend in the yearly executions, which is statistically insignificant. In a regression of  $\ln\_organ$  on  $\ln\_prisoner$ , the t-value is negative. Due to the lack of data on the number of Falun Gong practitioners subjected to organ harvesting per year and the Chinese government's secrecy about the organ sources, we cannot precisely determine how statistically significant is the organ harvesting from Falun Gong practitioners to the growth in the number of the liver transplants.

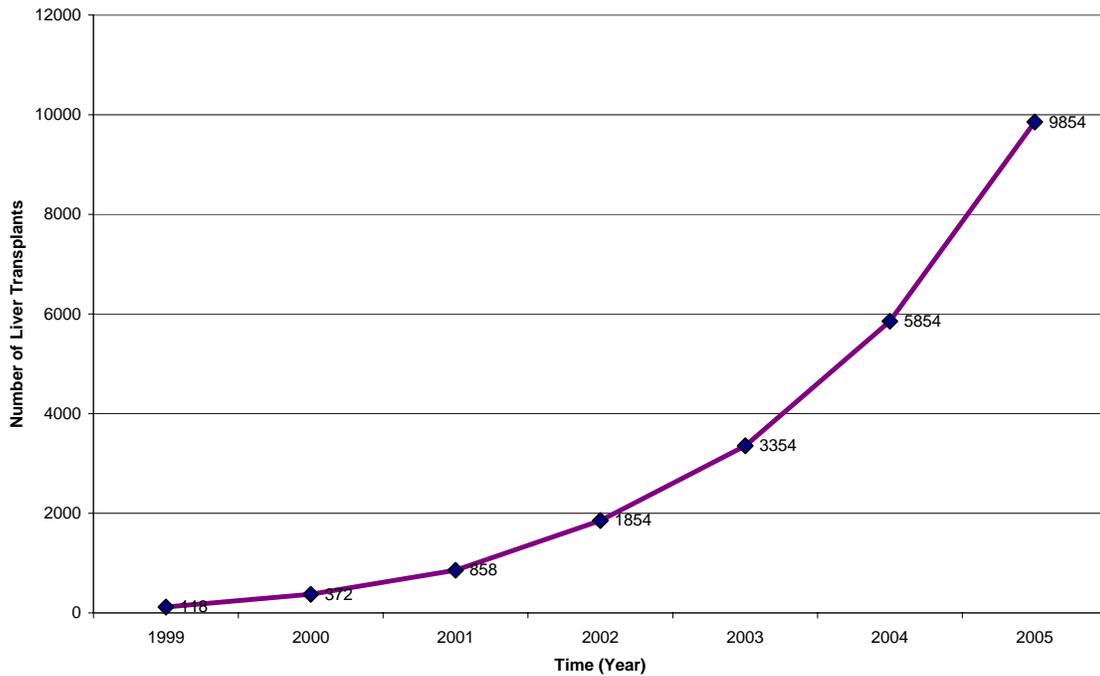
**Table 1. Regression results for the equation,  $\ln(LIVER_t) = \beta_0 + \beta_1 \ln(FLG_t) + \beta_2 \ln(PRISONER_t) + \epsilon_t$ ,  $t = 1993, 1994, \dots, 2005$**

	Coef.	Std. Err.	t	P> t	[95% Confidence Interval]	
$\ln\_flg$	0.768511	0.075644	10.16	0	0.599966	0.937056
$\ln\_prisoner$	0.270265	0.472191	0.57	0.58	-0.78184	1.322372
cons	0.302037	3.552715	0.09	0.934	-7.61391	8.21798

## Accumulative Death Toll of Falun Gong Practitioners by Year<sup>70</sup>



Accumulative Total of Liver Transplants by Year



<sup>70</sup> “Statistical Figures and Graphs,” Minghui.org, as of April 2007.

<http://library.minghui.org/category/32,95,,1.htm>

The total of liver transplants computed from the liver transplants per year cited in the footnotes 3, 4 and 5.

## **The Structure of the Organ Market**

There are three groups of participants in China's organ market. First group is the government, which sets the policy of organ transplantation and rules for extracting organs from prison populations. The second group is the prisons, reeducation-through-labor camps and detention facilities that hold China's incarcerated populations. The last group is the hospitals and transplantation centers that carry out the organ transplantation.

There is very little government regulation of the organ market in the past decade. The Chinese government passed the "Interim Regulation Regarding the Usage of Executed Prisoners' Corpses or Organs" in 1984 that specified the permissive conditions for organ harvesting. It was not until 2006 that the Chinese government passed a new law banning the sale of organs. This law, which has yet to be implemented, left untouched the organ harvesting provisions in the 1984 regulation.<sup>71</sup> There is no brain death law or national law on organ donation.<sup>72</sup> On the other hand, the Chinese government encourages the development of the organ transplant industry.<sup>30</sup> Thus, in this largely unregulated organ market, incarceration and transplant facilities do not have much state-imposed restriction on harvesting organs from Falun Gong practitioners and executed prisoners.

In this organ market, the incarceration facilities function as the warehouse of the organ suppliers. These facilities do not internalize the search cost and procurement cost of detaining potential organ suppliers, which belong to the public security bureau and the

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<sup>71</sup> "2006 Country Reports on Human Rights Practices – China," U.S. Department of State, 6 March, 2007. <http://www.state.gov/g/drl/rls/hrrpt/2006/78771.htm>

<sup>72</sup> "China passes draft regulation on human organ transplant," Xinhua News Agency, 22 March, 2007. [http://news.xinhuanet.com/english/2007-03/22/content\\_5882923.htm](http://news.xinhuanet.com/english/2007-03/22/content_5882923.htm)

610 Office. The costs that the incarceration facilities deal with are the maintenance cost of their prison population and the salaries of their employees. Traditionally, these facilities and reeducation-through-labor camps in particular have exploited their prison population for prison labor that benefits the facility budget. In the case of organ harvesting, the incarceration facilities have the profit-maximizing incentive to increase the percentage of Falun Gong practitioners, who are characteristically healthy and highly demanded by the transplant facilities, in the inmate population. Phone investigations of transplant facilities and detention centers confirm this profit-maximizing selection. There is free entry for incarceration facilities into the organ market because detained Falun Gong practitioners are distributed in incarceration facilities all over the country and the transaction costs of contacting transplant hospitals are low.

For the transplant facilities, there is free entry to the organ market with some cost barriers. Since organ transplantation is supported by the Chinese government, there is no barrier to entry on the policy side. In theory, hospitals must have sufficient ranking and qualification to perform organ transplantation. This restriction is often overridden in practice because of huge profit incentives and lack of regulatory oversight. Even county-level and rural hospitals without proper technical expertise or equipment have rushed into organ transplantation.<sup>73</sup> The practical barrier to entry is the capital cost of assembling the medical equipment, transplant surgeons and supporting staff for organ transplantation. In the hospitals' investment consideration, this fixed cost is usually outweighed by the expected high marginal revenue from the organ transplant operations. Another way to

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<sup>73</sup> "Organ Transplantation in Mainland China in Urgent Need of Legal Regulation," *PhoenixTV Weekly*, Vol. 5, 2006. <http://bbs.ynet.com/redirect.php?tid=307122&goto=lastpost>

contract around the high capital cost is by borrowing medical personnel and expertise from established organ transplant facilities. The OOTC, for example, helped 47 medical institutions in 16 provinces develop their liver transplant programs and helped other hospitals perform nearly 300 liver transplants.<sup>74</sup>

A typical transplant facility in China faces a downward sloping demand curve and usually gets referrals from former patients or requests from its website. The transplant services offered across facilities are close substitutes but not homogenous substitutes because of differences in institutional reputation, clinical experience, waiting times and post-operative survival rate. Thus, while the transplant facilities compete with each other for Chinese and foreign customers, their pricing schedules are not entirely determined by market competition due to these differentiating factors. We assume that incarceration facilities may charge a fee for each harvested organ that is part of the fixed cost of transplant operation. We also assume constant marginal cost in the short run or no diminishing marginal return conditional to the capacity of the facility. That is, each additional operation costs the same until the personnel, equipment or bed capacity of the facility is reached, at which point the facility needs to hire more surgeons, construct new buildings, order new equipment, or else raise the price of transplant operation. Given these assumptions, profit-maximization dictates that transplant facilities increase the number of organ transplants until marginal revenue equals marginal cost. In the short-run, the facility is limited by its resources so its marginal cost is constant until reaching capacity, at which point it becomes infinite. Thus in the short run the facility will price

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<sup>74</sup> “The Third National Organ Transplant Meeting on New Technology of Ultra-sound Diagnosis,” *OOTC* website, 27 May, 2006. <http://www.ootc.net/HomePage/FileDocDetail.aspx?fileno=501>

the organ transplants to achieve full use of its capacity with minimal waiting list. In the long run, transplant facilities will invest in additional capital until resource restraints push up the marginal cost to the level of marginal revenue.

The current trend in the organ transplant industry in China bears out this analysis. Many transplant facilities in China are running at full capacity, carrying out record numbers of successive batch transplants and even simultaneous batch transplants.<sup>51 52 53</sup> Surgeons work overtime to keep up with the heavy volume of operations.<sup>75</sup> Established institutions like the OOTC even outsourced their surgeons to perform organ transplants in other hospitals. Dedicated facilities specializing in organ transplants are being built by hospitals, universities and medical institutions affiliated with the PLA, indicating their commitment to long term planning.<sup>76</sup>

How long can this organ market continue to operate? It depends on the government policy and the availability of organ suppliers. The Chinese government has passed laws in 2006 and 2007 prohibiting the use of organs from unwilling executed prisoners and minors. There is no mention of Falun Gong practitioners. If the supply of organs from executed prisoners stops, the organ market can still keep running on the organs harvested from Falun Gong practitioners, who currently account for the majority of the organ supply. However, if the latter source dries out, the organ transplant industry will see a significant increase in waiting times unless it finds a major alternative source.

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<sup>75</sup> “Survey of Foreigners Receiving Organ Transplant in China”, *PhoenixTV Weekly*, Vol. 5, 2006, <http://www.transplantation.org.cn/html/2006-02/387.html>

<sup>76</sup> Kilgour-Matas report, p. 44

### **III. Systematic Persecution of Falun Gong**

#### **Organ Harvesting and Falun Gong Persecution**

Organ harvesting is a byproduct of—but not the reason for—the presence of over hundreds of thousands of Falun Gong practitioners in China’s prisons, reeducation-through-labor camps and detention centers. Their detention is a result of a systematically implemented campaign of persecution by the Communist Party. Organ harvesting is one component of the physical persecution against Falun Gong practitioners, which also includes physical torture, ill treatment, incommunicado detention, brainwashing and so on. The participating agents in the Falun Gong organ harvesting—hospitals, prisons, doctors—also have a profit incentive to sustain this criminal enterprise. Thus, the ideologically-motivated persecution by the Communist Party works hand-in-hand with the profit-motivated participation of medical and penal institutions. In effect, the Falun Gong persecution has been industrialized and institutionalized under the systematic directive of the Communist Party, creating a political subeconomy that is sustained by a billion-dollar national criminal enterprise. In order to understand this sub-economy, it necessary to start with an overview of the Communist Party’s motives and policies for carrying out a systematic persecution against Falun Gong.

#### **Motives for the Falun Gong Persecution**

Why would the Chinese Communist Party mobilize so much resource and time persecuting a large group of people who are simply following their spiritual discipline? This is a question that people have often asked since the Chinese Communist Party began persecuting Falun Gong on July 20, 1999. While other groups are also persecuted to

various extent, the nationwide mobilization of the government bureaucracy and the masses is unprecedented in the persecution of Falun Gong.

Falun Gong is a traditional Chinese spiritual discipline that was introduced in China in 1992. It includes exercise and meditation. Practitioners follow its principles of “Truth, Compassion, Forbearance” to improve their moral character in everyday life. Prior to the persecution, Chinese media reports carried articles attesting to the health benefits of Falun Gong and good Samaritan deeds by its practitioners.<sup>77</sup> *Beijing Daily* named the Falun Gong text *Zhuan Falun* a bestseller in April 1996.<sup>78</sup> Thus, before the persecution Falun Gong was popular and well-accepted in China. Its practitioners come from all walks of life, including from the ranks of the Communist Party itself.

What terrified the leaders of the Communist Party was not just that millions of Chinese practice this spiritual discipline. They found it troubling that more and more Chinese chose to follow the principles of “Truth, Compassion, Tolerance” than believe in the ideology of Marxism and class-struggle. In the eyes of the leaders, this was a direct

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<sup>77</sup> “Old and young practice Falun Gong” in *Yangchen Evening News*. November 10, 1998.

[http://photo.minghui.org/selected-En/u\\_worldwide\\_recongnition/4257131161.htm](http://photo.minghui.org/selected-En/u_worldwide_recongnition/4257131161.htm)

“Award for Not Keeping Found Money.” A certificate awarded to Harbin City Falun Gong Assistance Station by the Harbin Public Safety Bureau. March 4, 1999. [http://photo.minghui.org/selected-En/u\\_worldwide\\_recongnition/2537681326201.htm](http://photo.minghui.org/selected-En/u_worldwide_recongnition/2537681326201.htm)

“The Elderly Good Samaritan Makes Contribution Quietly.” Article reports that an elderly man, Sheng Lijian, built a 0.68 mile road for his village after he started practicing Falun Gong. March 17, 1997 <http://www.pureinsight.org/pi/index.php?news=2097>

“I Can Stand.” *China Economic Times* published an article about Ms. Xie Xiufen from Handan, Hebei Province, who recovered from her 16-year paralysis after practicing Falun Gong. July 10, 1998.

[http://photo.minghui.org/selected-En/u\\_worldwide\\_recongnition/421151310121.htm](http://photo.minghui.org/selected-En/u_worldwide_recongnition/421151310121.htm)

“Make Falun Gong the Top Choice for Healing Illness and Keeping Fit.” *Medicine and Health*. December 4, 1997. [http://photo.minghui.org/selected-En/u\\_worldwide\\_recongnition/2508242037361.htm](http://photo.minghui.org/selected-En/u_worldwide_recongnition/2508242037361.htm)

<sup>78</sup> “April’s Top Ten Bestsellers in Beijing Book Market.” *Beijing Daily*. June 8, 1996.

[http://photo.minghui.org/selected-En/u\\_worldwide\\_recongnition/428341311561.htm](http://photo.minghui.org/selected-En/u_worldwide_recongnition/428341311561.htm)

challenge to their ideological hold on the masses and to the class-struggle movements that they have used to maintain political power.

In an April 25, 1999 letter to the members of the Politburo Standing Committee and other leaders, Communist Party Chairman Jiang Zemin wrote:

“[We] must use right world-views, philosophy, value to educate the massive cadres and mass. Can’t the Marxism our communists have, the materialism, atheism we believe in really win over that suit of stuff aired by FALUN GONG? If that were the case, would it be a thumping joke? Our leading cadres at all levels especially high-level officials should become sober now!”<sup>79</sup>

He wrote this letter on the evening of a large-scale Falun Gong demonstration in Beijing that greatly alarmed him. In this letter and subsequent speeches, he made it clear that the ideological difference in beliefs between Falun Gong and Communist Party was the most urgent and overriding concern.

### **Policy Planning and Implementation**

At a Politburo meeting on June 7, 1999, Jiang reiterated what he saw as an urgent need to “solve” the Falun Gong issue.<sup>79</sup> He called Falun Gong’s grassroots popularity a “political battle between our party and the opposition forces at home and abroad to win over people and ideology territory.” In order to carry out the persecution against Falun Gong, he requested the creation of a Gestapo-like organization that has executive power outside and above existing government body. In a speech at this meeting, he said:

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<sup>79</sup> Kilgour-Matas report, Appendices, p. 25 (sourced)

“The central committee has already agreed to let comrade Li Lanqing be responsible for establishing a leadership group that will deal with problems of “FALUN GONG” specifically...All CCP central departments, administrative organs, all ministries, commissions, all provinces, self-governing districts, all cities directly under central government must cooperate with the group very closely.”

On June 10, 1999, the Central Committee of the Communist Party created this leadership group, which came to be called the “610 Office” because of its creation date. The 610 Office has agents in all provinces, cities, autonomous regions, municipalities, universities, government agencies and state-owned enterprises in China. It actively oversaw the arrest, detention, torture, and organized brainwashing of Falun Gong practitioners.<sup>80 81</sup>

The Communist Party, with Jiang Zemin at its head, launched the persecution against Falun Gong on July 20, 1999. At a major meeting later in the year, the head of the 610 Office, Li Lanqing, declared what became the central 3-prong policy in the Falun Gong persecution: “defaming their reputations, bankrupting them financially and destroying them physically.”<sup>80</sup>

The fundamental ideological grounds on which the Communist Party launched the persecution meant that there would be no compromise. The Communist Party would not

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<sup>80</sup> Kilgour-Matas report, p. 31

<sup>81</sup> Kilgour-Matas report, Appendices, p. 27 (sourced from the U.S. House Concurrent Resolution 188, Expressing the sense of Congress that the Government of the People’s Republic of China should cease its persecution of Falun Gong practitioners, passed unanimously by a 420-0 vote on July 24, 2002. (<http://thomas.loc.gov/cgi-bin/query/z?c107:hc188>; <http://faluninfo.net/DisplayAnArticle.asp?ID=5983>)

stop persecuting, torturing and brainwashing Falun Gong practitioners until they recant their beliefs or die. Under the 3-prong policy, systematic organ harvesting from Falun Gong practitioners becomes a conceivable and realistic method of persecution.<sup>82</sup>

The following gives a brief overview of the systematic nature of the Falun Gong persecution and how it relates to the alleged systematic organ harvesting of Falun Gong practitioners.

### **Incitement of Hatred in the Media**

In its media campaign, the Communist Party seeks to justify the persecution by inciting hatred against Falun Gong and convincing the Chinese public that it deserves to be eradicated at all costs. In the state-run media, inciting hatred translates into staged self-immolation on Tiananmen Square,<sup>83</sup> <sup>84</sup> scripted interviews with the family of alleged Falun Gong practitioners,<sup>85</sup> and prime-time news reports on alleged murders and suicides

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<sup>82</sup> "Investigation Reports on the Persecution of Falun Gong," World Organization to Investigate the Persecution of Falun Gong (WOIPFG), Vol. 1: Overview, 24 August, 2004.

<http://www.zhuichaguoji.org/en/index2.php?option=content&task=view&id=103&pop=1&page=0>

<sup>83</sup> International Education Development's statement before the United Nation's Sub-Commission on the Promotion and Protection of Human Rights, Fifty-third session, Agenda item 6, August 2001.

[http://www.faluninfo.net/mediacontrol/IED\\_UN\\_Statement.htm](http://www.faluninfo.net/mediacontrol/IED_UN_Statement.htm)

<sup>84</sup> Philip P. Pan, "Human Fire Ignites Chinese Mystery -- Motive for Public Burning Intensifies Fight Over Falun Gong," *Washington Post*, 4 February, 2001. Reprinted on Falun Dafa Information Center website, <http://faluninfo.net/DisplayAnArticle.asp?ID=3222>

<sup>85</sup> "The Persecution Breaks Up Families – The Story of Wang Bo's Family." Report on the Chinese Media's Involvement in Persecuting Falun Gong. WOIPFG Book of Reports, Vol. 1 (see footnote 84): Ch. 2, <http://www.zhuichaguoji.org/en/index2.php?option=content&task=view&id=103&pop=1&page=0>

by Falun Gong practitioners.<sup>86</sup> Eventually, many Chinese came to believe the Communist Party's propaganda about Falun Gong.<sup>87</sup>

In a Washington Post article, reporter Philip P. Pan wrote:

“Every morning and night, the state-controlled media carry fresh attacks against Falun Gong and its U.S.-based leader, Li Hongzhi. Schools have been ordered to "educate" pupils about the sect. Discussion meetings have been organized in factories, offices and universities. Religious leaders as far away as Tibet have delivered scripted denunciations. In Kaifeng, the post office issued an anti-Falun Gong postmark, and 10,000 people signed a public petition against the group.”

The Communist Party's media campaign is related to the alleged organ harvesting in three ways. The first is through inciting hatred in the Chinese public. Hatred makes the public identify with the persecutor in believing that the persecution is deserved, even if it involves organ harvesting. The second is through dehumanizing and demonizing Falun Gong practitioners. This has the effect of desensitizing the public to all atrocities against the group. The third is destroying the credibility of its practitioners. As a result, even if the evidence about organ harvesting were widely circulated in China, the general public would have a hard time believing it.

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<sup>86</sup> “The Fu Yibin Murder Case”; “A Case of Alleged Murder by Poisoning in Zhejiang Province.” Report on the Chinese Media's Involvement in Persecuting Falun Gong. WOIPFG Book of Reports, Vol. 1 (see footnote 84): Ch. 2,

<http://www.zhuichaguoji.org/en/index2.php?option=content&task=view&id=103&pop=1&page=0>

<sup>87</sup> Kilgour-Matas report, p. 30-1

## **Systematic Arrests, Detentions and Torture**

Falun Gong petitioners who went to the Beijing Government Petition Office or Tiananmen Square were systematically arrested. The Communist Party deployed police at major train stations and ports to arrest Falun Gong practitioners.<sup>88</sup> Vice-premier and head of the 610 Office Li Lanqing said that 35,792 Falun Gong practitioners were detained between July 20 and October 30, 1999.<sup>89</sup> As of today, hundreds of thousands of Falun Gong practitioners have been detained in prisons, detention centers and reeducation-through-labor camps.<sup>90</sup>

According to incomplete statistics from Falun Dafa Information Center, there are over 3,013 confirmed deaths of Falun Gong practitioners due to police abuse and torture. Prison terms of up to 18 years have been handed to more than 500 people. More than 1,000 otherwise healthy people have been detained in mental hospitals. Over 38,000 specific cases of torture and abuse have been documented by human rights workers.<sup>91</sup>

All imaginable forms of torture have been used against Falun Gong practitioners, according to numerous reports from human rights organizations and victim testimonials at the United Nations, U.S. Congressional Hearings, and U.S. and Foreign Courts of

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<sup>88</sup> “The Genocide and Crimes Against Humanity Committed by Jiang in Persecuting Falun Gong,” WOIPFG Book of Reports, Vol. 1 (See footnote 84): Ch. 1,

<http://www.zhuichaguoji.org/en/index2.php?option=content&task=view&id=103&pop=1&page=0>

<sup>89</sup> “China Human Rights Update,” Human Rights Watch, 1999. <http://www.hrw.org/campaigns/china-99/china-update.htm>

<sup>90</sup> “1999 Country Reports on Human Rights Practices – China,” U.S. Department of State, 23 February, 2000. <http://www.state.gov/g/drl/rls/hrrpt/1999/284.htm>

<sup>91</sup> “Frequently Asked Questions,” Falun Dafa Information Center, <http://www.faluninfo.net/faq.asp>

Law.<sup>92</sup> Specific torture methods include beatings with cattle prods, electric shocks with high-voltage batons, burning with red-hot iron rods, prolonged sitting on the Tiger Bench, solitary confinement, confinement in water jail, forced-feeding with salt water, fingernail piercing with bamboo sticks, gang rape, slave labor in reeducation-through-labor camps, among others.

These extreme forms of torture demonstrate the extreme hostility of the Communist Party toward Falun Gong practitioners. They also reveal the little value that the persecutors place on the lives of the practitioners. Of course, the extent of brutality in other torture methods does not directly prove the organ harvesting allegation. It lends weight, however, to the prospect that the persecutors in prisons and camps could harvest organs from living Falun Gong practitioners.

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<sup>92</sup> “People’s Republic of China: Reports of Torture and Ill-Treatment of Followers of the Falun Gong,” Amnesty International, October 22, 1999.

<http://web.amnesty.org/library/Index/ENGASA170541999?open&of=ENG-380>

United Nations reports on China, with excerpts on Falun Gong, 2000-2006,

<http://www.flghrwg.net/index.php?option=content&task=category&id=111&sectionid=8&Itemid=>

“Falun Gong: Organ Harvesting and China’s Ongoing War on Human Rights,” U.S. Congressional Hearing, Subcommittee on Oversight and Investigations of the Committee on International Relations in the House of Representatives, September 26, 2006,

[http://commdocs.house.gov/committees/intlrel/hfa30146.000/hfa30146\\_of.htm](http://commdocs.house.gov/committees/intlrel/hfa30146.000/hfa30146_of.htm)

Torture lawsuits and accompanying testimonials filed by Falun Gong practitioners against visiting Chinese officials in U.S. and foreign courts, Justice for Falun Gong, 2001-2006,

<http://www.flgjustice.org/index.php?option=content&task=view&id=15&Itemid=49>

## **IV. Evidence of Organ Harvesting from Falun Gong Practitioners**

Our analysis has shown that detained Falun Gong practitioners are an adequate explanation for the explosive growth in the number of organ transplants per year. Since China does not disclose the organ transplantation data and restricts access to the detention facilities, there is no way to obtain direct proof. There exist, however, strong circumstantial evidence and indirect proof. The following are a number of known evidence of organ harvesting from Falun Gong practitioners.

### **Blood Testing and Organ Examination**

In prisons, labor camps, and detention centers, Falun Gong practitioners are systematically blood tested and organ examined while other prisoners are not.<sup>93</sup> This differential treatment serves no plausible administrative or health purposes, but it is a necessary procedure of organ transplantation. Prospective organ suppliers must be blood tested and organ examined in order to 1) determine whether the organ is healthy and possesses medical value; and 2) match organ suppliers and recipients with compatible blood groups. This differential treatment of Falun Gong practitioners does not prove the organ harvesting allegation. It is compelling circumstantial evidence, however, that Falun Gong practitioners are examined as a source of organs.

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<sup>93</sup> Kilgour-Matas report, p. 38

## Telephone Admissions

Phone investigators have called hospitals and transplant doctors in various provinces of China while posing as potential organ recipients or their relatives. [See Map 1] There are a number of explicit admissions by hospital staff or doctors that they used Falun Gong organs in transplants. These telephone conversations were translated and the accuracy of the translations was attested by Mr. C. Y., a certified interpreter with the Government of Ontario. The authors of the Kilgour-Matas report also interviewed the callers about the routing, timing and recording of these conversations and confirmed their credibility.



The following are three examples of the certified phone interviews, excerpted from the Kilgour-Matas report. The transcripts of other calls are in the appendices of their report. \

(1) Mishan City Detention Centre, Heilongjiang province (8 June 2006):

M: "Do you have Falun Gong [organ] suppliers? ..."

Li: "We used to have, yes."

M: "... what about now?"

Li: "... Yes."

...

M: "Can we come to select, or you provide directly to us?"

Li: "We provide them to you."

M: "What about the price?"

Li: "We discuss after you come."

...

M: "... How many [Falun Gong suppliers] under age 40 do you have?"

Li: "Quite a few."

...

M: "Are they male or female?"

Li: "Male"

...

M: "Now, for ... the male Falun Gong [prisoners], How many of them do you have?"

Li: "Seven, eight, we have [at least] five, six now."

M: "Are they from countryside or from the city?"

Li: "countryside."

(2) Nanning City Minzu Hospital in Guangxi Autonomous Region (22 May 2006):

M: "...Could you find organs from Falun Gong practitioners?"

Dr. Lu: "Let me tell you, we have no way to get (them). It's rather difficult to get it now in Guangxi. If you cannot wait, I suggest you go to Guangzhou because it's very easy for them to get the organs. They are able to look for (them) nation wide. As they are performing the liver transplant, they can get the kidney for you at the same time, so it's very easy for them to do. Many places where supplies are short go to them for help..."

M: "Why is it easy for them to get?"

Lu: "Because they are an important institution. They contact the (judicial) system in the name of the whole university."

M: "Then they use organs from Falun Gong practitioners?"

Lu: "Correct..."

M: "...what you used before (organs from Falun Gong practitioners), was it from detention centre(s) or prison(s)?"

Lu: "From prisons."

M: "...and it was from healthy Falun Gong practitioners...?"

Lu: "Correct. We would choose the good ones because we assure the quality in our operation."

M: "That means you choose the organs yourself."

Lu: "Correct..."

M: "Usually, how old is the organ supplier?"

Lu: "Usually in their thirties."

M: "... Then you will go to the prison to select yourself?"

Lu: "Correct. We must select it."

M: "What if the chosen one doesn't want to have blood drawn?"

Lu: "He will for sure let us do it."

M: "How?"

Lu: "They will for sure find a way. What do you worry about? These kinds of things should not be of any concern to you. They have their procedures."

M: "Does the person know that his organ will be removed?"

Lu: "No, he doesn't."

(3) Oriental Organ Transplant Centre (also called Tianjin City No 1 Central Hospital),  
Tianjin City, (15 March 2006):

N: Is this Director Song?"

Song: Yes, please speak."

...

N: Her doctor told her that the kidney is quite good because he  
[the supplier,] practises ...Falun Gong."

Song: Of course. We have all those who breathe and with heart beat...Up until now, for  
this year, we have more than ten kidneys, more than ten such kidneys."

N: "More than ten of this kind of kidneys? You mean live bodies?"

Song: "Yes it is so."

### **A Witness**

A woman by the pseudonym Annie testified that her ex-husband, a surgeon, confessed to her his personal involvement in removing corneas from 2,000 anesthetized Falun Gong practitioners in Sujiatun hospital in Shenyang City over a two-year period before October 2003. She worked in statistics at the Liaoning Provincial Thrombosis Hospital of Integrated Chinese and Western Medicine, located in Sujiatun, Shenyang City. Her ex-husband was a surgeon at this hospital. She said that her ex-husband confessed that other surgeons removed vital organs from these practitioners and cremated their bodies.

Although a Chinese reporter by the pseudonym Peter was the first person to break the news in March 2006 about organ harvesting from Falun Gong practitioners, Annie is the first witness who had contact with a direct participant in the Falun Gong organ harvesting.

She was interviewed by the Epoch Times. The transcript of her audio testimony is at <http://en.epochtimes.com/news/6-4-17/40496.html> and her interview by the Epoch Times can be found at <http://en.epochtimes.com/news/6-3-17/39405.html> David Kilgour, a former Crown prosecutor, interviewed her extensively and found that her testimony corroborated with other evidence of Falun Gong organ harvesting. His interview is in the appendices of the Kilgour-Matas report at <http://organharvestinvestigation.net/report200701/Appendices-200701.pdf>

## **V. Conclusion**

It is the conclusion of this paper that vital organs from Falun Gong practitioners are being systematically harvested for use in organ transplants. Such practice has grown into a profitable black market enterprise underwritten by the Communist Party's policy of systematic persecution against Falun Gong. It is a horrific form of mass murder and crime against humanity that continues today.

In our analysis, we focused on the unusual market characteristics of the organ transplant industry in China. Its exceedingly short waiting times, batch transplants, surging transplant volume and the lack of demand-induced upward pressure on price and waiting times could not be explained by a demand-driven market model. Our analysis shows that they can be explained by a supply-driven model with a large inventory of unwilling living organ suppliers selected from detained Falun Gong practitioners. There is no group in China's prison system other than Falun Gong practitioners that has the requisite population size, health and intensity of persecution to explain the rapid growth in the organ industry from 2000 to 2005. An accumulating number of non-economic evidence supports the conclusion of this analysis.