LAOGAI SYSTEM FORCED LABOR LAOGAI RESEARCH FOUNDATION

BUILDING ON THE BACKS OF PRISONERS



JANUARY 2011 EXAMINING THE IMPORTS OF A CANADIAN CONSTRUCTION COMPANY

# **Executive Summary**

Since 1992, Laogai Research Foundation (LRF) has uncovered case after case of forced labor prison imports to the United States from China's Laogai forced labor prison camps. The particular case detailed in this report is just the tip of the iceberg. Our ongoing research continues to track Laogai products on their way out of China and into the international marketplace. As a Laogai survivor, I know firsthand the atrocities of China's Laogai, and my contact with current prisoners and their families suggests that the Laogai has not and will not change.

In recent years, China has celebrated several so called "reforms" of its Laogai system. From changing the name of the system from "Laogai" to "prison" in 1994, to signing a Memorandum of Understanding with the United States which was supposed to make it easier to investigate claims of forced labor, to contractually separating each Laogai camp from its enterprise. With each "reform" some media and China scholars eagerly point out that the conditions of China's legal system are getting better. Yet, time and time again, we see that the situation for China's prisoners are in fact not getting better. Human rights groups around the world continue to document torture, forced confessions, and the detention and sentencing of political prisoners like 2010's Nobel Peace Prize winner, Liu Xiaobo. Additionally, this report proves that China's Laogai camps do indeed work with commercial enterprises that sell forced labor products to the international market.

I wish I could say that in the thirty-one years since I was imprisoned in China's Laogai system as a political prisoner that the situation has improved. Sadly, it has not. As we move forward, the sources we cite here will disappear and the way we conduct our research will be forced to evolve. Yet, it is also our hope that in publishing this report, we can expose the problems in our current system and bring about change through further education and awareness of the issues. After reading this report, I encourage you to make an effort to purchase goods you know were produced in an ethical manner, to demand that companies reveal the true origins of their products, and to urge legislators to strengthen and enforce import regulations. With your support, I know that together we can make a difference.

Honey Wh

Harry Wu Founder and Executive Director Laogai Research Foundation

# Background

## A Laogai Economy

The Laogai is China's system of forced labor prison camps. Literally meaning reformthrough-labor, the Laogai not only serves as a tool of repression and thought reform, but also as a largely free labor supply to generate revenue for the prison system and the Chinese Communist Party (CCP). China's laws and regulations clearly indicate the prison system was conceived to have an important economic function. The People's Republic of China "Regulations on Reform Through Labor," adopted on August 26, 1954, states that "reform-through-labor production must serve [the] economic construction of the state," must "vigorously promote agricultural production... engage in industrial mining and coal pit production," and must be guided by the related government offices of "agriculture, forestry, industry, finance, transportation, irrigation, commerce, etc."<sup>1</sup> Furthermore, as China began its economic reforms in the 1980s, the economic function of the Laogai became even more pronounced. The Criminal Reform Handbook of 1988 issued by China's Ministry of Justice states. "organizing criminals in labor and production... [creates] wealth for society. [China's] Laogai facilities are both facilities of dictatorship and special enterprises."<sup>2</sup> The Laogai system was intentionally designed to be an integral part of the Chinese economy, and as such, has played a role in China's rise as a global economic player.

The CCP is involved in all aspects of the Laogai system, ranging from detention to the sale of organs harvested from executed prisoners.<sup>3</sup> Citizens in China are reqularly denied due process and are detained and imprisoned arbitrarily at the discretion of local officials and police.<sup>4</sup> Additionally, China's judiciary is controlled by the CCP. which will direct the verdict and sentencing of both penal and politically sensitive cases. This has resulted in unusually high conviction rates in China; for example, the charge of "endangering state security," often used in political cases, has a ninety-nine percent conviction rate.<sup>5</sup>

- 4 Lawyers Committee for Human Rights, Opening to Reform? An Analysis of China's Revised Criminal Procedure Law, (New York: Lawyers Committee for Human Rights, 1996).
- 5 Nicole Kempton and Nan Richardson, Laogai: The Machinery of Repression In China (Brooklyn: Umbrage Editions, 2009), 63,

Production for both domestic and international consumption is the central economic function driving China's Laogai system. To facilitate the sale of Laogai products abroad, prisons often have two names: their official prison name, such as Huaiji Prison, and a commercial enterprise name, like Guangdong Xiangda Enterprise Company (see photo at right). Under the guise of a legitimate commercial en-



corporation.

terprise, the prison can pro- This photo captures the front of Huaiji Prison. A banner displays its duce goods and conduct name on the right pillar of the building entrance. On the left pillar of business – setting up con-tracts and establishing trade partners – just like any other ("广东省司法厅团委深入四会监狱、怀集监狱调研," http://www.gdtgw. org/News\_View.asp?NewsID=910).

Laogai camps are involved in many aspects of production. Products may be wholly produced, partly produced or assembled, or merely packaged by Laogai prisoners. However, regardless of the degree of interaction with the product, these products are illegal to import under U.S. law. Laogai camps manufacture products for all sectors - from food goods, such as pickles from Ganbin Prison in Jiangxi Province, to steel structures from Baoding Prison in Hebei Province.

Once products have been manufactured and the Laogai camp has partnered with an import-export company, the products easily make their way through the supply chain to the U.S. and other countries throughout the world.

## Export of Prison Products

LRF's research suggests that China regularly exports Laogai products to the U.S. despite Chinese regulations and U.S. laws which make the practice illegal. For example, in 1993, LRF's investigation into chain hoists imported by Columbus McKinnon revealed that the chain hoists were produced by Zhejiang Province No. 4 Prison. The chain hoists, under the Superpower Hoist brand name, were exported by the Chinese government subsidiary Fuchuen Machinery & Equipment Co. Ltd. to Superpower Hoist's sole agent in the U.S., Columbus McKinnon. On July 8, 1993, U.S. Customs and Border Protection (CBP) issued a detention order on "Wulin [or Wuling]



<sup>1</sup> 劳动改造生产,"中华人民共和国劳动改造条例," August 26, 1954, Ch. 4 Article 30. (Translation of the original Chinese document can be found on 543-544 of Laogai Handbook 2007-2008.)

<sup>2 《</sup> 司法部, 劳改局. 犯人改造手册 》 (Shaanxi: Shaanxi People's Publishers, 1988). (Translation of the original Chinese document can be found on 9-10 of Laogai Handbook 2007–2008.)

<sup>3 &</sup>quot;Organ trafficking stirs concern," Global Times, August 24, 2009, http://china.globaltimes.cn/society/2009-08/460386.html.

Machinery Works, a/k/a Hangzhou Wulin Machinery Plant, a/k/a Hangzhou Wulin Machinery Works, a/k/a Zhejiang Province No. 4 Prison" chain hoists.<sup>1</sup>

Not all suspected instances of the importation of Laogai products result in detention orders, however. In 2008, Marck & Associates, an import company that distributes ceramic products in the U.S., testified before the U.S.–China Economic and Security Review Commission that the company "has knowledge, from a variety of sources, including eye-witness evidence, that ceramic coffee mugs produced at Luzhong Prison of Shandong Province are being exported to the U.S.<sup>2</sup> Marck & Associates sued one of its competitors that it alleged was selling prison labor products and Marck & Associates received over \$1.5 million in damages. The court decided, however, that Marck & Associates had not met the burden of proof needed to obtain a detention order on products entering the U.S. through Luzhong's front company. The evidence needed to prove the connection had been classified as a "state secret" by the Chinese government and was unattainable.<sup>3</sup> As China regards all statistics related to the Laogai as "state secrets," it is extremely difficult to trace the origin and production of Laogai products before they enter foreign markets.

According to CBP, twenty-six detention orders have been placed on Chinese imports since 1991.<sup>4</sup> Given the large volume of imports from China, CBP's limited resources, and the Chinese government's constantly changing tactics to evade detection, many more Laogai products have surely been imported in violation of U.S. law unbeknownst to American consumers.

Additionally, Laogai products are exported to Europe where there are few, if any, laws banning their importation.<sup>5</sup> During the summer of 2009, conversations between LRF and Hebei Baoding Prison's front company, Baoding Xingguang Iron Tower and Steel Structure Factory, confirmed that Baoding Prison's products are indeed exported to European countries.

## Sectors of the Economy Represented in Laogai Production, from Laogai Archives Prison Database (laogaiarchives.org)

# Sector of the Economy Farms, Livestock and Food Production Enterprises Machinery and General Production Factories Mines and Mineral Refinement Construction Factories and Enterprises Vehicle Production and Maintenance Chemical Plants Mills Other Electronics Unknown

% of Laogai Camps In Sector
20.76
16.95
8.57
8.09
3.27
2.38
2.20
1.61
0.89
35.28

<sup>1</sup> U.S. Customs and Border Protection, "Convict, Forced, or Indentured Labor Product Importations," March 25, 2008.

<sup>2</sup> Testimony of Gary G. Marck before the U.S.-China Economic and Security Review Commission, June 19, 2008.

<sup>3</sup> Testimony of Daniel T. Ellis before the U.S.-China Economic and Security Review Commission, June 19, 2008.

<sup>4</sup> U.S. Customs and Border Protection.

<sup>5</sup> Jean-Luc Forgeron, "Slaves of China Who Make the Cup that Cheers the West," *The Observer*, October 30, 1994, News Section.

# Building on the Backs of Prisoners

This update to our "Not For Sale: Advertising Forced Labor Products For Illegal Export" report details the imports of Inland Screw Piling from a Laogai enterprise, Xinxiang Zhongke Mining Equipment Company, in Henan Province, China. "Not For Sale" highlighted English language advertisements for Laogai forced labor prison camp products, suggesting that English advertisements implied an intent to export those Laogai products. Such a trade is illegal not only in the United States, but also in China. While Laogai Research Foundation's work has largely focused on the Laogai's relationship to the U.S. and Europe, we were intrigued to see Laogai imports to Canada, a country where prison labor imports are also illegal.

While the specific evidence of this case is important, countless other cases remain undocumented. This case is merely a example of a supply chain system that not only ignores, but deliberately hides the means of production from consumers. Such trade financially supports the Laogai, one of the most repressive prison systems in the world. As such, LRF calls upon the governments of Canada and China to uphold their respective laws and to take demonstrable steps to prevent future infractions.

# Findings

Laogai Research Foundation has uncovered evidence that suggests the Canadian construction company Inland Screw Piling located at 4010 9th Avenue North Suite 3 in Lethbridge, Alberta has imported products from a Chinese Laogai forced labor prison camp. This is in direct violation of Canadian import regulations and Chinese export regulations.

Import records show that Inland Screw Piling received goods from Xinxiang Zhongke Mining Equipment Company located at 64 Jianshe Road in Xinxiang, Henan on August 18, 2009 and on February 11, 2010.

Inland Screw Piling Imports From Xinxiang Zhongke Mining Equipment Company

Date of Import Arrival	Commodity	Quantity	Weight (KG)	Value (USD)
8/18/09	Helix Long Slide	9	20,997.20	\$83,504.00
2/11/10	Coupler	5,032	22,488.00	\$117,881.99

The address for Xinxiang Zhongke Mining Equipment Company is an exact match for Henan No. 2 Prison. In fact, Xinxiang Zhongke Mining Equipment Company's website even denotes its location at the prison and boasts that the company is a "large-scale Laogai enterprise."



The highlighted and enlarged portions of this screen shot of Xinxiang Zhongke Mining Equipment Company's website (www.xxzkks.com/main.php accessed November 3, 2010) denote the company's status as a "large-scale Laogai enterprise" (left) and the company's location in Henan No. 2 Prison (right).

Additionally, LRF obtained a contract between Inland Screw Piling and Xinxiang Zhongke Mining Equipment Company signed by Inland Screw Piling President and Sales Manager Harry Knelsen (see Figure 1).

This contract reveals the use of an importer, Qingdao Yijia Metals, Minerals, & Machinery I/E Co., Ltd. (Qingdao Yijia).

U.S. import data from January 2010 to the end of November 2010, detail three imports from Qingdao Yijia in China to Inland Screw Piling with an estimated value of US\$136,803.99.

## Inland Screw Piling Imports From Qingdao Yijia Metals, Minerals, & Machinery I/E Co., Ltd.

_	Date of Import Arrival	Commodity	Quantity	Weight (KG)	Value (USD)
	5/9/2010	ESP Panel	260	6,220.00	\$71,463.60
	5/15/2010	ESP Panel	130	3,212.00	\$36,901.75
	5/23/2010	Estazolam Plate S/C	130	6,220.00	\$28,438.64

### CONTRACT

The seller: Xinxiang Zhongke Mining Equipment Ltd. No.64 Jianshe Road Xinxiang City Henan Province.453003 China

This contract is made by and between Xingxiang Zhongke Mining Equipment Co.,Ltd. and Inland Screw Piling Ltd. whereby the Buyer agrees to buy and the Seller agrees to sell the undermentioned commodities on the following terms and conditions:

### 1. Name of freight, Quantity, Specification, Quality and Unit Price: (1) Name Quantity and Unit Prices

NAME	QTY.	UNIT PRICE (USD)	TOTAL VALUE (USD)
2 7/8coupler (OD88.9×ID76.9×TH6)	1000	4.56\$	4560\$
4 1/2 long slider(OD98×TH8)	275	28.04\$	7711\$
3 1/2 coupler (OD114.3×ID92× IENGTH203.2)	750	8.31\$	6232.5\$
4 1/2 coupler (OD146.1×ID118.1× LENGTH215.9)	600	14.77\$	8862\$
L-steel bar (305mm×⊄20)	2630	1.15\$	3028\$
Total	5255		30393\$

Remark: Price in US Dollars; Price includes shipping to Vancouver (CIF) (2) Specification and Quality:

Specifications are the drawings of appendix and be as the part of this contract. The Seller manufactures the products according to the drawings; For all the parts, the materials are the national steel grade of Q345. The chemical composition and mechanical properties must be up to the standard of Q345; Provide Mill Test Certificates for steel before fabrication.

#### 2. Packing

(1) Steel cage or pallet of 1.0-2.0 tons capacity can be used for coupler; Long slider can be tied down by steel tie in the weight of 1.0-2.0tons. The packing should be safe for the freight suffering the line-haul and convenient to loading and unloading by forklift. 3. Port of Loading: Qingdao, China

4. Port of Destination: Vancouver, BC, Canada

5 Terms of Payment:

(1) 30% At Order

(2) 60% At Shipping

(3) 10% After Delivery and Testing

The Buyer has the entitlement to test the chemical composition and mechanical properties. The testing should be finished in 20 days after the freight be received at Lethbridge. (4) The Buyer should pay according to this divided payment schedule.

6. Time

From the receipt of the 30% advance payment to the goods arrival notices within 8 weeks. 7. If work cannot be completed, full refund will be given within 7 days.

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Figure 1.

Date:

The buyer

Inland Screwpiling Ltd. #3 4010-9 Avenue North

No

Lethbridge, AB T1H 6T8

Canada

#### 8. Appendix

The drawings are as the part of the contract. The Seller manufactures the products according to the specification and quality

#### 9. Patent Right

The Buyer owns the patent right of the object in this contract. The seller should not manufacture the commodity to another buyer according to the drawing of appendix or divulge the drawing. 10. Claims:

Within 50 days after the arrival of the goods at the destination, should the quality, specifications or quantity be found not in conformity with the stipulations of the contract, except those claims for which the insurance company or the owners of the vessel are liable, the Buyers shall, have the right on the strength of the inspection certificate issued by the C.C.I.C and the relative documents to claim for compensation to the Seller.

#### 11. Force Majeure or Act of God:

The Seller shall not be held responsible for the delay in shipment or non-delivery of the goods due to Force Majeure, which might occur during the process of manufacturing or in the course of loading or transit. The Seller shall advise the Buyer immediately of the occurrence mentioned above the within 7 days thereafter. The Seller shall send by airmail to the Buyers for their acceptance a certificate of the accident. Under such circumstances the Seller, however, are still under the obligation to take all necessary measures to hasten the delivery of the goods.

#### 12. Arbitration :

All disputes in connection with the execution of this Contract shall be settled friendly through negotiation. In case no settlement can be reached, the case then may be submitted for arbitration to the Arbitration Commission of the China Council for the Promotion of International Trade in accordance with the Provisional Rules of Procedure promulgated by the said Arbitration Commission. The Arbitration committee shall be final and binding upon both parties and the Arbitration fee shall be borne by the losing parties.

## 13 Broker to be used:

Importer

(Seller)

Shijin Gao

#### Exporter

China

Qingdao 266071

Tel:0532-5918297

Fax: 0532-5918295

A & A Contract Customs Brokers Ltd. Suite 101 120-176th Street Surrey, BC V3S 9S2 Canada Phone: 604-538-1042 Fax: 604-538-3994

(Buyer)

Harry Knelsen

General Manager

Inland Screw Piling Ltd.

Qingdao Yijia Metals Minerals&Mainchery I/E CO. Ltd.

22FL Build A Qingdao World Trade Centre Xianggang Zhong Road

General Manager Xinxiang Zhongke Mining Equipment Ltd.

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## Current Law

Canadian regulations prohibit the import of "articles manufactured or produced by prisoners." Memorandum D9-1-6 "outlines and explains the provision of tariff item No. 9897.00.00 which prohibits the importation into Canada of goods manufactured or produced wholly or in part by prison labour."<sup>1</sup>

Additionally, Chinese export regulations prohibit the export of prison labor goods (see Appendix A for the full text of the Chinese regulation).<sup>2</sup>

## How Prison Products Reach the International Market

While LRF cannot determine how Inland Screw Piling and Xinxiang Zhongke Mining Equipment Company began business relations, LRF has found advertisements for Xinxiang Zhongke Mining Equipment Company on the Chinese government sponsored website China Commodity Net, a site designed to facilitate trade between Chinese manufacturers and international businesses.

Laogai Research Foundation's February 2010 report, "Not For Sale: Advertising Forced Labor Products For Illegal Export," highlighted the prevalence of English language advertisements for Chinese Laogai products. As detailed in the report:

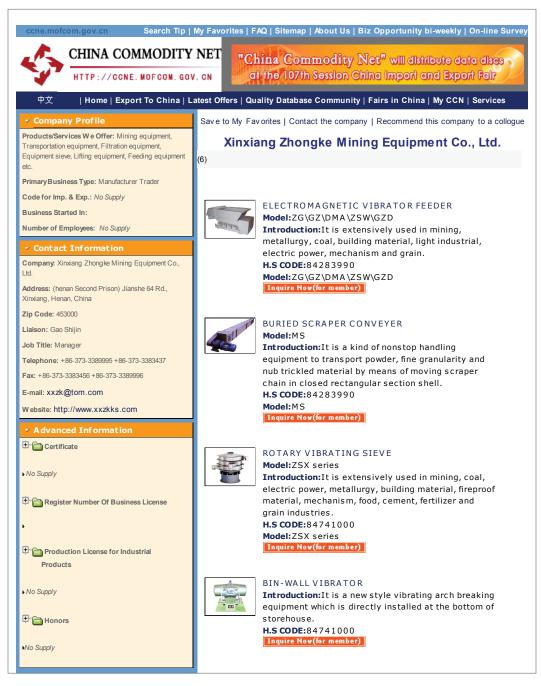
China Commodity Net, a project of the Chinese Ministry of Commerce's Public Information Service, requires companies to register in order to be listed in its directory. Listings on China Commodity Net are free of charge and allow companies to post products and receive inquiries. These active listings, in which the enterprise is actively promoting their products to the international marketplace, are particularly problematic since the export of Laogai products is prohibited by Chinese law... Furthermore, China Commodity Net's status as a project of the Chinese Ministry of Commerce and the website's direct funding from the Chinese government calls into question the government's commitment to the enforcement of its own law banning the export of Laogai products. By accepting [or worse, translating] listings from Laogai enterprises, the Chinese government actively promotes illegal activity.

In addition to its listings on China Commodity Net, Xinxiang Zhongke Mining Equipment Company has previously advertised on China-Channels.com and XHIXHI.com (see Appendix B).

1 Memorandum D9-1-6: Goods Manufactured or Produced Wholly or in Part by Prison Labour, Canada Border

Services Agency, January 1, 1998, www.cbsa-asfc.gc.ca/publications/dm-md/d9/d9-1-6-eng.html (accessed November 3, 2010).

<sup>2</sup> 中华人民共和国海关总署关于禁止劳改产品出口的通告, Chinese Customs, September 29, 2005.



Screen shot of Xinxiang Zhongke Mining Equipment Company's listing on China Commodity Net (http://ccne.mofcom.gov.cn/1074754 accessed October 29, 2009). To determine if products from Xinxiang Zhongke Mining Equipment Company could be imported to the United States, LRF created a mock business, Charlotte Storage at Bexley, to begin business negotiations with Xinxiang Zhongke Mining Equipment Company. LRF contacted Xinxiang Zhongke Mining Equipment Company through a contact form on the company's website and received an email reply from company representative Gao Shijin. After a few rounds of emails to determine product specifications and the ability to export to the United States, Xinxiang Zhongke Mining Equipment Company emailed Charlotte Storage at Bexley a sales agreement. This sales agreement is the last step before paying for the goods and importing them to the United States. Legally and financially, this was the point at which LRF's research process was forced to conclude.

The contract on the following pages (see Figure 2) details the sale of ten conveyor belts for a total sale price of US\$144,374. Upon receiving a 40% deposit, Xinxiang Zhongke Mining Equipment Company would ship the order within 50 days.

	合同	司意向	书		
		编	号: 2010111	8 日期: 2010	)-11-21
供方: 新乡中科矿山设备有限 中国河南省新乡市建设 邮编: 453003			国北卡罗来经国北卡罗来经	纳州夏洛特市 纳州夏洛特市	储存公司
兹经新乡中科矿山设备	有限公司和美国非	比卡罗来纳州	夏洛特市储	存公司协商一	致,供需双
方按照以下条款履行交	易:				
1 商品名称、质量	<b>【</b> 、规格、数	量及价格			
(1) 名称、数量和单	价				
名称	型号	规格	数量	单价	合计
Salara de ante		(10 TH	(台)	(美元)	(美元)
带式输送机	TD75 型	B=1000	10	\$14437.4	\$144374
合计	\$144374.00	大臣。	ar sau		에는 물건물
<ol> <li>(2) 设备价格: \$966</li> <li>1、包装费: \$492</li> <li>2、短途运费: \$862</li> <li>3、港口费: \$415.4</li> </ol>					
1、包装费: \$492 2、短途运费: \$862	合: \$14437.4 行业标准 GB/T98 包装应确保货物 品名称、规格和 国青岛港 约港	适于长途、	安全运输	,易于用叉	车装卸。
<ol> <li>包装费: \$492</li> <li>短途运费: \$862</li> <li>港口费: \$415.4</li> <li>海运费: \$3000</li> <li>输送机制作标准按中国</li> <li>2 包装</li> <li>(1)采用铁制包装;</li> <li>(2) 货盘上须标注产</li> <li>出货港口: 中</li> <li>目的港口: 组:</li> <li>5 支付条款</li> </ol>	合: \$14437.4 行业标准 GB/T98 包装应确保货物 品名称、规格和 国青岛港 约港 0%预付款;	适于长途、	安全运输	,易于用叉	车装卸。
<ol> <li>包装费: \$492</li> <li>短途运费: \$862</li> <li>港口费: \$415.4</li> <li>海运费: \$3000</li> <li>输送机制作标准按中国</li> <li>2 包装</li> <li>(1)采用铁制包装:</li> <li>(2) 货盘上须标注产</li> <li>出货港口: 中</li> <li>4.目的港口: 细:</li> <li>5 支付条款</li> <li>(1)随同订单支付4</li> <li>(2)装船时支付60%</li> <li>(3)需方应按此条志</li> <li>6 交货期限</li> </ol>	合: \$14437.4 行业标准 GB/T98 包装应确保货物 品名称、规格和 国青岛港 约港 0%预付款; 货款; 次及时支付相应ä	9适于长途、 9数量。 欧项。		,易于用叉	车装卸。
<ol> <li>包装费: \$492</li> <li>短途运费: \$862</li> <li>港口费: \$415.4</li> <li>海运费: \$3000</li> <li>输送机制作标准按中国</li> <li>2 包装</li> <li>(1)采用铁制包装:</li> <li>(2) 货盘上须标注产</li> <li>出货港口: 中</li> <li>4.目的港口: 组:</li> <li>5 支付条款</li> <li>(1)随同订单支付4</li> <li>(2)装船时支付60%</li> <li>(3)需方应按此条点</li> </ol>	合: \$14437.4 行业标准 GB/T98 包装应确保货物 品名称、规格和 国青岛港 约港 0%预付款; 货款; 次及时支付相应ä	9适于长途、 9数量。 欧项。		,易于用叉	车装卸。
<ol> <li>包装费: \$492</li> <li>短途运费: \$862</li> <li>港口费: \$415.4</li> <li>海运费: \$3000</li> <li>输送机制作标准按中国</li> <li>2 包装</li> <li>(1)采用铁制包装:</li> <li>(2)货盘上领标注产</li> <li>出货港口: 中</li> <li>4.目的港口: 纽:</li> <li>5 支付条款</li> <li>(1)随同订单支付4</li> <li>(2)装船时支付60%</li> <li>(3)需方应按此条素</li> <li>6 交货期限</li> <li>从供方收到40%订金</li> </ol>	合: \$14437.4 行业标准 GB/T98 包装应确保货物 品名称、规格和 国青岛港 约港 0%预付款; 货款; 次及时支付相应。 之日起到货物到	)适于长途、 数量。 ) ) ) ) 次项。 ) 港之日共计	-50天		

9. 不可抗力

采取措施尽快发货。 10. 仲裁

凡有关执行合同所发生的一切争议应通过友好协商解决,如协商不能解决,则将 分歧提交中国国际贸易促进委员会按有关仲裁程序进行仲裁,仲裁将是终局的, 双方均受其约束,仲裁费用由败诉方承担。



Figure 2

BUILDING ON THE BACKS OF PRISONERS

由于人力不可抗力的缘由发生在制造,装载或运输的过程中导致供方延期交货或 不能交货者,供方可免除责任,在不可抗力发生后,供方须立即电告需方及在14 天内以快递方式向买方提供事故发生的证明文件,在上述情况下,供方仍须负责

需方:

经理: DAVID wang

美国北卡罗来纳州夏洛特市储存公司

日期:

## Could This All Be A Simple Misunderstanding?

On August 18, 2009, Inland Screw Piling received \$83,504 worth of goods from Xinxiang Zhongke Mining Equipment Company and on February 11, 2010, Inland Screw Piling received another order worth \$117,881.99. Before spending thousands on orders to China, businesses often do research into their potential collaborators. A Google search for "Xinxiang Zhongke Mining Equipment" returns results including a Wikipedia entry titled "List of prisons in Henan" (see Appendix C). The China Commodity Net advertisement clearly indicates the company's location within a prison. Google Maps and Google Earth searches for the address land on Jianshe Road without specific address information. However, a search for "二监狱," Xinxiang Zhongke Mining Equipment Company's supplemental address, lands on a bus stop located outside a large walled-in building with guard towers – a tell-tale sign that a building is actually a prison (see Appendix D).

In addition to the above evidence indicating Xinxiang Zhongke Mining Equipment Company is a prison, the Dun and Bradstreet report<sup>1</sup> for Xinxiang Zhongke Mining Equipment Company (D-U-N-S Number 52-697-5580) indicates that the company occupies a single location, meaning that its address at the prison is its sole location. In short, an elementary check of the company reveals evidence that the business is located within a prison. This should give the importing company pause, particularly when that company is located in a country (Canada) where regulations explicitly state that importing "articles manufactured or produced by prisoners," "wholly or in part" is prohibited.

# Action

LRF calls upon the Canada Border Services Agency to launch a full investigation into the imports of Inland Screw Piling, issue a ban on all products from Xinxiang Zhongke Mining Equipment Company or 64 Jianshe Road, Xinxiang, Henan, and increase efforts to identify forced labor imports. LRF also implores Canadian consumers to purchase goods and services from companies whose products are ethically sourced.

LRF continues to call upon the Chinese government to uphold its own laws regarding the export of prison products and take substantive measures to reform the Chinese legal system.

Additionally, Inland Screw Piling should make public the contracts they filled using in any part the imported Laogai products and reveal the profit associated with each contract. This money belongs to the unpaid prisoners in China's Laogai and Inland Screw Piling should publicize how it plans to implement reparations.

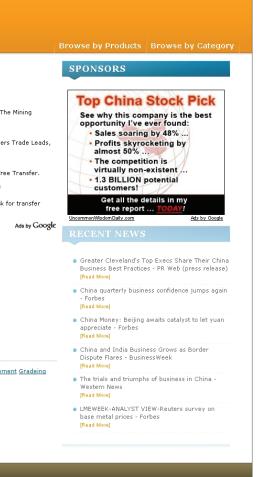
<sup>1</sup> The Dun and Bradstreet corporate databases provide tools for companies to gain information on potential collaborators abroad.

## Appendix A: Chinese Regulation of Laogai Product Exports

# Appendix B: English Language Listings

A				福建省法学会,	英文法律 网站首页
http://	<b>以低作局</b> www.86148.com				
	国务	院关于重申禁止	:劳改产品出口规	定的批复	
		来源:中国法律	法规资讯网 2001-7-	31	
	(国函<	1 9 9 1 > 6 3 4	클)		
	部、司法部: 建议立即发布有关禁止 《关于重申禁止劳改产			部立即对外公发布,	并认真贯彻实行。
附件	关于重申禁」	上劳改产品出口自	的规定		
二、中国司法 为自食其力的劳 与一九五五年第		规定,对有劳动 改造,对犯人进 罪犯等遇大会通 疗卫生等方面,	能力的犯人实行劳 行职业培训,为他 过的《囚犯待遇最 与国营企业工作一	们刑满后的社会就 <u>,</u> 低限度标准规则》;	
向外贸公司提供 五、监狱不得 六、如发现任 处罚。 七、中国司法	出口货源。 与外商建立合资或合作	企业。 产品,海关有权 家属子女)从事	扣留,没收其所得 生产的企业,不适	, 并视情节轻重, ؤ 用于本规定。	购用于出口,监狱不得 合予有关责任者相应的
向外贸公司提供 五、监狱不得 六、如发现任 处罚。 七、中国司法	出口货源。 与外商建立合资或合作 何部门或企业出口劳改 部门所属的工人(包括 公布之日起生效,过去 本站编辑: skerry	企业。 产品,海关有权 家属子女)从事	扣留,没收其所得 生产的企业,不适	, 并视情节轻重, 约 用于本规定。 定为准。	合予有关责任者相应的
向外贸公司提供 五、监狱不得 六、如发现任 处罚。 七、中国司法	出口货源。 与外商建立合资或合作 何部门或企业出口劳改 部门所属的工人(包括 公布之日起生效,过去	企业。 产品,海关有权 家属子女)从事	扣留,没收其所得 生产的企业,不适	, 并视情节轻重, ؤ 用于本规定。	合予有关责任者相应的
向外贸公司提供 五、监狱不得 六、如发现任 处罚。 七、中国司法	出口货源。 与外商建立合资或合作 何部门或企业出口劳改 部门所属的工人(包括 公布之日起生效,过去 本站编辑: skerry 阅读次数: 3805	企业。 产品,海关有权 家属子女)从事 的规定与本规定	扣留,没收其所得 生产的企业,不适	, 并视情节轻重, 约 用于本规定。 定为准。	合予有关责任者相应的
向外贸公司提供 五、监狱不得 六、如发现任 处罚。 七、中国司法	出口货源。 与外商建立合资或合作 何部门或企业出口劳改 部门所属的工人(包括 公布之日起生效,过去 本站编辑: skerry 阅读次数: 3805 关闭本窗口	企业。 产品,海关有权 家属子女)从事 的规定与本规定 合作伙伴:	扣留,没收其所得 生产的企业,不适 有抵触的,以本规	,并视情节轻重,	合予有关责任者相应的

THE CHINESE INTERNET DIRECTORY	
(Home) Xinxiang Zhongke Mining Equipmer	nt Co. Ltd.
64 Jian She Road;( He Nan Sheng Di Er Jian Yu ); Xinxiang, Henan Xinxiang, Henan, 453000 China http://www.xxzkks.com Call us any time at: <b>86 0373 3389995</b> Thank you for visiting a company profile for	Dust Control - Mining Get Fugitive Dust Collectors For The Minin Industry. Free Quotel www.FarAPC.com China Manufacturers Thousands of Prequalified Suppliers Trade Products & Companies Albaba.com Yihao Business Xiamen Great Rates. Save Up To 70%. Free Trans
Xinxiang Zhongke Mining Equipment Co. Ltd Come visit us in Xinxiang. We are always welcoming new customers. Providing unique and quality products and services. Come by anytime.	China Specialist. www.Book ChinaOnline.com/Hotels SonOTrade \$3.00 Per Trade 100 Free Trades, up to \$100 back for trar costs, \$500 minimum. www.SogOTrade.com
As a company with a long standing tradition of dedicated customer care and service, we pride ourselves in providing the best possible products and services to our clients.	Ads b
Since 2005, we have been providing Lifting Equipment, Crushing Equipment, Sieving Equipment, Mineral Transportation Equipment, Gradeing Equipment, Mineral Agent to customers around Xinxiang. We always strive to satisfy our customers, come by anytime. New customers welcome.	
Our Products And Services Locate this com Lifting Equipment Crushing Equipment Sieving Equip	
Online Broker For \$3 100 free trades for new accounts. Up to Equipment	der/Tunneling/Mine t sales NEW & USEDI Think ce, Think NDCO Ads by Google
©2009 xhixhi.com	
Top Categories Apparel & Eashion Automobile Construction & Real Estate Energy Environment Environment	Featured Companie Guangzhou Panyu Rubber Machir Chengitong Satellite Navigation Guangdong Zhenrong Energy Co Harbin Baida Pharmaceutical Co. Shenzhen Ruicai Technology Co.



## Most Popular Products

## Appendix B: English Language Listings, Continued

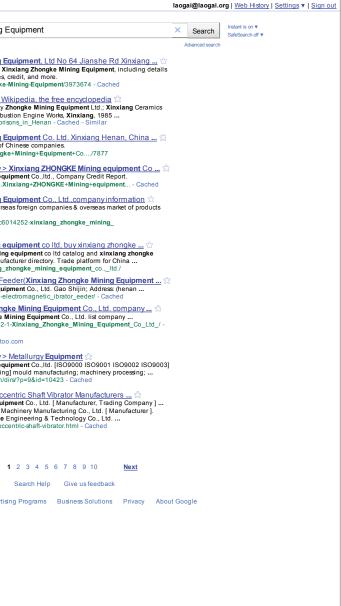
# Appendix C: Google Search Results



GOO	Xinxiang Zhongke Mining Equipment
	About 3,300 results (0.39 seconds)
Everything	Xinxiang Zhongke Mining Equipment, Ltd No
Images	Find objective information on Xinxiang Zhongke Mir on their customers, capabilities, credit, and more.
Videos	panjiva.com/Xinxiang-Zhongke-Mining-Equipment/3
More	List of prisons in Henan - Wikipedia, the free
Washington I Change locat	
Show search	tools Xinxiang Zhongke Mining Equipment Co. Ltd Searchable on-line directory of Chinese companies. xhixhi.com//Xinxiang+Zhongke+Mining+Equipment
	China Business Directory > Xinxiang ZHONG Xinxiang ZHONGKE Mining equipment Co.,Itd., Com www.chinainfo.org//cr.asp?Xinxiang+ZHONGKE+
	Xinxiang Zhongke Mining Equipment CoLtd We supply & export to the overseas foreign companie and goods www.chinatopsupplier.com/d-c6014252-xinxiang_zhc
	equipment_co_ltd/ xinxiang zhongke mining equipment co ltd, b
	China xinxiang zhongke mining equipment co ltd ca mining equipment co ltd manufacturer directory. Trac www.tootoo.com/buy-xinxiang_zhongke_mining_equ
	Electromagnetic Vibrator Feeder(Xinxiang Zhu Xinxiang Zhongke Mining Equipment Co., Ltd. Gao www.tootoo.com/d-rp7300705-electromagnetic_ibrato
	products of Xinxiang Zhongke Mining Equipm Products of Xinxiang Zhongke Mining Equipment Co www.tootoo.com/d-cps6014252-1-Xinxiang_Zhongke Cached
	Show more results from tootoo.com
	China Business Directory > Metallurgy Equipon Xinxiang ZHONGKE Mining equipment Co.,Itd. [IGOV - Henan [Manafacturing, Trading] mould manufacturi thechinabusinessdirectory.com/dirs?p=98/die=10423 -
	Eccentric Shaft Vibrator-Eccentric Shaft Vibrator Xinxiang Huixin Vibrating Equipment Co., Ltd. [Man Zhengzhou Xinguang Mining Machinery Manufacturi country flag Henan Zhongke Engineering & Techn www.alibaba.com/showtom/eccentric-shaft-vibrator.h

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Appendix D: Satellite Image of 64 Jianshe Road





Laogai Research Foundation 1734 20th Street NW Washington, D.C. 20009 www.laogai.org www.laogaiarchives.org 202.408.8300

BUILDING ON THE BACKS OF PRISONERS