

## **CHAPTER 5**

# **ORGANIZED CRIME AND ITS CONTAINMENT IN CHINA**

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### **1. Introduction**

Conditions of Organized Crime in the mainland of China is quite different from that of Taiwan, Hong Kong and Macau because of the diversity of political institution and social system. As the mainland is the principal part of China, this essay is to discuss the situation of Organized Crime of mainland primarily. The condition in Taiwan, Hong Kong and Macau will be introduced briefly at the last part of the article.

### **2. Organized Crime in China Past and Present**

Before China's Liberation, the organized crimes were very serious. The most notorious underground criminal organizations — "Qing Gang" and "Hun Mun" and some regional gangs of hooligans colluded with Kuo Min Tang's government and various regional reactionary forces, committing crimes of manufacturing and selling drugs, smuggling munition, trading human beings, kidnapping, murder, robbery, gamble and prostitution, etc., penetrating rapidly into the enterprises or entertainment, movies and real estates. Organizations in some districts controlled directly the banks and large-scale industries. Du Yuesheng, head of the underground organizations at that time in Shanghai, was the shareholder, manager, Chairman of the board of directors of many enterprises and corporations.

The penetration of underground forces into politics was shocking. Many heads of the underground organizations were the backers of the local politi-

cal power, some were even the leaders of the government.

In 1949, the great liberation war smashed the reactionary government of Kuo Min Tang, giving a heavy blow to the underground organization in areas of the mainland. But, in spite of this, the underground power were not destroyed. Except that part of heads of underground organizations fled to the districts of Taiwan, Hong Kong and Macau, the rest still committed all kinds of crimes in the mainland.

After founding of the People's Republic, Chinese government again dealt crushing blows to all the underground criminal organizations and their criminal activities in the democratic reform movement of agrarian reform and suppressing counter-revolutionaries etc.. Take the important part of organized criminal activities – drug offenses for example, Chinese government promulgated the Order of Banning Opium and Drugs, February, 1950, calling for the establishment of committee of banning opium and drugs which was planned to be in charge of prohibiting opium and drugs. The work included strictly forbidding growing opium, forcible giving up taking addictive drugs, punishing severely manufacturing and selling drugs. Within 2 years, 1223.5 tone drug were seized and large numbers of opium dens were sealed up, and thousands of criminals of opium were punished severely. Some of the criminals arrested were sentence to death. Only in the Southwest of China, plants of opium covering 2,544,466 acres were rooted out. According to the statistics provided by three provinces with Shan Xi province included, the original 620,000 drug addicts dropped to 220,000 the same year. In April, 1952, the government issued "Instructions for Eliminating Drug Influence", arousing the masses to mop up drugs throughout China. 51,627 criminals of drugs were condemned, more than 169.5 tonne drugs were seized. Lots of equipments and tools which were used to manufactured and sell drugs, weapons and ammunition covering drug crimes were confiscated. Thousands of people were coerced to give up drug addiction. Up to 1956, China had eliminated drug crimes, becoming a world-famous No-Drug-Country. The entire success of the Anti-Drug-Struggle meant a complete collapse of criminal organization of drugs. The organized crimes against which China was fighting were of course more than drug crimes, pornography, gambling, loan sharking, smuggling munitions. The struggle led to a signal victory. Therefore, by mid 1950s, the underground criminal organizations left by the old society were destroyed. Twenty years after that, although there came out new criminal organizations and criminal gangs, there were limited in a small scale with few members. The period of exist-

ence was very short and couldn't be the serious danger to the public security.

Nevertheless, after the reform and "open-door" policy, the situation of Chinese and economy changed greatly. Under the effects of all kinds of negative factors, criminal organizations and organized crime have grown rapidly in China. According to statistics, from 1983 to 1986 when strong nationwide measures were taken against crime, 197,000 criminal groups and 876,000 group members were tracked down. In 1986, the number of criminal group and members tracked down was 30,000-plus, and 114,000 respectively; in 1988, 57,000 and 210,000; in 1990, 100,000-plus and 368,000; in 1991, 134,000 and 507,000; and in 1994, 152,000 and 574,000, an increase of 306 percent and 403 percent respectively from 1986. Criminal groups have also changed. Prior to 1986, most of them were loosely organized; only very few well-coordinated and planned. Since 1988, however, the speed with which these groups have transformed themselves into tightly structured and highly organized underground-type criminal groups has gathered pace rapidly. Although we lack nationwide statistics to support this, the situation in many areas reflects the shocking speed at which they grow.

For instance, in the city of Shenyang, only 2 underground-type criminal groups were uncovered in 1990, but in 1993 the number reached 13. In the first half of 1994, 35 underground-type criminal groups in Chaoyang City of Guangdong province were tracked down. But between September 1994 and March 1995, the number of underground-type criminal groups found in the city of Shenghen alone was 75.

These statistics reflect only the number of cases traced by the public security agencies. The actual number of such groups in existence is, of course, higher. Some scholars estimate the number of the underground-type groups to be approximately 20 to 30 percent of all criminal groups. These underground-type criminal groups usually have an established leader, some core members, a distinctly layered hierarchy, ingrained organizational discipline, rules for punishing violators, and a set of procedures or an initiation ceremony for joining the organization. Some underground-type criminal organizations have their own code or organized symbols.

It is also important to recognize that a number of especially dangerous underground-type criminal groups have emerged across the nation. Not only are they highly organized, they are also well armed and possess considerable financial strength. They bribe government officials and law enforce-

ment personnel to obtain protection, and have effectively established their own turf in certain areas or industries that contend with the legitimate authorities in the society. To expand their turf, they either band together or engage in violent confrontations with one another. Although these groups are still extremely few in number and not very strong, they have already demonstrated certain common characteristics in their development.

As criminal groups associated with organized crime in China grow, they tend to expand in size and become centralized. Before 1986, criminal groups usually had only a few members. Today, large criminal groups have emerged across the nation with memberships ranging from ten to over a hundred. Additionally, these groups tend to merge and coalesce. These tendencies are more noticeable in some local gangs and specialized criminal groups (those that abduct women for sale, the manufacture of drugs for sale, etc.). For example, some highly organized, specialized drug groups have emerged and formed integrated "companies" capable of masterminding all phases from purchasing, to transporting, to escorting, and sales. This operation is usually done by multiple criminal organizations in joint efforts.

There is a distinct tendency toward modernization and refinement in the development of organized crime judging by the equipment being used by criminal groups. Many underground-type criminal groups are armed with guns, hand grenades, explosives and knives. They also have at their disposal various means of transportation such as automobiles, motorcycles, and beepers, as well as communications equipments. Some even have advanced weapons and equipment such as bulletproof vests, submachine guns, tear gas "guns", tear gas grenades, antitank grenades, cellular phones, and radio transmitters. This is a very serious trend that indicates China's organized crime groups are rapidly becoming violent. Weapons enhance the strength of these criminal groups; they become more dangerous, and an even greater threat.

According to nationwide statistics, in 1994, serious criminal cases in which weapons were used increased by 25 percent from 1995. In 1995, there are 23,000 such cases, an increase of 13.5 percent from the year before. Many of these involved criminal groups. For instance, in 1994, big cases involving armed criminals reported by local public security agencies to the Ministry of Public Security reached 604 in number, of which 236, or 39.1 percent, were conducted by armed criminal groups.

Along with the rapid development of criminal groups, the incidence of various kinds of organized crime is rising at a very rapid rate. The nature of

their criminal activities has become increasingly diversified. Not only do they commit the usual crimes of murder, injury, rape, robbery, theft, fraud, extortion and kidnapping, they also provided illegal products and services such as smuggling gambling, prostitution, pornography, manufacturing and selling drugs, manufacturing and selling guns, selling documents, trading human beings, organizing operations to smuggle people, loan sharking, extortion, and monopolizing constructs. Some underground-type criminal groups have begun infiltrating into legitimate enterprises to conduct money laundering activities. They also bribe government officials and law enforcement personnel to recruit accomplices and patrons in party and government agencies as well as judicial departments. Some even participate directly in politics. This is also a dangerous trend that we should pay special attention to. These criminal groups conduct activities that seriously jeopardize the safety and property of our people, destroy law and order in our society, and damage our market economy and modernization projects. They have become a serious threat to the democratization and national security of China.

Criminal groups in China have also actively sought out underground organizations in Hong Kong, Macau and Taiwan to work together to form alliances with underground organizations outside of China, and/or to conduct joint criminal activities. The trend continues for Chinese criminal groups to collude with overseas underground organizations and jointly conduct transnational criminal activities. In recent years, many of the increasingly serious transnational drug trafficking and illegal gun trafficking operations have resulted from such joint ventures. For instance, in 1990, China solved the biggest drug case since the founding of the nation. In all, some 51 drug traffickers were arrested, both domestic and overseas. This was a huge drug ring spanning Burma, China and Hong Kong. The emergence of transnational organized crime signifies that China's organized crime has gone international. Recently, a Hong Kong weekly called "The Windows" reported that the Russian mafia has formed an alliance with Hong Kong's underground organization, the triad societies, and is jointly conducting criminal activities in Hong Kong. Since Hong Kong will revert to China next year, this startling new trend can not be overlooked.

But, as in other countries, organized crime in China does not develop in the same manner in all regions. Underground organizations and organized crime in the Hong Kong, Macau and Taiwan regions may very serious, but these regions are only a small part of China's vast territory. On the Chinese mainland, organized crime is more active in cities than in the rural

areas, and more aggressive in the coastal cities and provinces than inland. Nonetheless, the development of organized crime on the Chinese mainland is still at any early stage. Underground-type groups make up only a small percentage of the entire criminal community, and those especially dangerous groups are extremely few in number. They also lack maturity and strength, and although they exhibit the basic characteristics of underground organizations, they are not highly developed criminal organizations. This is why I call them underground-type organizations to differentiate them from other underground organizations. In China, the so-called underground-type criminal groups have the following characteristics:

(1) involves an established, local, malevolent force that has a defined scope of influences;

(2) engages in specialized criminal activities, conducting one or more crimes on a long term basis;

(3) has a comparatively large, stable membership;

(4) is strongly anti-society, doing all manner of harm to the people;

(5) is economically secure, and may even control some economic entities and turf;

(6) seeks protection from corrupt government officials and judicial cadres through every possible means.

At present, Chinese underground-type criminal groups, including the extremely dangerous ones, are not very strong either politically or economically, and their scope of influence is rather small. So far, we have not found any county(city)-wide or trans-provincial underground organizations, not to mention any nationwide criminal organizations. Not having any now does not mean that there will not be any in the future. As long as the environment that breeds organized crime exists, there is always the possibility for criminal groups to transform themselves into highly developed underground criminal organizations. Under certain circumstances, it is almost inevitable. Here, lies the key to our ability to eliminate or weaken the favorable environment that breeds organized crime, and to effectively prevent and control organized crime.

In view of the present situation in China, I am extremely worried about how organized crime may develop. In my opinion, the continued development and growth of organized crime is all but inevitable. Although the extent of this development depends on numerous variables that make it hard to predict, I am by no means optimistic – no matter how this goes.

### 3. Conception and Types of Organized Crime in Chinese Criminal Law

There is no special legal provision which focuses on punishing organized crime in the Criminal Law of the People's Republic and no clause defining organized crime, either. In judicial practice, generally, the disposition of organized crime is according to stipulations concerning criminal groups and accomplice in the general principles of the criminal law, conviction and penal discretion are based on the clauses in the special provisions of the law. But, in some coastal cities and provinces, local rules are made to combat organized crime. For example, in 1989, the people's government of Shenzhen issued "Notice on Banning Underground Societies and Underground-Type Gang Organization". The first clause says, "Any underground society and underground-type gang organization are unlawful and must be banned from the day the notice is issued." The second clause stipulates, "Underground society or underground-type gang organizations and their members committing crimes as affray, injury, extortion, forcing people to lend money, racketeering, stirring up trouble, destroying public and personal property, etc., must be totally punished with severity according to law". Without stipulating the definition of organized crime, the issue only enumerates its concrete activities. But, in judicial practice, there is a common understanding of the conception of underground organization mentioned by the issue. It is generally held that, "Underground organization is criminal organization which not only endanger severely the people's democratic dictatorship, harm the public security, undermine the social public administrative order, but also have its own name with rather close organization, has relatively fixed places, areas and professions, act with both feudal underground gang characteristic quality, reaction and hooliganism".

In 1993, the 8th conference of the Guangdong standing committee of the National People's Congress passed the Issue for Punishing the Activities of Underground Criminal Organizations in Guangdong province. The second clause stipulates definitely the conception of underground criminal organization that "underground criminal organization mentioned in the issue, is illicit group which has name, organized structure, group leader and rules, endangering social order in rather fixed areas, professions and places". The issue also stipulated various organized criminal activities as unlawful fee-collection for safeguard, extortion, group gambling, kidnapping and selling women, manufacturing and selling drugs, prostitution, etc..

These local statutes concerning with the definition of organized crime are incomplete. How to give organized crime a scientific definition is an important question before Chinese criminal law scholars who are now doing research work on this.

In the Chinese regions of Hong Kong, Macau and Taiwan, the stipulations of organized crime in criminal law are quite different.

Take Hong Kong as an example. Legislation against unlawful societies has existed in one form or another since 1845. Legislation today, is found in Chapter 151 of the laws of Hong Kong. Section 18(3) of this Ordinance states, "Every society which uses any Triad ritual or which adopts or makes use of any triad title or nomenclature shall be deemed to be a Triad society". Section 18 (2) states that "Every Triad society, whether or not such is a register society or an exempted society and whether or not such society is a local society, shall be deemed to be an unlawful society". Sections 19-26 of the Ordinance legislate for penalties of up to 5 years imprisonment and fines of up to HK \$100,000 for various offences connected to a triad society, such as "Being an office bearer", "Claiming or professing membership", "Attending a Triad Meeting", "Inducing or inciting someone to join a Triad society".

On October 20th, 1994, the governor of Hong Kong enacted the Organized and Serious Crimes Ordinance with the Purpose of "creating new powers of investigation into organized crimes and certain other offences and into the proceeds of crime of certain offenders, providing for the confiscation of proceeds of crime; making provision in respect of the sentencing of certain offenders; creating an offence of assisting a person to retain proceeds of crime; and for ancillary and connected matters".

The Ordinance gives the meaning of Triad Society in Hong Kong. "Triad society" includes any society which (a) uses any ritual commonly used by triad societies, any ritual closely resembling any such ritual or any part of any such ritual or, (b) adopts or makes use of any triad title or nomenclature. "Organized Crime" means a schedule I offence that – (a) is connected with the activities of a particular triad society; (b) is related to the activities of 2 or more persons associated together solely or partly for the purpose of committing 2 or more acts, each of which is a schedule I offence and involves substantial planning and organization; or (c) is committed by 2 or more persons, involves substantial planning and organization and involves –

(i) loss of the life of any person, or a substantial risk of such a loss



(ii) serious bodily or psychological harm to any person, or a substantial risk of such harm; or

(iii) serious loss of liberty of any person;

Offences listed in Schedule I include common law offences like murder, kidnapping, false imprisonment, conspiracy to pervert the course of justice, etc., and statutory offences of smuggling, lending money at an excessive interest rate, drug trafficking, prostitution, forgery, theft, blackmail, obtaining property by deception, etc.

In 1978, Macau enacted laws (1/28/M, February, 4th) related to underground societies, which specially focused on combatting and punishing underground criminal organization in Macau. Clause 2 of the Ordinance states the definition of underground societies.

“1) Any unlawful organization with stable structure and criminal purpose, which is known by committing one or more crimes listed below through agreement or any other fact, is deemed to be underground society.

(1) drug trafficking;

(2) theft, robbery and breakdown public property;

(3) false imprisonment;

(4) inducing prostitution of women and keeping a vice establishment;

(5) inveigling and corrupting juvenile;

(6) obtaining property by false protection or threats of violence;

(7) lending property unlawfully;

(8) abetting or helping unlawful immigrants and emigrants;

(9) managing illicit lucky or mutual lottery;

(10) killing animals for mutual lottery;

(11) using, wearing and keeping contraband weapons;

(12) speculating foreign exchange;”

“2) Any lawfully established organization which actually committed one or more crimes listed is deemed to be underground society.” Section 2 of the article emphasized that the existence of underground society does not have to

(1) have address or pointed place for conference;

(2) get the members know about each other and have meetings regularly;

(3) have a headquarter or leader for exercising control and promoting members;

(4) have an written agreement of its organization, activities and distribution of interest and burden.

Article 3 of the Ordinance stipulates in explicit terms that 14k, He-On-Le, He-Siu-Yee and You-Lian, etc., are underground criminal organizations.

Article 4 of the Ordinance legislates for penalties of 2-8 years imprisonment for any person under an underground criminal organization; any leader or director of every level will be sentenced to 5-8 years imprisonment (The New Criminal Law of Macau changed the above periods to 3-10 years and 5-12 years respectively when it was promulgated). Any person who is attempting to support, help the activities of underground societies and their members will be sentenced to 2-8 years imprisonment.

The Ordinance stipulate express facts about a crime and legally prescribed penalties of the main criminal activities of prostitution, injury, using and carrying weapons, blackmail, demanding the payment of debts unlawfully, committed by underground criminal organizations.

There is no special stipulation on underground organization and organized crime in the Criminal Law of Taiwan.

#### **4. Combating and Control of Organized Crime in China**

The Chinese government stresses a great emphasis on combating and control of organized crime.

In a short time of just several years, China gained a great and entire success of eliminating the power of underground society left over by the old society after founding of the People's Republic, demonstrating the government's determination and ability of combating organized crime. The government has adopted a wealth of experiences. Under the reform and "open-door" policy, the leader of Chinese government, facing rising of organized crime, expressly stated in central government conferences and relevant instructions that criminal groups with characteristic of underground society and international criminal organizations must be combated severely to prevent their existence and development in China, and, more over, various measures were adopted to punish the organized crimes.

Since 1980, the focus of all nationwide and local "crack down" programs was on the battle against criminal groups, especially the underground-type. Efforts were made from a practical point of view, and outstanding results were achieved by launching special programs such as "Solve big cases, Identify cohorts, and Track Down Fugitives" and "Punish Criminals, Identify Cohorts, and Solve Big Case". Many criminal groups, especially the underground-type were smashed. A great number of cases involving

organized crime were solved.

In September, 1993, in order to reinforce the battle against organized crime, the Ministry of Public Security decided to set up an anti-organized crime division in the Bureau of Criminal Investigation, to specifically study and formulate measures against organized crime. Public security agencies in Guangdong, Fujian, Shanghai and Zhejiang followed suit and set up anti-organized crime units. At the same time, research on organized crime was enhanced, and various discussion meetings were held. For instance, a regional meeting on group crimes for certain provinces, cities and counties, and a similar meeting for the mid-southern regions were held to study the nature and characteristic of organized crime, and the strategies to counter it.

In May, 1995, the Ministry of Public Security Bureau of Criminal Investigation initiated an "Organized Crime Theory Study Group" for investigators, specialists, and theoreticians to promote the study of organized crime by uniting theory and actual practice, and to enhance theoretical guidance on anti-organized crime work.

For strategies against group crimes, the Chinese government strives to nip it the bud by formulating a policy of "Better Early than Late; Better Small than Big; Better Offensive than Defensive; Better Strict than Lenient".

In the battle against organized crime, various level or public security agencies also attach importance to the enhancement of basic criminal investigative work, to bring confidentiality, investigative technology, and criminal information into play; to greatly strengthen the work on information gathering, and investigation through various channels. Importance is also attached to reinforcing the surveillance of criminally active sites, and gathering information from all directions and strata to find leads. Technical investigative means and undercover operations are employed to discover facts behind the scenes, and strategies are employed to select an appropriate time to end the operation so that the whole lot can be caught in a dragnet.

Law is a powerful weapon in the battle against organized crime. Since the reform and open door policy, China has promulgated a series of significant criminal laws. There include "Severe Punishment for Criminal Elements Who Have Seriously Damaged Law and Order", "additional Regulations on the Punishment for Smuggling", the "Decision to Ban Drugs", the "Punishment for Criminal Elements for Smuggling, Manufacturing, Selling and Distribution Pornographic Products", "Additional Regulations on the Punishment for Stealing Cultural Relics, and Robbing Ancient Tombs",

the “Decision to Ban Prostitution”, “Severe Punishment for Criminal Elements Who Abduct and Trade Human Beings, and Who Kidnap Women and Children”, “Additional Regulations on the Severe Punishment for Organizing and Transporting People Across the National Border”, and the “Decision on the Punishment for Sabotaging the Financial Order”. There are all legal weapons to support our battle against organized crime.

Further, to prevent and curb organized crime, China also promulgated more laws and executive rules, such as the “Gun Control Law”, “Law on Forcibly Restraining the Taking of Drugs”, “Regulations on the Usage of Weapons and Police Equipment by the People’s Police”, and “Regulations on Border Inspections”. The “Gun Control Law” clearly stipulates that guns are strictly controlled by the state, and that criminal violations of the Gun Control Law will be severely punished. Over 20 illegal behaviors are identified as violations, and severe punishment is set forth for these behaviors. Death is the maximum punishment for manufacturing, trading, or transporting guns without authorization; for an authorized enterpriser to disobey regulations on manufacturing and distributing guns; for manufacturing guns without a serial number, or with identical numbers or false numbers, for a manufacturer to sell guns directly, or to sell guns intended for export for domestic use. Illegal possession of guns is a violation carrying a sentence of not more than two years of imprisonment, even if there is no other crime. The maximum sentence for illegally carrying a gun across the national border is death. The maximum punishment for transporting guns without following regulations is a life sentence. For loss of guns by a government agency or an employee when the gun was government issued and was for official use, the immediate supervisor or the person directly responsible may be sentenced to imprisonment of no more than five years. The aforementioned regulations play an extremely important role in stopping organized crime from becoming armed, and especially from committing violent crimes.

In fighting organized crime, the Chinese government attacks importance to stepping up international collaboration. China participates in international treaties such as the International Drug Treaty and the International Police Organization, and works in concert with other countries in the battle against organized crime. China has also signed a judicial assistance treaty with many countries, and has taken part in bilateral or multilateral collaborations in certain international programs. For instance, China, Burma and the United Nations signed an anti-drug collaboration program and set up a

plan to meet on a regular basis. Recently, China signed a joint anti-drug program with Vietnam and Laos. All are designed to take the anti-drug collaboration program a step further.

While taking strong measures against organized crime, China also attaches importance to preventive measures. Historically, in dealing with law and order, China has insisted on simultaneous treatment and prevention, focusing on getting to the root of the problem while not ignoring the symptoms. This is also true with the battle against organized crime. Here, one very important element needs to be stressed, and that is our insistence on working with the people, relying on the people, and mobilizing and organizing people to join the battle against organized crime. This will encourage the people to take initiatives in reporting situations to the government in a timely manner, and positively assisting and supporting government efforts to counter and prevent organized crime. Anti-corruption drives are fundamental elements in preventing and stopping organized crime. The Chinese government perseveres in the unremitting efforts against corruption, and works unrelentingly to eliminate and punish all government officials, judicial cadres and police who protect, vouchsafe, support and/or participate in organized crime.

Chinese organized crime gained new life after the reform and open door policy. As of now, it is still at an elementary stage. This means that our battle against organized crime has not yet reached a sophisticated level, and several elements are lacking, including:

(1) Insufficient understanding of the nature, characteristics and development of organized crime. The overall strategy against organized crime needs to be further improved.

(2) Criminal Law pertaining to organized crime needs to be perfected. There is no provision in the criminal law for dealing with underground criminal organizations, nor is there any stipulation for punishment. Some newly identified crimes such as money laundering are not listed as violations that warrant investigation. In criminal investigation, the legislative body has not given sufficient consideration to legalizing special investigative techniques, emergency handling methods, and witness protection procedures. There is a need to further strengthen the monitoring mechanism and prosecution procedures.

(3) Supervisory and specialized anti-organized crime agencies need to be amplified. A national authoritative supervisory unit and a strong and effective command system are lacking. Local agencies that are specifically

charged with anti-organized crime responsibilities are underdeveloped. A strong and highly trained contingent to fight organized crime has yet to be formed.

(4) Problems in training special personnel for the fight against organized crime, and problems in updating technology and equipment have not been solved. Lacking modern means and management methods, intelligence gathering mechanisms are weak. A data bank and information network to comprehensively control both domestic and foreign information and material regarding organized crime has yet to be established.

(5) Having just begun to participate in international collaboration, the scope of collaborative work is rather narrow, and there are only a few collaborative programs. It is urgent that we establish broader, more effective, multi-faceted, and multiple layered international collaborative programs that cover the areas of economics, law, training, technical support, information and study and joint operations.

(6) An inter-provincial and inter-departmental coordination mechanism to pool efforts in the battle against organized crime has not been established. We need to step up propaganda to educate the people.

(7) The industries' reaction to organized crime is still a very weak area in China, with much work still to be done. A sense of responsibility toward society needs to be strengthened. We need to reverse the trend that money is everything. Work ethics and business standards need to be enhanced, and corruption curbed. The internal mechanism of corporations should be perfected to build up resistance to this disease, and to project the corporation's vulnerability from the erosion of crime; and to heighten employees' vigilance and prevention awareness against crime. Some of these efforts have yet to be tackled, and some have been started but are not doing well. Basically, our most important work is, of course, to continuously strengthen our economic reform to establish a socialist market economy. The triumphant completion of this endeavor will lay a strong foundation for us to effectively prevent and contain organized crime in our economic domain.

The afore mentioned are the weak points in our battle against organized crime, and, in my opinion, areas needing improvement. But, we also have our areas of strength and success. For instances, we have already formulated a complete set of powerful policies, preventive measures, and guidelines to effectively contain the infiltration of underground societies from outside China, and made it impossible for them to take root and spread in China. This is something many countries, including the United States, have

not been able to accomplish. We have wrapped up many years of experience in banning drugs by stipulating a three prong policy to prohibit the selling, cultivation and use of drugs, and have achieved excellent results in intercepting and blocking the inflow of drugs by strictly implementing laws and treating the problem by looking into both the root cause and the symptoms.

I believe this is the correct route to take this is the success story we should share with other countries.

### **5. Past and Present of Organized Crime in Taiwan, Hong Kong and Macau, China**

Organized crime in Taiwan has a long history. As early as the Japanese occupation of Taiwan, organized crime in Taiwan had been very serious under the control and support of Japanese "Ronin". But there was a decrease for a time along with the surrender of Japan. Alongside Kuo Min Tang's flee to Taiwan, a large number of immigrants led to a turbulence. The member of underground organizations of the mainland emigrated to Taiwan. Organized Crime was aroused again by both of the elements. From 1960, the economy of Taiwan got off to a flying start, speeding up the progress of industrialization and modernization. The development of business, all kinds of recreation activities and travelling provided sell and conditions for the growth and development of underground original organizations and the factions respectively. More violence in organized crime and violent conflicts for spheres of influence among factions of the organizations became one of the important character of organized crime for a time of this period. In 1970, a manifest change of organized crime was "running enterprise on commercial basis", that meant changing from more violent robbery to managing business. Nonetheless, violent activities of the underground organizations had not been reduced. For the purpose of protecting economic interests and strengthening powers, many large-scale underground factions established special armed forces. By the end of 1970s, and at the beginning of 1980s, munition smuggling spread. There were more and more violent crimes expanding in scale. From 1975 to 1984, causes of various violent crimes increased by 100 percent during the decade.

After 1980, another major change of criminal organizations in Taiwan was known as the internationalization of organized crime. International criminal organization of Japanese Yakuza, etc. with relatively strong powers penetrated into Taiwan. Simultaneously, underground organizations infil-

trated into the other countries, committing transnational organized crimes. By mid-1980s, underground criminal organizations had established their strongholds in the countries of the United States, etc.. Their transnational criminal activities had brought to many countries attention.

Although from the beginning of 1970, police of Taiwan punished underground powers many times, it did not yielded notable results. According to the statistics revealed by Taiwan Criminal Police Bureau, there are totally 1,236 underground criminal organizations with 10,582 members. But the actual number far more exceeds. Zhu-Lian Gang which is the biggest underground organization keeps an unwieldy and close organization and terrifying vice powers. In recent year, the underground criminal organization in Taiwan stepped up penetration into politics by manipulating elections or running for public office directly. By the end of 1994, 281 criminal of underground organizations were tracked down when "supporting the elections" in the period of mayor election in Taiwan Province. Among them, 37 people were prosecuted for involving elections violently. In 1994, 150 members of the legislative assembly had various connections with underground organizations, making up 17 percent of the 858 members elected in counties and cities of Taiwan. Some criminals of underground organizations over held the post of President or Vice President of the legislative body, exercising control of the organ of popular will, some became the leaders of villages, towns and counties, seeking interests with positions and powers for their own factions.

The underground powers penetrated into the army. According to the official investigation after Shi Qingfeng, the naval captain, was murdered, 145 people of the army joined the gangs, 41 naval officers were members of Qing Gang, 6 officers with high rank of General. Nowadays, in Taiwan, underground societies and money jointly infiltrate into politics, and collude with political powers, becoming a three-in-one power which is called by people the "Black-Gold-Politics", demonstrating the governmental corruption and the raging powers of underground societies.

Triad in Hong Kong is called "Som Hop Wui" which used to be a secret organization with the purpose of overthrowing the Manchu Ching Dynasty and restoring the Chinese Ming Dynasty in history. Although it has existed for quite a long period of time, as an underground organization which continued to take the old name of the Triad and carried forward the pattern and rules of the organization, it has changed in character. A high-ranking police officer used to say that "the triad, nowadays in Hong Kong is



nothing but a common ruffian who bullies people by flaunting powerful connections with the name of a giant who passed away long ago." The triad rose in the early 20th century. By 1940, Hong Kong had had 130 underground organizations, acting semi-overtly, with leaders who held important place in society. During the period of Japanese occupation of Hong Kong, the underground organizations colluded with the Japanese Army. They rode roughs hoo over the people and committed all sorts of crimes of drugs, prostitution, gambling and blackmail, etc.. Following the defeat of Japan, Hong Kong regained the colonial domination of the U.K.. The underground organizations took advantage of the occasion developing to large-scale triad organizations which has more than 500 members. The underground criminal powers, moving to Hong Kong after the liberation of the mainland in 1949, speed up the development of Hong Kong Triad organizations. For instance, the hong-yee Association of Red Sect formerly in Guangzhou moved away to Hong Kong, changing the name by "14k". In a short time of several years, it became the largest gang in Hong Kong underground societies with thousands of members.

In 1975, a working group which was established specially by Hong Kong Police Bureau to keep watch on and combat criminal activities of underground organizations, pressed and frustrated the criminal power. In 1973, the working group was dismissed. As a result, underground criminal organizations again came to a development with more than 40 organizations and 300,000 members by 1980s. Their criminal activities expanded constantly to the countries of U.S., U.K., France, Holland, Australia, etc. committing transnational crimes. Large-scale underground organizations of 14k, Sin-Yee-On, He-Sheng-He, firmly established their strong points and area of powers overseas where the criminal activities were brisk, occupying important places in the local underground societies.

In 1986, the Hong Kong Police formed again three central working groups of Hong Kong, Jiulong and Xin-Jie, with a beginning of plans to combat underground organizations. But, there are, today around 50 Triad societies believed to still exist in Hong Kong, about 15 closely come to police attention. The San-Yee-On, which is thought to be the largest Triad society in Hong Kong is estimate to have over 47,000 members. Those Triad organizations committed crimes of drugs, blackmail, extortion, loansharking, gambling, prostitution and penetration to lawful business.

Underground criminal organizations also experienced a long history of development in Macau. In early 1960s, the rapid development of under-

ground societies which became more prominent in 1980s followed the economic takeoff of Macau. Today, they have established over 20 underground organizations with 14k, Shui-Fang, You-Lian, San-Yee-On among them, controlling most of the activities in Macau. They are keeping close connections with the Triad in Hong Kong, conducting criminal activities regularly. People estimates that, after Hong Kong revert to China in 1997, the members and activities of underground organizations, enlarging the range of their criminal activities as a result.

The underground organizations also collude with international criminal organizations to commit transnational crimes.