

ONE HUNDRED EIGHTEENTH CONGRESS REPRESENTATIVE CHRISTOPHER H. SMITH, CHAIR SENATOR JEFF MERKLEY, COCHAIR

Hearing: How Forced Labor in China Taints America's Seafood Supply Chain

Opening remarks by Chairman Chris Smith (R-NJ) Congressional-Executive Commission on China 10/24/2023

The compass is an instrument of great assistance to navigators and seafarers. Its origins lie in ancient China, specifically the Han Dynasty, which dates to the third century BC. It is one of the many enduring contributions China has made not only to maritime exploration, navigation, and safety, but also world civilization.

Yet today, we find ourselves confronting a very different reality in China, where its moral compass appears to be adrift, both at sea and on land.

Recent revelations from a comprehensive four-year investigation conducted by the <u>Outlaw Ocean Project</u> shed light on deeply troubling practices within the Chinese distant water fishing fleet and seafood processing industry.

These practices involve egregious violations of human rights, including forced labor and other exploitative activities. <u>A four-year investigation</u> led brilliantly by lan Urbina, who will testify today, found for example that "almost half of the Chinese squid fleet, 357 of the 751 ships we studied, were tied to human rights or environmental violations" and over 100 Chinese squid ships engaged in illegal fishing, including trespassing into the waters of other nations.

On land, the investigation reveals a disconcerting pattern of PRC-based companies exploiting the forced labor of Uyghurs and North Koreans to process substantial quantities of seafood destined for the U.S. market.

From fish sticks to calamari, these products infiltrate the supply chains of

major restaurants, wholesalers, and even find their way into the meals served at American schools and military bases. Such actions directly contravene the Uyghur Forced Labor Prevention Act (UFLPA) and the Countering American Adversaries through Sanctions Acts (CAATA), both of which strictly prohibit the importation of goods produced by forced labor into the U.S. market.

It is evident that the People's Republic of China is not the sole party involved in these reprehensible practices. Governments—including our own—have been complicit in the procurement of tainted seafood.

Our panel of experts testifying today will emphasize the extent to which government procurement processes and policies have enabled these injustices.

This is also why Senator Merkley and I, have drafted a letter to the Department of Homeland Security, calling for a comprehensive investigation into not only the PRC's disturbing activities at sea and on land but also the weaknesses in our system and the complicity of the private sector in the seafood industry.

Beyond these egregious abuses of human rights, there are also national security implications as well.

Chinese fishing vessels serve as part of China's maritime militia. Earlier this year, such vessels, under the guise of fishing boats, <u>severed cables</u> to Matsu Island, an island off the coast of China still under the control of Taiwan.

Additionally, hundreds of Chinese fishing ships <u>reportedly</u> operate in waters belonging to the Philippines, Vietnam, Malaysia, and Indonesia, serving as a civilian militia to escort Chinese oil and gas survey vessels and drilling rigs.

More to this point, just last Sunday, a Chinese coast guard ship <u>collided</u> with a Philippine vessel en route to deliver supplies to an outpost that the Philippines maintains at Second Thomas Shoal, located approximately 100 nautical miles off its coast.

China claims that this territory, far beyond its legitimate boundaries, despite the fact that the Permanent Court of Arbitration in the Hague made a <u>binding</u> <u>decision</u> in 2016 under the UN Convention on the Law of the Sea that this area lies within the Philippines' territorial waters.

This underscores an important fact: China under Xi Jinping and the Chinese Communist Party is willing to upend the rules of the global international order, and act in a lawless, predatory manner, both at sea and on land. It shows no respect for human rights writ large, let alone labor rights.

But fortunately – thanks in large part to the reporting of Ian and his team, published in the <u>New Yorker</u> and elsewhere—the consciences of American businesses and government leaders are awakening, and we are beginning to see them walking away from abuse-tainted sourcing.

This includes the supermarket chain Albertsons, as well as McDonald's filet-ofish. Both have severed ties with a supplier implicated in Ian's reporting on forced labor practices.

And we are seeing similar actions taken beyond the seafood industry.

Over the summer the Commission sent a letter to a Wisconsin-based company, Milwaukee Tool, regarding allegations that the company had purchased gloves from a supplier that was utilizing forced prison labor to make those gloves.

Milwaukee Tool took action to investigate its supply chain, and I met with them last week.

They discovered multiple examples of counterfeit gloves originating in the PRC bearing their brand name. Part of that lawless behavior I spoke of includes ubiquitous unauthorized, counterfeit goods.

The upshot is that Milwaukee Tool has cut ties with the glove manufacturer in question, and they are moving that operation outside of China altogether.

I am deeply encouraged that the company has taken these positive steps, as it is yet another example of an American company responding constructively to reports of human rights abuses in the PRC.