

Opening Remarks

Corporate Complicity: Subsidizing the PRC's Human Rights Violations

Congressional-Executive Commission on China

Rep. Christopher H. Smith

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Good morning. Today's hearing "Corporate Complicity: Subsidizing the PRC's Human Rights Violations" will come to order.

Businesses around the world have embraced and welcomed the People's Republic of China with open arms – there were hopes for the PRC becoming a responsible member of the international community, especially as its power and stature increased over time.

Yet – From the beginning, my reservations about the PRC's pervasive human rights violations never abated.

And I was right to remain concerned.

After all, these are Communists who came into power “behind the barrel of a gun” – something many in the business community conveniently overlooked in their eagerness to enter such a massive market.

During my forty-three years in Congress, not only has China’s human rights records *not* improved...it’s gotten *worse*. The brutal nature of the Chinese Communist Party and Xi Jinping has become ever more evident – with ongoing evidence torture, rape, widespread forced labor, severe cultural repression, forced organ harvesting, the erasure of religion, family separations, omnipresent surveillance, coercive population policies and forced abortion, endless broken

promises, and a sprawling network of mass concentration camps comparable to those from the Nazis in World War II.

And on top of all of that, it's deeply shocking and saddening to see *the complicity of American companies* in aiding and abetting the PRC's heinous crimes against humanity and genocide.

They're complicit in concealing the PRC's abuses.

They're complicit in the PRC's restrictions on freedoms.

They're even complicit in amplifying the Communist Party's propaganda across our country – spreading political and ideological stances that are completely contrary to what the United States stands for.

It's high time for Congress and the Administration to recognize that the PRC is not only a strategic rival, but a

systemic rival – and “business as usual” must not continue.

American companies and consumers should not be subsidizing tyranny.

Further action by the Congress and Administration can be done – no, *must* be done – to address widespread corporate complicity.

We need to understand that addressing corporate complicity is not only about protecting fundamental human rights, but it’s *also* about protecting American companies and American employees. It’s *also* about defending our borders and protecting our national security.

During my time in office, I’ve chaired more than 76 congressional hearings on China and sponsored several pieces of landmark legislation to address the PRC’s flagrant abuses.

Make no mistake: I remain committed to standing firm and holding the Chinese Communist Party accountable for their pernicious and coercive tactics. And I believe that all of us can play an important role in this struggle.

In the coming months, the Congressional-Executive Commission on China hopes to host more hearings, inviting corporate leaders to discuss complicity and any potential partnerships with PRC entities. Furthermore, this bipartisan commission will also be issuing public letters to various corporations to raise our concerns about the material and reputational risks of aiding and abetting abuses. In fact, just yesterday, we sent a letter to the Group President of Milwaukee Tool to raise questions about their links to forced labor in China.

Today's hearing will also address the Communist Party's outright appeals for corporate complicity, their demands for compliance with draconian PRC laws, and how American companies are failing to navigate the ever-evolving legal, reputational, and material risks of doing business in China.

I look forward to learning from our witnesses here today. I'd now like to recognize Co-Chairman Senator Merkley for his opening remarks.