

Congressional-Executive Commission on China

Hearing

on

Corporate Complicity: Subsidizing the PRC's Human Rights Violations

Tuesday, July 11, 2023 – 10:00 a.m.

2020 Rayburn House Office Building & Virtual via Cisco Webex

Statement of Senator Jeff Merkley

Cochair

Congressional-Executive Commission on China

- Thank you very much, Mr. Chairman. And welcome, it's good to have you with us. I'm glad we're continuing to dig into the issue of corporations' connection to the Chinese Communist Party's human rights abuses in China and elsewhere. This has been an intense interest, a bipartisan and bicameral interest of our Commission. With so many of the issues we monitor, the CCP's abuses are sometimes amplified or even abetted by the actions of actors closer to home. When products from cotton to car parts are made on the backs of Uyghur slave labor, companies seeking to get those products into the U.S. market subsidize the economic machinery of genocide. When authorities crush Hong Kong's cherished freedoms, they count on multinational corporations to continue business as usual. When mass surveillance and biometric data collection target repressed populations, some American companies provide the technology, the services, or the data that bolster the surveillance state.
- Our commissioners have taken such an interest in these issues because it's unacceptable to us if any American business props up genocide, enables censorship, or legitimizes actions that trample on basic, universal freedoms. That's why last Congress I chaired hearings focused on: the message leading American companies were sending by lending their prestige to the 2022 Beijing Olympics, and we focused on the way the PRC leverages technology for deeply repressive purposes, and the coercive economic dynamics that all too often lead companies to self-censor or even parrot propaganda. We sent letters to some of the most respected brands in America when their actions put them at risk of complicity with human rights abuses, companies like Apple, Hilton, Amazon, Airbnb, NBC, the National Basketball Association, and more.
- This Commission's signature initiative to guard against corporate complicity has been the Uyghur Forced Labor Prevention Act. Representative McGovern, Senator Rubio, Representative Smith, and I spearheaded that legislation to protect American consumers and to hold corporations trading in the products of forced labor accountable. At our April hearing, we heard from experts about the initial implementation of this law and the difficult road ahead to make sure we enforce it effectively. I'm grateful that Under Secretary Silvers, the Chair of the Forced Labor Enforcement Task Force, is with us today to help us grapple with those challenges.
- As we heard at that April hearing, businesses should now consider themselves on notice that protecting their supply chains from being tainted by forced labor must be a top tier issue of

corporate compliance – because it is for the U.S. government. But that’s only the start of the paradigm shift that we need. We need businesses across the economy to diversify their supply chains to be less susceptible to Chinese coercion and to avoid complicity with human rights abuses. We need greater transparency about businesses’ data practices, exposure to the pressures coming from China, and more. And defenders of freedom need to speak out so businesses know there will be reputational costs for abetting human rights abuses.

- Thank you to all of our witnesses for your role in speaking out. I appreciate you sharing your expertise and personal stories with us and I look forward to your testimony.