



Corporate Complicity: Subsidizing the PRC's Human Rights Violations

Congressional-Executive Commission on China

Opening remarks by Chairman Chris Smith

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

Since the Tiananmen Massacre in 1989—and for some even before—far too many elite leaders of America's most profitable corporations and like-minded government enablers here and around the world have embraced and welcomed the Chinese Communist Party (CCP) with open arms.

The predictably false hope that robust trade would somehow help China matriculate from a dictatorship to a functioning democracy had no compelling precedent in history—especially a country that is owned lot, stock and barrel by force by a brutal communist party.

That false hope has been further exposed every single year since the early 1990s by China's ever worsening abuse and violence against its own citizens.

The pervasive use of government-sanctioned genocide, torture, rape, forced abortion, involuntary sterilization, forced organ harvesting, human sex and labor trafficking, religious persecution, kangaroo courts (particularly for political and religious prisoners), free speech and assembly violations, the atrocities they have committed in Hong Kong after making solemn promises to protect basic rights as

well as the Sino-UK Agreement—and of course there are so many other crimes against humanity they attest to an absolutely shameful record of wanton cruelty.

Tragically, the abuse and violence has only gotten worse under Xi Jinping.

With his [infamous executive order of May 26, 1994](#), President Clinton abolished the requirement that the Chinese Communist Party achieve “significant progress” in protecting human rights as the condition for extending Most Favored Nation status (MFN)—the elimination of import tariffs by the U.S.

A few months earlier in 1994, before President Clinton’s capitulation, I traveled to Beijing and met with foreign ministry officials and argued that President Clinton wasn’t going to back down or back off his promise to end MFN unless China reformed its barbaric practices. I even conveyed to CCP officials a bipartisan letter signed by 100 members of Congress—left and right, Nancy Pelosi was on that, Frank Wolf was a co-signer, and many others—and we said we stand with President Clinton and we stand with human rights.

While there, I also met with the U.S. Chamber of Commerce in Beijing who thought that we were wrong to link MFN with human rights. After a spirited exchange over breakfast, I came away with the inescapable conclusion that no human rights violation by the CCP would be cause to disrupt lucrative business deals.

A few months later—to my shock and dismay—President Clinton delinked human rights from trade. He did it on a Friday afternoon after almost everybody in this building had left to go back to their districts. I was lingering, doing some work in the office. I ran over to the Press Gallery and did a press conference, impromptu. If you go to C-Span, you can see it. I wasn’t the only one: Nancy Pelosi, she ended up doing her own press conference. We were shocked that he delinked. He had accused—and rightfully—George Herbert Walker Bush of coddling dictatorship and I agreed with that after Tiananmen Square.

The symbiotic US-China trading relationship—that emerged in the 1990s and continues to this day—allowed many to become incredibly rich and powerful

while conveying to the CCP extraordinary industrial capacity and know-how for both consumer goods and ominously, military products and capability.

That CCP military capability today, however, poses an existential threat to Taiwan, numerous nations in the region—and to the United States of America.

Today, it is deeply discouraging to see *the ongoing complicity of American companies* in aiding and abetting the Chinese Communist Party's heinous crimes against humanity and genocide.

Many are complicit in concealing the PRC's abuses.

Many are complicit in the PRC's restrictions on freedoms.

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

American companies and consumers should not be subsidizing tyranny.

In January, I introduced — I should say re-introduced—the China Trade Relations Act of 2023 to end MFN, now called normal trade relations, to China. Actually, it's almost carbon-copy of what we were talking about in 1994, in 1993, with President Clinton. I did press conference after press conference, thanking him for linking human rights with trade — only to see one year later that he delinked it.

One of our distinguished witnesses today has paid an enormous price—and we have every single person here testifying has done an enormous amount of work and provided leadership. We're so grateful that you're here. One of our distinguished witnesses today has paid an enormous price: the loss of his amazing 11-year basketball career in the NBA—for his courageous stand for human rights, especially for the Uyghurs, the victims of Xi Jinping's ongoing genocide.

He will testify today that after he got released, about 3 weeks later—released means fired, of course—China put the games (that had been barred from Chinese TV because he wore basketball shoes that said “free the Uyghurs”) back

on television. ESPN did an investigation and found out that some 49 NBA owners have 10 billion dollars tied up in China.

Money talks and human rights go right out the window.

The Chinese Communist Party ordered the NBA to sanction—to fire—Enes Kanter Freedom and like cowards, they obeyed.

I'd like to yield to my good friend and colleague, Co-Chair of our Commission, Senator Merkley.