



**Statement of U.S. Representative
Christopher Smith, Cochairman of the
Congressional-Executive Commission on
China (CECC)**

**CECC Hearing on “Working Conditions
and Factory Auditing in the Chinese Toy
Industry”**

December 11, 2014

Thank you, Chairman Brown, for calling this hearing and for your leadership the past two years as Chairman of the CECC. Your leadership has made this bipartisan Commission an effective one. You came to the Commission primarily interested in trade issues (we share those concerns). But I have noticed you taking a greater interest in human rights issues more broadly this past year, recognizing that U.S. interests in issues like food safety, fair trade, the environment, and regional security depend on human rights improvements in China. It has been an honor working with you.

I would like to welcome our witnesses and thank them for agreeing to testify today.

As Americans head to the stores this holiday season it is important to lift the curtain on an industry that has a history of labor problems. Last year, Americans bought an estimated 22 billion dollars in toys, 80% of them made in China. The American consumer has a right to know how these toys are made and weigh the true costs of buying toys made in China.

This Commission has for several years documented the appalling state of working conditions and worker rights in China. In its most recent Annual Report, the Commission found that China continued to violate the basic human rights of its own people and seriously undermine the rule of law. Workers in China are still not guaranteed, either by law or in practice, fundamental worker rights in accordance with international standards.

The toy industry has had its share of labor problems, despite efforts to address these problems with voluntary codes and “social auditing,” there continue to be serious problems. As our witnesses today will attest, Chinese workers are routinely exposed to a variety of dangerous working conditions that threaten their health and safety.

The deplorable state of worker rights in China hurts U.S. workers as well, by giving profoundly unfair advantages to those corporations who benefit from China’s poor labor practices. The pursuit of lower and lower cost goods places tremendous pressure on factories to cut corners on worker pay and safety in order to remain competitive.

What are the human costs and economic consequences of this global race to the bottom of the cost curve? Are toy brands doing an adequate job in monitoring working conditions in their supply chain or is something else needed to ensure labor rights? As good corporate citizens, shouldn't toy companies ensure that international labor standards are being implemented in their factories?

I am also interested in answers to these questions and other issues of labor rights. This year I introduced with Rep. Carolyn Maloney a bill that seeks to limit products made globally through forced or child labor. The Business Supply Chain Transparency on Trafficking and Slavery Act would require companies to describe measures they are taking to identify and address forced labor, human trafficking, and child labor in their supply chains. The use of forced and child labor continues to exist within the toy industry in China and as consumers we all have the right to know whether or not we are buying such items.

Again, Mr. Chairman, thanks for your leadership on this Commission and I look forward to working with you in the next Congress.