THE TOXIC TRADE CRISIS

THE TOXIC TRUTH

unfair trade kills

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THE TOXIC TRUTH

Juanna Graham, noticed that something was wrong with her four-year-old son, Jarnell Brown. Jarnell seemed unusually lethargic and would not get up from the couch in the family's living room. Worried, Graham took her son to the hospital to find out what was wrong.

In February of 2006, Doctors at Children's Hospital in Minneapolis, MN ran several tests and found that Jarnell had lead in his blood at levels three times higher than what is normally considered dangerous. The source, it was later determined, was a silver colored pendant that came with a pair of Reebok shoes that Jarnell had accidentally swallowed a few days earlier. The pendant, which was produced in China, was nearly 99% lead.

At the hospital Jarnell's lethargy turned to sickness; he began vomiting and convulsing in seizures before going into respiratory arrest. Jarnell Brown died from lead poisoning on February 22, 2006.[i]

Between May of 2003 and March of 2006 nearly 300,000 boxes of shoes containing the pendants were sold. During that three year period, no one—not Reebok, not the Chinese government, not US trade officials or consumer safety agencies—tested those Chinese pendants to see if they were safe for children to play with.

Was Jarnell's death an extraordinary accident? Or do the cheap imports that we're getting from countries like China pose a serious and pervasive threat to our children, our homes, and our communities?

THE TOXIC TRADE EPIDEMIC

Jarnell's tragic death was devastating to his family and his community, but at the time it seemed like an isolated incident. Regulators were quick to act, pulling the contaminated pendants off the shelves and fining Reebok $1 million, one of the largest fines in the history of the Consumer Product Safety Commission[ii].

But Americans were soon to learn that Jarnell's death wasn't an isolated incident, it was a harbinger of a toxic trade epidemic that is endangering our pets, our children, our food, and even our medicine.

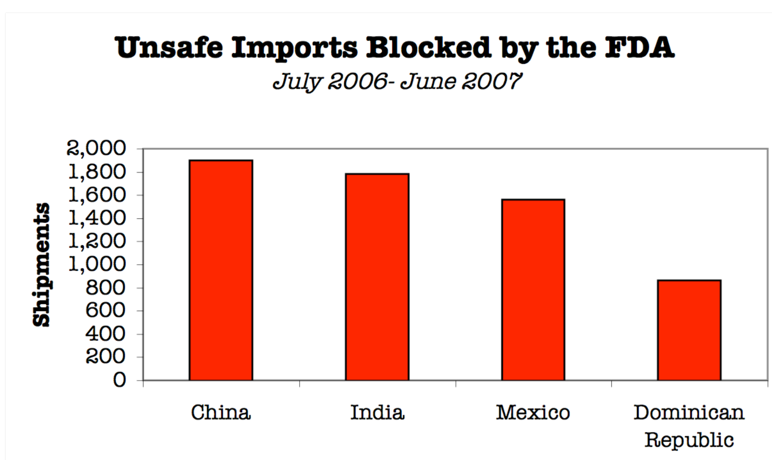
Poisoned Pet Food, Tainted Seafood and Weak Regulation

A little over a year after Jarnell Brown's death a second wave of toxic import related tragedies hit the US. In the spring of 2007, over 60 million cans and pouches of pet food imported from China were found to be tainted with a chemical called Melamine. When ingested melamine causes kidney failure in dogs and cats. By the time all of the contaminated pet food was taken off the market, poisoned pet food had killed as many as 1,950 cats and 2,200 dogs.[iii]

But American consumers would soon learn that the toxic import crisis goes far beyond just pet food. In June of 2007 the FDA issued an alert on catfish, shrimp, dace, and eel imported from China. The agency took action on reports that some Chinese food products contained illegal substances, not permitted in seafood in the US. No illnesses were reported as a result of the contaminated foodstuffs.

American consumers dodged a very serious bullet with the halt on imports of Chinese seafood, but it's certainly possible that other contaminated foods are slipping through the cracks and endangering American consumers.

The FDA inspects less than 1% of imported food from China, meaning that the vast majority of foods that come in the country are never examined to ensure that they are safe for consumption. Between July of 2006 and June of 2007, 1,901 shipments from China were rejected. Among the rejected shipments were prunes tinted with chemical dyes not approved for human consumption, frozen breaded shrimp



preserved with an antibacterial that can cause cancer, poisons in swordfish, and juices and fruits that could only be described by inspectors as 'filthy.'

If the other 99% of imports were as dangerous as the sample tested by the FDA, as many as 188,000 shipments of dangerously contaminated foods could have made it into the US last year.

Although China is the worst culprit in exporting dangerous foods, the world's sweatshop capital is certainly not the only country sending dangerous foods. Over the same time period, FDA inspectors rejected 1,782 shipments from India, 1,560 from Mexico, and 862 from the Dominican Republic.

Toxic Toys—The Attack on our Kids

In addition to jeopardizing our nation's health via our food supply, the Trojan Horse of toxic trade is also risking our nation's future, by poisoning children with unsafe toys. In the second half of 2007 over 25 million toys were recalled because they were deemed unsafe for children.

By the fall of 2007, the toxic toy epidemic had become such a problem that many parents and grandparents have taken to testing toys for lead to avoid poisoning their children.

Toxic Toys

- In August of 2007 Mattel recalled nearly one million dolls and related accessories imported from China, most of them based on Nickelodeon characters that were found to contain lead paint.

- In June of 2007 1.5 million Thomas & Friends Railway Toys, produced in China, were recalled after it was discovered that they contained lead.

- In November of 2007, Spin Master recalled 4.2 million "Aqua Dots" after it was discovered that the toy's coating contained a chemical that, once metabolized, converts into the toxic "date rape" drug GHB. A 20-month-old child swallowed some of the beads and slipped into a coma.

- Also in November of 2007, a line of Children's jewelry sold at the Dollar Tree under the brand "Sassy Chic" was recalled after researchers found that the beads on the bracelet were almost 25% cadmium, a toxic metal that can cause cancer, birth defects, and damage to the reproductive system.

Toxic Imports, Not Just Child's Play

And American consumers would soon learn that the toxic import crisis extended far beyond just foods and toys, many *industrial* imports have been found to be toxic, defective, or otherwise dangerous. These products range from tires used on passenger cars to steel used in sky-scrapers and from fuses to brake pads.

Not Just Child's Play

- As many as 450,000 passenger tires made in China had to be recalled because of a blowout risk. The defective tires may be linked to at least one fatal car crash.
- Over the counter drugs made in India and China that are not approved for human consumption have made their way onto shelves in the US.
- Hollow Structural Steel imported from China that's used in the construction of skyscrapers and power plants has been called into question by construction firms and industry organizations for allegedly failing to meet mechanical specifications.
- As many as 295,000 sets of malfunctioning car fuses from China were recalled because they could cause damage to electrical systems in automobiles.
- Counterfeit circuit breakers that were manufactured in China and installed in homes in the US had to be recalled when it was discovered that they might not work properly, posing a serious fire hazard.
- Several popular models of office furniture produced in China had to be recalled after collapsing on consumers.
- Counterfeit car brake pads made of kitty litter and sawdust made in China made it onto the shelves of auto parts stores in the US.

The Latest Attack

Perhaps the most devastating example of this crisis in consumer safety came to light this spring when a contaminated batch of the blood thinner Heparin was found on the US drug market. Authorities believe that the contaminant, oversulfated chondroitin sulfate, a substance that mimics heparin but costs 99% less, entered the drug's supply chain in China. The US Food and Drug Administration has admitted that it failed to inspect the Chinese plant where the contaminated medicine was manufactured.

Patients receiving the contaminated blood thinner have experienced trouble breathing, nausea, vomiting, and rapidly falling blood pressure that in some cases has led to life-threatening shock. To date, at least 81 people have died because of the contaminated Heparin.[iv]

TOXIC TRADE, TOXIC IMPORTS

This seemingly sudden glut of toxic imports is not a fluke; it is the logical outcome of a failed experiment in free trade. Over the past fifteen years, the US has signed a slew of trade deals, which give up our right to set restrictions on the production conditions, quality, or safety of goods imported into our country. Starting with the North American Free Trade Agreement (NAFTA) in 1994 and most notably with the establishment of the World Trade Organization in 1995, the United States has gradually ceded its right to impose safeguards on imports to ensure that they are produced under fair and safe conditions or to ensure that imports do not pose an unreasonable danger to consumers.

These trade deals are bargained behind closed doors and participants are generally bound by strict confidentiality so no one outside the meetings ever learns what went on. At the table are trade representatives from each country and often literally right behind them representatives from major multinational corporations.

Most of these so-called 'Free Trade Agreements' go to great lengths to protect corporate profits and prerogatives but include few provisions, if any, to protect workers, consumers, or the environment. A common provision in these FTA's, like NAFTA's chapter 11, allows multinational corporations to sue member states in a secret tribunal to recoup profits lost as a result of unfair restrictions on trade. These 'unfair restrictions on trade' have included a

1994
- North American Free Trade Agreement

1995
- World Trade Organization is established

2000
- US Establishes Permanent Normal Trade Relations with China

2001
- China Joins the WTO
- US-Jordan FTA

2004
- Australia-US FTA
- US-Chili FTA
- US-Singapore FTA
- US-Bahrain FTA

2005
- Central American Free Trade Agreement (CAFTA)

2006
- US-Morocco FTA
- US-Oman FTA

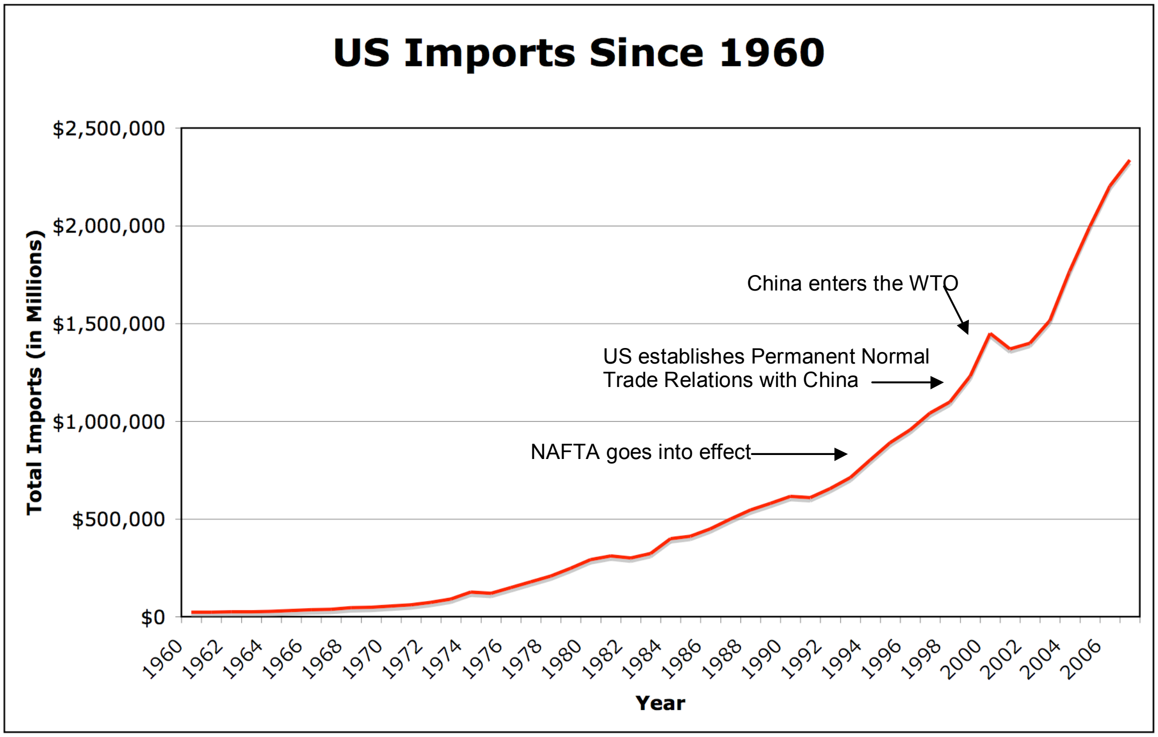
2007
- US-Korea FTA

Buying Free Trade

These free trade agreements have allowed corporations to make billions of dollars on the backs of workers, while destroying the environment. And the corporate barons who profit from this system of unregulated trade have a major interest in maintaining this system of backroom deals and corporate interests.

Over the past decade, major clothing manufacturers including Levi-Straus, Russell Athletic, and Fruit of the Loom—many of which are major importers of textiles produced in sweatshops—spent a combined $10 million on political contributions and $14 million on lobbying. Major retailers including importing giants Wal-Mart, Coach, and Target spent a combined $76 million on political contributions and $125 million on lobbying over the same time period![1]

California law banning dangerous gasoline additives and a Mexican municipality denying a US based corporation a permit to build a toxic waste facility. In contrast, the labor and environmental provisions are relegated to unenforceable side agreements.



PNTR and China in the WTO

In 2000, over the strenuous objections of labor, human rights, environmental, and consumer advocates the US granted Permanent Normal Trade Relations (PNTR) to China giving the country relatively unrestricted access to US markets and paving the way for China's accession to the WTO. Since granting PNTR to China, the US trade deficit with China has jumped from $68 billion in 1999 to $233 billion in 2006.[v]

The Attack on Workers

Beyond just opening our borders and our homes to toxic products, this free trade experiment has cost millions of Americans their jobs and paved the way for sweatshop conditions in developing countries around the world.

In the decade following NAFTA's passage 1,673,454 American jobs were displaced due to imports from Mexico and Canada alone[vi]. And the hemorrhaging of American jobs did not stop with NAFTA. In the five years after China entered the WTO, almost 2.1 million American jobs were eliminated as a result of the United States' massive trade deficit with China. [vii]

For an individual or a family, losing a job is difficult. Just because the work stops doesn't mean that bills don't have to be paid and mouths don't have to be fed. But the wake of destruction goes beyond just displaced workers and their families. The impact of a plant shutdown on a community can be devastating. Unemployment rates often skyrocket as property values drop. The homes of unemployed workers are repossessed when they can't continue to make mortgage payments and crime rates explode in the wake of the economic bust. To be sure, small communities dependant on a small number of major employers usually see the most dramatic impact, but one only needs to look at the rustbelt cities of Detroit, Cleveland and Pittsburgh as evidence that even large metropolitan areas can be rocked by the violent blow of corporate globalization.

Eroding Labor Conditions

Even North American workers who haven't lost their jobs to these failed free trade experiments are being hurt by the free trade bonanza. While corporate profits and CEO compensation have soared, American workers have struggled to keep their heads above water. In 1990, the average CEO took home a staggering 107 times as much as the average worker. But by 2006, five years after China entered the WTO, CEO pay skyrocketed to 364 times the average worker's pay rate.[viii]

Aside from contributing to growing income inequality in the United States, this system of unfettered trade has given corporations a special tool in combating their employees' legal right to join a labor union. Many employers use the threat of a plant closing to scare workers during an organizing drive. As employers race to the global south for lower wages and benefits they regularly remind their remaining American workforce how easy it would be to replace them.

It's become commonplace for employers to say, "Demand higher wages? Organize a union? We'll move to China." A late 1990's study out of Cornell University found that in the first three years of NAFTA, a full 50% of union organizing drives were met with threats of plant closures.[ix]

Sweatshops and the Race to the Bottom

While unregulated trade has pushed hundreds of thousands of Americans out of work and lowers working standards for millions more, the results have been similarly devastating for millions of workers overseas.

When developing countries are forced to open their markets to foreign imports, poor farmers are forced to compete with agribusiness corporations unfairly subsidized with millions of dollars of public funds. Unable to compete and aggressively targeted by neoliberal land privatization schemes, farmers are pushed off their land and driven into sweatshop factories in overcrowded cities.

Long hours, dangerous conditions, and low pay are commonplace in these workplaces. In an examination of Chinese factories that supply consumer goods for Wal-Mart, the US based National Labor Committee documented factories where workers were forced to spend as much as 85.5 hours on the job each week, earning just 54 cents an hour.[x] According to the British daily newspaper, *The Independent*, some 50,000 fingers are accidentally sliced off in Chinese factories each month.[xi]

Probably the most daunting example of this exploitation is that of Wie Meiren, a 32-year old mother of three from Dongkeng, China. Meiren worked as many as 14 hours a day, 360 days a year in a factory assembling toy cars. One day, overcome by the hard work and the stress she fainted at work. Afraid that she would be fired if she took time off to get better, she continued to work, every day for almost a month. Then, twenty days later she became so exhausted she collapsed again. This time, however, she did not get up. She was dead. The autopsy indicated that the cause of death was heart and organ failure caused by extreme exhaustion. Wie Meiren, the 32-year old mother of three was literally worked to death.[xii]

Unfortunately, Wie's story is not unique. While it is impossible to quantify how many workers toil under sweatshop conditions, it is estimated that half of the world's population, nearly 3.3 billion people, live on less than $2 a day; around 12 million people (roughly as many people as live in New York City and Chicago combined) are currently working in slavery. Because of the global system of unfair, unfettered trade, American workers are forced to compete with workers laboring under these deplorable conditions overseas. Further, because of so called 'free trade' agreements, the United States is generally prohibited from imposing taxes or tariffs on goods produced under these conditions.

A TOXIC ENVIRONMENT

This toxic trade crisis is also having a devastating impact on the environment. Absent strong and enforceable global environmental standards, manufacturers can shift and, in fact, have shifted, production from country to country in a quest to find the weakest environmental regulations. In many cases, regulators around the world are choosing to turn a blind eye to major corporate polluters for fear of losing jobs and investment to countries with weaker standards and more relaxed enforcement polities.

The results of this global sprint toward lower and lower environmental standards are terrifying: We are seeing an explosion in carbon emissions levels and rapid deforestation around the world.

Carbon Emissions in Developing Economies

As countries like China race to increase their industrial capacities to produce for export markets, it is becoming apparent that most of this new development is being fueled by old and dirty technologies. Rather than meeting new energy needs with clean technology and renewable energy sources, developing countries are opting for cheaper, dirtier energy generation. This is leading to a steep increase in global carbon emissions. Between 1994 and 2005 global carbon emissions from burning fossil fuels jumped from 6,262 million tons to 7,923 million tons.[xiii]

The leading culprit in the promulgation of dirty energy is China. In 2006, China surpassed the United States as the world's largest emitter of carbon dioxide.[xiv] And a large portion of these carbon emissions are a coming from export production; in 2007 the British research agency the Tyndall Center published a report estimating that production of exports accounts for as much as 23% of China's carbon emissions.[xv]

Illegal Logging and Deforestation

For years, national parks and protected areas in Indonesia have been illegally logged at breakneck speed in order to provide a cheap source of timber and feed global demand for paper and wood products. Because these renegade Indonesian loggers are able to avoid paying taxes or fees and they are able to produce at higher volumes than would be possible if they followed the laws, this system of illegal logging is creating artificially cheap wood and paper prices worldwide.

Because this illegal logging gives Indonesian loggers an unfair advantage, the Indonesian government is hesitant to combat these unlawful practices. In fact reports have indicated that some government officials have acted in collusion with illegal logging operations. A recent study by the United Nations

Environmental Program found that up to 88% of Indonesia's logging is done illegally.

This illegal logging has devastating environmental consequences– the deforestation not only threatens the continued existence of species such as the endangered orangutan, but it also accelerates global warming, and increases the risk of deadly landslides. And the effects of this illegal logging are similarly devastating for American paper workers. Between 2004 and 2007 employment in US paper mills producing coated free sheet dropped by 19% from 12,150 to just 9,800. A source of this rapid job loss has been competition with paper made from illegal logs.

NO DEFENSE

From poisoned pet food to red-leaded steel, it seems as if unsafe products are coming at us from every direction. If these products are so dangerous, why isn't someone warning us?

A handful of federal agencies are charged with protecting the American public from various unsafe products, both domestically produced and imported. But those agencies are ill equipped to screen the onslaught of imports we are receiving from rogue trading partners like China.

Just fifteen years ago, before the passage of the North American Free Trade Agreement (NAFTA), the US imported around $590 billion worth of goods; by 2006 that number has more than tripled, jumping to $1.86 trillion.[xvi] Many of those imports are coming from long standing trading partners with consumer protections and screening mechanisms of their own such as Canada, Japan and the UK. But an alarmingly large portion of those imports are coming from countries with virtually no enforceable standards ensuring fair production conditions or consumer safety; in 2006 15.5% of goods imported to the US came from China, the world's leading exporter of toxic products.

With this onslaught of imports from countries known for producing dangerous products, one would expect that federal regulators in the US would step up efforts to inspect imports. But, unfortunately, Federal agencies in the United States have simply not been given the resources or enforcement authority to keep consumers safe.

The Food and Drug Administration, charged with ensuring that medicines and foods sold to American consumers are safe, for instance, has seen a dramatic increase in its enforcement workload. In 2002, 2.9 million products subject to FDA regulation entered the US. Three years later that number jumped to 13.7 million. But the Administration's funding and enforcement capacity has not kept pace with this boom in imports. In fact, the number of FDA inspectors has dropped every year since 2003. FDA spokesman Michael Herndon told the Associated Press that the agency only has the capacity to sample test 75,000 shipments each year.[xvii]

While the FDA had failed to keep pace with the growing number of imported products, the Consumer Products Safety Commission (CPSC), the Federal agency created to "protect the public against unreasonable risks of injury associated with consumer products," has seen its budget and staffing levels outright slashed. President Bush's 2008 budget proposed reducing the Commission's staff to 401, down 19 from 2007. That's less than half the commission's 1980 staffing level![xviii]

Adjusting for inflation, the CPSC's budget was $146.6 million in 1974, its first year of operation; last year the Commission's budget was just $62.3 million.[xix]

Facing budget cuts and a tidal wave of new, potentially dangerous imports, it has become virtually impossible for these regulatory agencies to keep up. But even with adequate resources, there is simply no way that regulators could keep up with the sheer volume of dangerous products entering the country.

Currently $3.5 million worth of imported goods enter the country every minute. With that volume of imports, it is impossible for any federal regulatory scheme, no matter how well funded or effective, could inspect each crate of toys, tires, or prescription drugs.

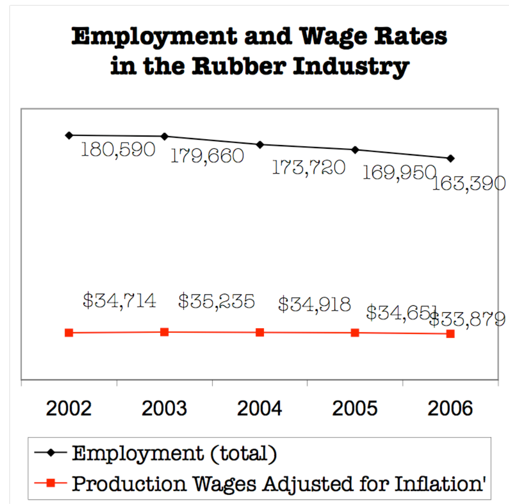
COLLISION COURSE WITH DISASTER

A Case Study on Unsafe Imports and the American Tire Industry

On August 12, 2006 Rafael Melo, Claudeir Jose Figueifedo, and Carlos Souza were riding in a 2000 Chevy Express Cargo Van with Compass Telluride steel belted radial tires produced by the Hangzhou Rubber Company in China. The van, traveling south on Pennsylvania Route 476, crashed after one of the tires blew out. Claudeir Jose Figueifedo and Rafael Melo were killed in the crash; Carlos Souza suffered permanent brain damage.

An investigation uncovered that the tires failed because they were missing a 0.6 mm gum strip between the belts that would have kept them from separating. The American importer and distributor of the tires alleges that the Hangzhou Rubber Company admitted that it had reduced or omitted the gum strips in an unspecified number of tires in order to cut costs. In July of 2007 the National Highway Traffic Safety Administration (NHTSA) issued a recall of 450,000 tires produced by the Hangzhou Rubber Company.[xx]

The defective tires were involved in at least one other serious car crash: a May, 2006 ambulance rollover in New Mexico.



Competition from imports from low cost producers have resulted in plant shutdowns in Mayfield, Kentucky; Charlotte, North Carolina; Tyler, Texas; Decatur, Illinois; Oklahoma City, Okalahoma; and Clarksdale, Mississippi resulting in the elimination of almost twenty thousand high-paying, stable jobs. Between 2002 and 2006 rubber industry employment dropped from 180,590 to 163,390.

Rubber workers who were not directly hit by the wave of plant shutdowns have seen their real wages drop as a result of this global competition. In 2002 the inflation-adjusted average annual wage in the tire industry was $34,714; by 2006 that dropped by nearly one thousand dollars to $33,879.[1]

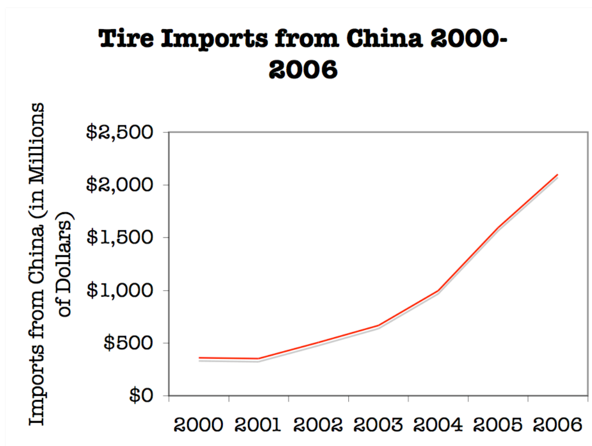
Up until recently, tires like the ones Rafael, Claudier, and Carlos were riding on were made at a Goodyear plant in Tyler, Texas. But on October 30, 2006, the company announced that it would be closing that plant because of pressure from low cost imports. Goodyear's news release read, "*The Tyler plant principally* *produces small diameter passenger tires, a segment that has been under considerable pressure from low cost imports."*

That plant shutdown has been devastating for the Tyler community. Harold Sweat, a 31 year Tyler employee is president of USW Local 746L, which represents all hourly employees at Tyler, says that finding new jobs is difficult in the area. *"We're all trying to move on with our lives but there aren't a lot of jobs around here...Probably none that pay what Goodyear did in terms of wages and benefits."*

State and local officials offered $12 million in tax incentives in an effort to keep the Tyler plant open, but Goodyear wouldn't bite.[xxi] The competition from foreign imports was simply too great. In total, the shutdown will displace 1,100 workers pulling more than $70.3 million in annual payroll out of the Tyler community.[xxii]

Harold attributes the shutdown to unfair trade rules and double standards. *"The labor, environmental, and product quality standards we we're under here in Tyler don't apply to Chinese manufacturers... We're in an unfair trade war."*

A pivotal point in that unfair trade war that workers in the rubber industry are facing was 2001, when China entered the World Trade Organization. In the five years after China's formal accession to the global economic framework, US tire imports from China increased almost sevenfold, from $351 million in 2001 to $2.1 billion in 2006.



Working Conditions in Tire Plants in China

In 2005, the National Labor Committee sent a delegation to investigate the working conditions at Goodyear's tire factory in Dalian. The Committee noted that the conditions in Chinese tire plants were not quite as deplorable as those reported in the textile and light manufacturing sectors. Most Chinese tire builders work the 40 hour, 5 day work weeks that are standard in the US.

But the pay at the Dalian is very low—about 56 cents an hour. And workers are not told about the health and safety hazards in the facility. In certain areas of the plant they are told to wear masks, but they are not told about specific risks or given information on how they might protect themselves. This is particularly disturbing given the dangerous nature of work in the rubber industry. Accumulated published epidemiologic and medical literature indicates that workers in the rubber industry suffer excess mortality rates from heart disease and from various types of cancer including leukemia, lung cancer, bladder cancer and cancer of the larynx.

Claudeir Jose Figueifedo and Rafael Melo lost their lives, their friend Carlos Souza suffered permanent brain damage. Eleven hundred people in Texas lost their jobs and the Tyler community suffered a blow from which it will likely never recover. Meanwhile, on the other side of the Pacific Ocean, thousands of tire builders are earning pennies an hour while working with poison without proper training or protective equipment.

In this game of global trade it seems that the only winners are the big corporations. In 2007 Goodyear realized $602 million in profits.[xxiii]

THEY'LL NEVER FILL OUR SHOES[xxiv]

The Off-shoring of Huffy

In July of 1998 the Huffy Corporation, a major manufacturer of bicycles, shut down its Celina, Ohio plant, firing 850 members of the United Steelworkers of America in order to move production to China, Mexico, and Taiwan. At the time, the company reported that it was being pressured by retail giant Wal-Mart to offshore production as a method of cutting costs.

Just before Huffy shut down the Celina plant the company sent a powerful message to its workforce and to American consumers. Before shutting the doors to the factory for the last time, the soon-to-be laid off employees were told to scrape the American flag stickers off the remaining bicycles and replace them with globe stickers.

The Celina workers had a message of their own for the company. The day the plant closed, as they filed out of the plant after their last shift ever, the workers each left a pair of shoes in their parking spaces in the factory's parking lot as a way of reminding the company that they'll never fill their shoes.[xxv]

The tiny western Ohio town, with a population just over ten thousand, was devastated. The county's unemployment rate nearly tripled, jumping from 3.5% before the layoffs to 9% in 2003.

Almost a decade later, the town of Celina is still reeling from the blow. Before the layoffs, Ruth Schumacher and her husband Bob worked at Huffy, earning $12 an hour. Ruth took a job serving breakfast at the Holiday Inn for $9 an hour and Bob works as a part-time janitor at a local church earning $9.15 an hour. The Schumachers, both nearing retirement age, are still devastated by the plant shutdown. Bob Schumacher told a local newspaper, "We can't go out to eat…like we used to. When you lose a job like that you cut back on everything."[xxvi]

Over the next two years, Huffy would shut down its remaining three US plants to effectively move all of its production capacity overseas. In total, 1,800 American workers lost their jobs as the Celina experience was repeated in Farmington, Missouri and Southern Mississippi.

On the other side of the Pacific Ocean, Chinese workers are seeing another aspect of Huffy's anti-labor policies. In 2000, representatives from the US based National Labor Committee visited the Baoan Bicycle Factory in Shenzhen, China which produces bicycles for Huffy to talk with workers and observe working conditions. Their findings were astonishing.

Chinese workers making Huffy bicycles reported working 13.5 to 15 hour shifts seven days a week under strict rules, often exposed to strong chemical odors and excessively high temperatures. They are only offered two meals a day and sleep twelve to a room in dark, crowded dorm rooms. Overtime at the Baoan factory is mandatory and no overtime premium is paid. NLC researchers reported,

> *"Workers report that they are forced to work overtime nearly every day, including Sunday work. On average, the workers may receive every other Sunday off. During particularly large rush orders, some workers said they had to work through to 3:30 in the morning, which means they would be at the factory for a shift of 19.5 hours."*

Wages at the Baoan Bicycle Factory are appallingly low—ranging from 25 cents to 41 cents an hour—around two percent of what Bob and Ruth Schumacher earned in Celina, Ohio. Workers in China are generally lured to factories on the promise that they will be able to save money or send some back to their families. But laborers in the Baoan factory told NLC researchers that they weren't paid enough to save or send money back to their families. "One worker in the packaging section explained that he earned 600 rmb per month, $72.29, and was unable to save or send any money home. Despite all the overtime hours he worked, he was just able to survive, never getting ahead."

What happened to those high quality bicycles?

- In August of 1999, just months after Huffy shut down its last US manufacturing facilities, the Consumer Product Safety Commission issued a recall of 1,400 bicycle suspension forks used on Huffy "Verdict" bicycles. The forks, manufactured by a subcontractor in Taiwan, exclusively for Huffy, were found to fall apart during use when the upper crown weld fails, causing serious injury to the rider. At the time of the recall, three serious injuries had been reported including contusions, bruises and lacerations to the mouth.[xxvii]
- In June of 2004, the Consumer Product Safety Commission issued a recall of 12,000 Huffy "Cranbrook" bicycles. The bikes, manufactured in one of Huffy's factories in China, were found to have defective handlebars that could loosen causing riders to lose control.[xxviii]
- In October of 2007, the CPSC recalled 22,000 Huffy "Howler" and "Highland" mountain bicycles. These bicycles, also manufactured in China, have cranks that can unexpectedly come off, causing riders to lose control, fall and suffer serious injuries. At the time of the recall at least one injury associated with the defect had been reported.[xxix]

In many ways, we could say that Huffy got what it deserved. It abandoned American workers and has paid dearly, with a series of high profile recalls and a generally tarnished brand name.

But unfortunately, Huffy executives aren't the only ones who were hurt by this company's callous behavior. Eighteen hundred workers lost their jobs, three American communities were devastated by plant shutdowns, and hundreds of thousands of consumers are left to wonder if, and when, their bicycle is going to collapse under them.

When Will It End?

With a diminished consumer protection capacity and a slew of new trade deals letting imports into the country without proper oversight or regulation, it is hardly surprising that toxic products like the Reebok pendant that killed Jarnell Brown are getting into the country. It remains to be seen, however, how many children will be poisoned, how many jobs will be lost or how many sweatshop workers will be worked to death before fair trade regulations that provide real protection to consumers, workers, and the environment are established.

Stopping this toxic trade crisis isn't a matter of passing a single law or renegotiating a single trade deal. Stopping this crisis will require comprehensive action in legislation, trade policy, and consumer protection:

- **Trade Agreements**

Trade agreements must protect workers' rights and the environment, not just corporate profits. All new trade agreements should include these protections and existing trade agreements should be renegotiated to include these protections. These labor and environmental standards must be strong, comprehensive, and enforceable.

- **Consumer Protection**

Consumer protection agencies must be given adequate resources to screen for potentially dangerous products and enforce current product safety standards. When unsafe imports are found, swift action must be taken to not only take contaminated goods off the market but to find out *how* those contaminated goods made it into the country in the first place.

- **Corporate Accountability**

Corporations that import unsafe products must be held accountable for their actions. Proper regulations should be enacted to insure that companies importing products to the US market place are properly equipped to quickly recall products if they are determined to be unsafe and compensate consumers who are injured by dangerous products.

- **Enforcement**

When trading partners break established trade rules US trade officials must hold them accountable through international trade bodies and US trade remedy laws. The federal government can no longer turn a blind eye to currency manipulation, environmental degradation, and human rights violations.

Endnotes

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