

105TH CONGRESS  
1ST SESSION

# H. R. 2678

To impose certain sanctions on countries that do not prohibit child labor.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 1997

Mr. SMITH of New Jersey (for himself, Mr. HYDE, Mr. LANTOS, Mr. MORAN of Virginia, Mr. KENNEDY of Massachusetts, Ms. ROS-LEHTINEN, Mr. SANDERS, Mr. MILLER of California, and Mr. FALEOMAVAEGA) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To impose certain sanctions on countries that do not prohibit child labor.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “International Child  
5 Labor Elimination Act of 1997”.

### 6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1           (1) Article 32 of the United Nations Convention  
2           on the Rights of the Child recognizes “the right of  
3           the child to be protected from economic exploitation  
4           and from performing any work that is likely to be  
5           hazardous or to interfere with the child’s education  
6           or to be harmful to the child’s health or physical,  
7           mental, spiritual, moral or social development.”.

8           (2) Article 2 of Convention 138 of the Inter-  
9           national Labor Organization, the Minimum Age  
10          Convention, states that the minimum age for admis-  
11          sion to employment or work “shall not be less than  
12          the age of completion of compulsory schooling and,  
13          in any case, shall not be less than 15 years.”.

14          (3) Convention 29 of International Labor Orga-  
15          nization, the Forced Labor Convention, which has  
16          been in effect since 1930, prohibits most forms of  
17          “forced or compulsory labor”, including all forced  
18          labor by people under the age of 18.

19          (4) Although it is among the most universally  
20          condemned of all human rights abuses, child labor is  
21          widely practiced. The International Labor Organiza-  
22          tion and the United Nations Children’s Fund  
23          (UNICEF) have estimated the total number of child  
24          workers to be between 200,000,000 and

1       250,000,000. More than 95 percent of those child  
2       workers live in developing countries.

3           (5) The International Labor Organization has  
4       estimated that 13.2 percent of all children 10 to 14  
5       years of age around the world were economically ac-  
6       tive in 1995. According to UNICEF, 75 percent of  
7       the child laborers in the 10 to 14 age group work  
8       6 days a week or more, and 50 percent work 9 hours  
9       a day or more. There are no reliable figures on  
10      workers under 10 years of age, though their num-  
11      bers are known to be significant. Reliable child labor  
12      statistics are not readily available, in part because  
13      many governments in the developing world are reluc-  
14      tant to document those activities, which are often il-  
15      legal under domestic laws, which violate inter-  
16      national standards, and which may be perceived as  
17      a failure of internal public policy.

18           (6) Notwithstanding international and domestic  
19      prohibitions, many children in developing countries  
20      are forced to work as debt-bonded and slave laborers  
21      in hazardous and exploitative industries. According  
22      to the United Nations Working Group on Contem-  
23      porary Forms of Slavery and the International  
24      Labor Organization, there are tens of millions of  
25      child slaves in the world today. Large numbers of

1       those slaves are involved in agricultural and domes-  
 2       tic labor, the sex industry, the carpet and textile in-  
 3       dustries, and quarrying and brick making.

4           (7) In many countries, children lack either the  
 5       legal standing or the means to protect themselves  
 6       from cruelty and exploitation in the workplace.

7           (8) The employment of children often interferes  
 8       with the opportunities of such children for basic edu-  
 9       cation. Furthermore, where it coexists with high  
 10      rates of adult unemployment, the use of child labor  
 11      likely denies gainful employment to millions of  
 12      adults.

13          (9) While child labor is a complex and multifac-  
 14      eted phenomenon that is tied to issues of poverty,  
 15      educational opportunity, and culture, its most abu-  
 16      sive and hazardous forms are repugnant to basic  
 17      human rights and must be eliminated.

18   **SEC. 3. IDENTIFICATION OF FOREIGN COUNTRIES AND IN-**  
 19                   **DUSTRIES THAT USE CHILD LABOR IN PRO-**  
 20                   **DUCING GOODS.**

21      (a) IDENTIFICATION OF COUNTRIES AND INDUS-  
 22   TRIES.—The Secretary of Labor shall, not later than 6  
 23   months after the date of the enactment of this Act, and  
 24   not later than the end of each 1-year period thereafter,  
 25   identify those foreign countries that do not prohibit child

1 labor, or that have laws prohibiting child labor but do not  
2 effectively enforce them, and those industries in such  
3 countries in which goods are produced or services provided  
4 with the use of child labor. The Secretary may revoke the  
5 identification of a country or an industry before the end  
6 of the 1-year period during which the identification would  
7 otherwise be effective, if revocation is warranted by new  
8 information or a change in the laws or practices of a coun-  
9 try.

10 (b) SANCTIONS.—The sanctions set forth in sections  
11 4 and 5 shall apply with respect to those countries and  
12 industries identified under subsection (a) for so long as  
13 the identification is effective under such subsection.

14 (c) EXEMPTION.—The prohibition under section  
15 4(a)(1)(B) on activities of the Export-Import Bank of the  
16 United States, the prohibition under section 4(a)(1)(C) on  
17 activities of the Overseas Private Investment Corporation,  
18 and the prohibition on multilateral assistance under sec-  
19 tion 4(a)(2) shall not apply with respect to a business en-  
20 tity if it is established to the satisfaction of the Secretary  
21 of Labor that no goods produced by that entity are prod-  
22 ucts of child labor and that the business entity does not  
23 otherwise use child labor.

1 **SEC. 4. PROHIBITION ON ASSISTANCE FOR FOREIGN COUN-**  
2 **TRIES THAT USE CHILD LABOR IN PRODUC-**  
3 **ING GOODS.**

4 (a) PROHIBITION ON ASSISTANCE.—

5 (1) BILATERAL ASSISTANCE.—

6 (A) IN GENERAL.—Subject to subpara-  
7 graph (C), the President may not provide to a  
8 foreign country identified by the Secretary of  
9 Labor under section 3(a)—

10 (i) any assistance under the Foreign  
11 Assistance Act of 1961, other than—

12 (I) disaster relief assistance, in-  
13 cluding any assistance under chapter  
14 9 of part I of such Act;

15 (II) assistance which involves the  
16 provision of food (including monetiza-  
17 tion of food) or medicine; and

18 (III) assistance for refugees;

19 (ii) sales, or financing on any terms,  
20 under the Arms Export Control Act; or

21 (iii) the provision of agricultural com-  
22 modities, other than food, under the Agri-  
23 cultural Trade Development and Assist-  
24 ance Act of 1954.

25 (B) EXPORT-IMPORT BANK.—The Export-  
26 Import Bank of the United States may not give

1 approval to the issuance of any guarantee, in-  
2 surance, extension of credit, or participation in  
3 an extension of credit in connection with the  
4 provision of any good or service to—

5 (i) the government of a foreign coun-  
6 try identified by the Secretary of Labor  
7 under section 3(a), or an agency of such  
8 government; or

9 (ii) a business entity that is in an in-  
10 dustry identified by the Secretary of Labor  
11 under section 3(a) in such a country.

12 (C) OVERSEAS PRIVATE INVESTMENT COR-  
13 PORATION.—(i) The Overseas Private Invest-  
14 ment Corporation may not issue insurance, re-  
15 insurance, or financing, or conduct other activi-  
16 ties, in connection with an industry identified  
17 by the Secretary of Labor under section 3(a).

18 (ii) Clause (i) does not affect contracts en-  
19 tered into by the Overseas Private Investment  
20 Corporation before the date of the enactment of  
21 this Act.

22 (2) MULTILATERAL ASSISTANCE.—The Sec-  
23 retary of the Treasury shall instruct the United  
24 States Executive Director of each international fi-  
25 nancial institution to use the voice and vote of the

1 United States to oppose any loan or other use of the  
2 funds of such institution to or for any industry identified by the Secretary of Labor under section 3(a).

3  
4 (b) EXCEPTION.—A foreign country or an industry  
5 identified by the Secretary of Labor under section 3(a)  
6 may receive bilateral assistance described in subsection  
7 (a)(1) if the President determines and certifies to the Congress that it is in the vital national interest of the United  
8 States to provide such bilateral assistance to such country  
9 or industry, as the case may be. The President shall include in any such certification—

12 (1) a full and complete description of the vital  
13 national interest of the United States that is placed  
14 at risk if such assistance is not provided to such  
15 country or industry; and

16 (2) a statement weighing the risk described in  
17 paragraph (1) against the risk posed to the vital national interest of the United States by the failure of  
18 such country to adopt or enforce laws prohibiting  
19 child labor or by the use of child labor by such industry,  
20 as the case may be.

22 **SEC. 5. REGULATIONS.**

23 The President shall issue such regulations as are necessary  
24 to carry out this Act.



1 **SEC. 6. UNITED STATES SUPPORT FOR DEVELOPMENTAL**  
2 **ALTERNATIVES FOR UNDERAGE CHILD**  
3 **WORKERS.**

4 There is authorized to be appropriated to the Presi-  
5 dent the sum of \$10,000,000 for each of fiscal years 1999  
6 through 2003 for a United States contribution to the  
7 International Labor Organization for the activities of the  
8 International Program on the Elimination of Child Labor.

9 **SEC. 7. DEFINITIONS.**

10 As used in this Act:

11 (1) CHILD LABOR.—The term “child labor”  
12 means the performance of services in exchange for  
13 remuneration (regardless of to whom paid), subsist-  
14 ence, goods, or services, or any combination thereof,  
15 or under circumstances tantamount to involuntary  
16 servitude—

17 (A) by persons who have not attained the  
18 minimum age, except for—

19 (i) light work by persons no more  
20 than 2 years younger than the minimum  
21 age that is not likely to harm their health  
22 or development and which does not preju-  
23 dice their attendance at school, their par-  
24 ticipation in vocational orientation or  
25 training programs approved by the com-  
26 petent authority in the country concerned,

1 or their capacity to benefit from the in-  
2 struction received,

3 (ii) work on family and small-scale ag-  
4 ricultural holdings which grow or produce  
5 products primarily for local consumption  
6 and do not regularly employ hired workers,

7 (iii) work done by persons at least 14  
8 years of age in schools or other training in-  
9 stitutions for general, vocational, or tech-  
10 nical education,

11 (iv) work done by persons at least 14  
12 years of age as an integral part of a pro-  
13 gram of education, training, or occupa-  
14 tional guidance carried out in accordance  
15 with conditions prescribed by the com-  
16 petent authority in the country concerned,  
17 and

18 (v) participation in artistic perform-  
19 ances pursuant to permits granted in indi-  
20 vidual cases by the competent authority in  
21 the country concerned; and

22 (B) by persons under the age of 18 if such  
23 services would likely jeopardize the health, safe-  
24 ty, or moral character of a young person, except

1 for the performance of such services by individ-  
2 uals at least 16 years of age where—

3 (i) the country concerned has ex-  
4 pressly authorized such employment by na-  
5 tional laws or regulation;

6 (ii) the health, safety, and morals of  
7 the individuals involved are fully protected;  
8 and

9 (iii) the individuals involved have re-  
10 ceived adequate specific instruction or vo-  
11 cational training in the relevant branch of  
12 activity.

13 (2) MINIMUM AGE.—The term “minimum age”  
14 means the age at which children complete compul-  
15 sory schooling under the national laws of the coun-  
16 try concerned, or the age of 15, whichever is older,  
17 except that when a country whose economy and edu-  
18 cational facilities are insufficiently developed has  
19 specified, pursuant to an international agreement, a  
20 minimum age of 14 years for a period of limited and  
21 specifically identified duration, the term “minimum  
22 age” means the age of 14 years during that period.

23 (3) PRODUCT OF CHILD LABOR.—A good shall  
24 be treated as being a product of child labor if the  
25 good—

1 (A) was fabricated, assembled, or proc-  
2 essed, in whole or part,

3 (B) contains any part that was fabricated,  
4 assembled, or processed, in whole or in part, or

5 (C) was grown, harvested, mined, quarried,  
6 pumped, or otherwise extracted,  
7 with child labor.

8 (4) BUSINESS ENTITY.—The term “business  
9 entity”—

10 (A) means any entity that produces (in-  
11 cluding fabricating, assembling, processing,  
12 growing, harvesting, mining, quarrying, pump-  
13 ing, or otherwise extracting), sells, imports, ex-  
14 ports, or contracts for the production of, a good  
15 in a foreign country; and

16 (B) includes, but is not limited to, entities  
17 owned or controlled in whole or in part by the  
18 government of a foreign country.

19 (5) FOREIGN COUNTRY.—The term “foreign  
20 country” means any foreign country and any posses-  
21 sion or territory of a foreign country that is admin-  
22 istered separately for customs purposes (and in-  
23 cludes any designated zone within such country, pos-  
24 session, or territory).

1           (6)   INTERNATIONAL   FINANCIAL   INSTITU-  
2   TION.—The term “international financial institu-  
3   tion” has the meaning given that term in section  
4   1701(c)(2) of the International Financial Institu-  
5   tions Act (22 U.S.C. 262r(c)(2)).

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