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Merton Toy Factory- 2009 Investigation Background

CLW began investigating Merton in 1999 and this year, a full decade has passed since the investigation first launched. In July 2006, a major strike occurred at Merton which resulted in one worker's death. Through continued follow-up of this factory, CLW is able to highlight changes that have been made in the toy industry in the past decade, as well as implementation of China's labor law and changes in the lives and working conditions of Chinese workers.

In 2001, following CLW's first report on Merton, McDonald's contacted CLW. In 2002, CLW met with McDonald's 2 times in New York about the factory. CLW also received a response letter from Mattel at that time.

In 2006, a major strike occurred at Merton. CLW's investigation revealed that the reason workers initiated the strike was dissatisfaction with working and living conditions. At least one worker was killed in the strike, and 7 workers were injured. At the time, the three main clients of the factory, McDonald's, Disney and Mattel, refused to acknowledge that the strike was caused by poor living conditions. The Dongguan City Sangyuan Police Department posted an open letter at the factory on August 1, however, which indirectly explained that poor working conditions were the cause of the strike. CLW's translation of the Police Department's letter is included as an appendix.

In November 2007, CLW shared the results of a follow up investigation on Merton factory with Disney. Then in April 2008, during a meeting with Disney at its California headquarters, CLW and Disney discussed Merton once again.

Since then, no company or organization has contacted CLW regarding Merton Factory.

In the past, organizations, groups and individuals often asked CLW about conditions at Merton. For this reason, CLW conducted yet another follow up report this year. Investigations at Merton took place in April and October of 2009.

In the October investigation, CLW determined that workers in some departments had worked a total of 123 hours of overtime in September, for a total of 300 working hours. In addition, the factory rearranged rest time in order to cut pay for overtime wages. The factory did not pay for legally required annual vacation of 5 days during Spring Festival. Workers are entitled to about 50 RMB/day for this annual leave, or 250 RMB/5 days. By

denying this benefit to over 8000 workers, the factory withholds a total of 2 million RMB each year that is legally owed to its workers.

This behavior clearly violates Chinese labor law as well as responsible corporate standards and should be stopped immediately. This is the reason for our report, available online [here](#). Please support our [campaign](#), and immediately write to Disney, McDonald and Mattel urging them to continue implementing reform at Merton.

Appendix: Open Letter to All Employees of the Mei'erdun Plastics and Electronics Factory

To All Employees of the Mei'erdun Plastics and Electronics Factory:

The recent disorder in the factory compound has seriously impacted both workers' lives and the productivity of the factory. On the night of the 24th, several perpetrators staged an attack on police officers, smashed a police vehicle and destroyed both public and private property. On the evening of the 25th, several people stirred up trouble again in the dormitory area, smashing dormitory facilities. At 22:00, warehouse worker Guo Xiangfeng was hit on the back of the head by a door plank thrown from above while standing by the dormitory window. He is still in the hospital, his life still in danger. This is something that the majority of both workers and managers do not want to see happen.

We believe that factory managers want to meet your demands for improvement of wages, food and drink, and living conditions, and encourage you to take a law-abiding, rational, even-tempered approach, adopting positive measures to gradually rectify the situation. The police are also encouraging factory representatives to take positive actions.

At the same time, we must stress that those who attacked police officers and vehicles and destroyed public and private property have committed serious violations of the law, with some actions even constituting criminal offenses. The public security authorities will not tolerate another instance of this type of behavior. The Dongcheng branch of the Dongguan City Public Security Bureau is undertaking an investigation, and has evidence that Wei Yao and 13 others are guilty of attacking police officers and police vehicles, and destroying public and private property. We have arrested Wei Yao and 7 others on criminal charges, and they will be transferred to the proper authorities for prosecution. The police have also detained Li Haoxin and 6 others, who will receive administrative punishment. The illegal actions of Wei Yao and the others will receive severe punishment under national law.

Recently, relatives and friends of some of those involved in the case have come to the police station to plea for lenient treatment. Some parents have broken down in tears, barely able to speak, in a moving display of love for their children. The young people involved in this case have all come to Dongguan in the hope of working hard to earn money to support their families. Despite difficult working conditions and low wages, they save money and make progress. It is a shame that because of one wrong move they have

put themselves in such a sorrowful situation, failing to live up to the love and hopes of their families.

In truth, many of the young people who come to Dongguan must go through many years of difficult struggle and overcome many hardships before they are able to achieve success. Only through respect for the law and honest labor can one become a respected member of society and achieve success. Those who are dishonest, violate the law and sow chaos will be abandoned by society and punished by the law. Workers, the public security authorities ask you to protect yourself and your rights, and be sure not to abet or lead others into wrongdoing or irrational behavior. At the same time, we ask that you to report those involved in illegal behavior to the Sangyuan Police Station (22263574).

We warmheartedly wish all employees of the Mei'erdun Plastics and Electronics Factory good health, good fortune for your family, and success in all of your endeavors.

Donguan City Public Security Bureau
Dongcheng Branch Office
July 26, 2006