

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Public Liaison

Series/Staff Member: Maria Echaveste

Subseries:

OA/ID Number: 13477

FolderID:

Folder Title:

[Sweatshops] [loose]

Stack:

S

Row:

31

Section:

2

Shelf:

5

Position:

1

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Conference attendees [Personally Identifiable Information] [partial] (3 pages)	01/13/1999	b(6)

COLLECTION:

Clinton Presidential Records
 Public Liaison
 Maria Echaveste
 OA/Box Number: 13477

FOLDER TITLE:

[Sweatshops] [Loose]

2018-1072-F

kc2261

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
- RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

AIP/Sweatshops

rec Hgitt

**WHITE HOUSE BRIEFING ON
PROMISING APPROACHES TO SWEATSHOP ELIMINATION
Wednesday, January 13, 1998, 10:00 - 11:30 a.m.**

Talking Points for White House Deputy Chief of Staff Maria Echaveste

- Welcome to the White House. My name is Maria Echaveste, Deputy Chief of Staff. [IF YOU PREFER, OPL OR SARAH CAN CALL THE ASSEMBLED TO ORDER AND INTRODUCE MARIA.]
- It is my particular pleasure to be here today because we are talking about an initiative in which I have long been deeply invested. Before coming to the White House, I was Administrator of the Wage and Hour Division at the Department of Labor. There, we were charged with protecting the rights of U.S. workers, but we also wrestled with finding ways to improve working conditions for those throughout the world, especially those making goods for purchase by U.S. consumers.
- As you may know, the President himself has taken a strong interest in international labor issues. Under his leadership and that of Labor Secretary Herman, for example, the Clinton Administration pressed an effort that led to the ILO adopting an historic, new declaration that calls upon all member states to respect and promote core labor standards and provides a meaningful follow-up mechanism to monitor progress.
- Just last Saturday, in his weekly radio address, the President announced a new budget initiative to provide, for the first time ever, \$25 million to create a new arm of the International Labor Organization (ILO) to work with developing countries to promote core labor standards and social safety net programs. In addition, we will have almost \$10 million in new funds to support the work of the Department of Labor in supporting directly the work of our trading partners in these same areas.
- One of the things that the world has learned from the Asian financial crisis is that countries with strong labor market institutions like labor unions, respect for core labor standards, and social safety net programs, like unemployment insurance, are in better shape to weather economic turmoil and prevent social unrest than the countries where these considerations have taken a backseat to unbridled growth policies. So we are at a unique moment in history where many nations are looking for help in strengthening their own social systems. We must be prepared to help if we are to build an international economy that "levels up" both economic opportunity and worker rights.

- But we are here today to talk not about governmental efforts but private, voluntary efforts to achieve these same goals.
- The AIP is not part of, or endorsed by, the Federal government, but it is a private, self-governing organization committed to achieving goals outlined by the President. **[IMPORTANT TO SAY PER WH COUNSEL.]**
- In 1996, when public attention focused on the horrid workplace conditions under which some goods are made for U.S. consumers both overseas and here at home, the President called together apparel and footwear companies, human rights groups, labor, religious organizations, and consumer advocates and challenged them to work collectively to find solutions. The goals of that effort were:
 - to raise labor standards;
 - to give U.S. consumers information to make informed choices;
 - to ensure that the information provided to consumers is credible; and
 - to strengthen the social institutions (labor unions and NGOs) that help to ensure core labor rights are protected and those protections enforced.
- In April 1997, the AIP reached agreement on a code of conduct, principles for internal monitoring, and principles for independent external monitoring.
- In November 1998, subcommittee of the AIP group reached an agreement to create a new non-profit Association to oversee monitoring of the code and company compliance, to accredit independent monitors to inspect factories of participating companies, and to disseminate information to the public.
- Today, Michael Posner from the Lawyers Committee for Human Rights, Terry Collingsworth from the International Labor Rights Fund, Linda Goladner from the National Consumers League, and Robie Karp from Liz Claiborne, (and other members of AIP in the audience) can tell you about the recent agreement.
- What I want to tell you is how pleased the President is by the result of their persistence and hard work. We know it was not easy. They labored long and hard and compromises were made on all sides.
- It would have been easy if we had just told the companies to do better and we would applaud their voluntary efforts. But instead, we asked them to try to reach agreement on what it means to do better with independent and credible third parties who will hold them accountable.

- Of course, this agreement is not everything that everyone would have wanted. But we see it as an important first step.
- Millions of workers around the world could see significant improvement in working conditions if this agreement goes forward and gains momentum. There is no higher standard that any companies will agree to meet under any other system out there. This is a great first step.
- Of course, we will continue to work to promote any effort to eliminate sweatshops that meets the President's goals that I discussed at the onset. But we wanted you to know about this promising model in particular, because it is at a crucial time. It is only if there is public enthusiasm for these efforts that other companies will be motivated to join. We wanted to share with you our enthusiasm for the work of the AIP.
- [I will now like to introduce to the Deputy Secretary of the Department of Labor, Kitty Higgins.]

**White House Briefing
Apparel Industry Partnership**

**January 13, 1999
10:00 -11:30 am
Indian Treaty Room**

- 10:00- 10:05 am **Gene Sperling welcomes attendees, explains context, and conveys Administration's commitment to the success of the AIP.**
- 10:05 - 10:09 am **María Echaveste conveys Administration commitment**
- 10:09 -10:12 am **Kitty Higgins echos DOL commitment and highlights**
- 10:12 -10:22 am **Mike Posner discusses the details of the Fair Labor Association**
- 10:22 -10:27 am **Terry Collingsworth (ILRF) - Why the FLA works for the NGO community**
- 10:27 -10:32 am **Linda Golodner presents what the Fair Labor Association will mean for consumers**
- 10:32-10:35 am **Robbie Karp explains company perspective and ask the NGO/opinion leaders to encourage companies to join.**
- 10:35 -11:25 am **Questions and Answers**
- 11:25 -11:30 am **Closing Remarks -Kitty Higgins or Sarah Rosen**

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Conference attendees [Personally Identifiable Information] [partial] (3 pages)	01/13/1999	b(6)

COLLECTION:

Clinton Presidential Records
Public Liaison
Maria Echaveste
OA/Box Number: 13477

FOLDER TITLE:

[Sweatshops] [Loose]

2018-1072-F
kc2261

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[100]

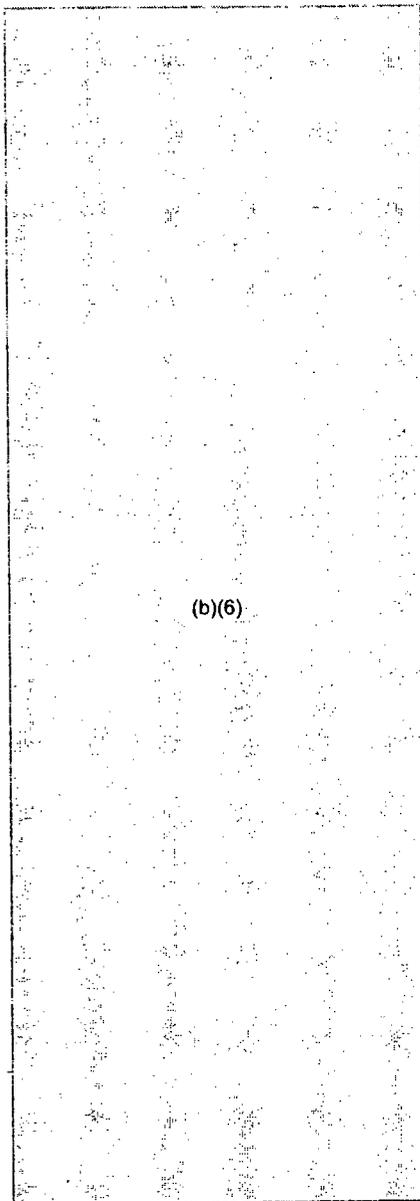
**White House Discussion of
Promising Approaches to Sweatshop Elimination
Wednesday, January 13, 10:00 - 11:30 a.m.**

* = Early Clearance 8:00 a.m. x = AIP Clearance 9:00 a.m.

Last Name	First Name	M. Initial	Social Sec. #	Birthdate	Affiliation
*Allen	Kevin				DOL
68 O'Brien	Delicia	A.			DOL
Beerman,	Rabbi Leonard	I.			Am. Jewish Congress
Bell	Shelia				Nat. Assoc. Colleges & Univ. Attorneys
Beyer	Dorionne				Council n Econ. Priorities
Bonello	Alethea				NAACP
Cahn	Douglas				AIP
xClarizio	Lynda				Arnold & Porter
xCollingsworth	Terry				ILR Fund
xCooper	Sara				Nat'l Con. Leag
Cuomo	Kerry Kennedy				Robert Kennedy Cen.
Currie, S.J.	Father Charles	L			Assn. Jesuit Coll.
Daruwala	Niloufer				Calvert Group
Demeo	Mariso		(b)(6)		MALDEF
Donnan	Freida				Univ. of Notre Dame
Drinan	Father Robert				Georgetown U. Law Center
Durkee	Robert	K.			Princeton
Eldridge	Joseph				American Univ.
Feerick	John	D.			Fordham
xFigel	Brad	G.			AIP
xFilichio	Carl				DOL
Fugate	Jessica				The Fund for Peace
*Glass	Rae	Eileen			DOL
Gohi	Earl				DOL
Goldman	Jonah				Jewish Council for PA
xGoldner	Linda				Nat'l Con. Leag
Greathead	Scott				Owen & Davis

[001]

Hamler	Denise	
Harris	David	
Harrison	Mark	W.
Hefner	Arthur	
Henderson	Wade	
Hofstetter	Richard	
Hooker	Michael	
Hurley	Michael	F.
Kaden	Lewis	B.
Kaesebler	Carol	C.
Kanzer	Adam	
Kaplan	Susan	
xKarp	Roberta	
Keefe	Joseph	F.
Krumsiek	Barbara	J.
Kuehner	Ralph Msgr.	
Kuhn	Nancy	
Liebhold	Peter	
Lucal S.J.	Falher John	
xLucas	Richard	M.
MacCormack	Charles	
Madland	David	
Manubens	Marcela	
Massimino	Elsa	
McGuire	Brian	
Molin	Keith	
Morris	Christopher Brown	
Moshenberg	Sammie Ms.	
Nagy	Casey	A.
Owens	William	W.
Pincus	Roberta	
Piotkin	Aidan	
xPosner	Michael	T.
Poulakidas	Jennifer	
Regler	Mark	A.



Coop America
 Am. Jewish Congress
 Unit. Methodist
 Phillips VH (AIP)
 LC on Civil Rights
 AIP
 UNC (president)
 Newark Arch.
 Davis Polk & Wardwell
 Univ. of Notre Dame
 Domini
 GWU
 Liz Claiborne Inc.
 Citizens Funds
 Calvert Group
 Archdiocese of DC
 Nancy Kuhn Assoc.
 The Smithsonian Museum
 Georgetown Univ.
 Arn. & Porter
 Save the Child.
 Rep. George Miller
 Philips VH (AIP)
 LCHR
 Georgetown
 Michigan
 Nike
 Nat. Co. of Jewish Women
 Wisconsin
 Rutgers
 Nat'l Counc. JW
 Miller/Howard Invest. Inc.
 AIP
 UC, Berkeley (DC)
 MMA Financ.

[001]

xRosenblum Jon
 Rouleau Mary
 Rowan Judith
 Roy-Balmaceda Mary
 Rubenstein Harry
 Ryan, Jr. Allan
 *Samel Andrew
 Samuel Bill
 Swanson Mary Jane
 Schmutz Marybeth
 Selden Ethel
 *Seiden Suzanne
 xSheehy Michael
 Shellabarger Thomas
 Shelton Hilary
 Siegal Bruce
 Silbergeld Mark
 xSilk James
 Spence Gregory
 Steffy Darcy
 Stein Mary Ann
 Stewart Anne
 Sundberg Alan
 xSweeney Kevin
 *Swirsky Stephanie
 Taylor David
 Tufts Rutledge
 Van Brimmer Richard
 Van Der Weide Steven
 Ward Paul
 Warrick Xzaquoinett
 xWinkerson Jim

D.

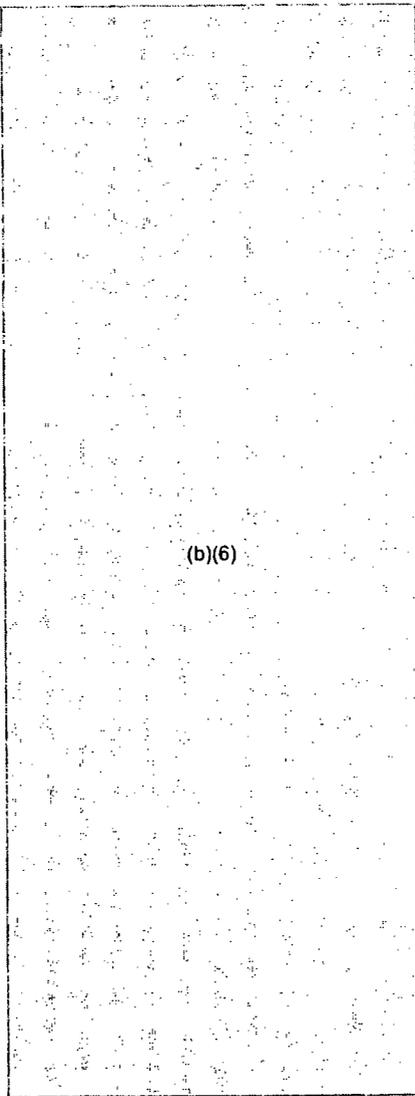
A.
J.

B.

Keith

D.
C

A.
J.



AIP
 Consumer Feder.
 U of Illinois
 Coop America
 The Smithsonian Museum
 Harvard
 DOL
 DOL
 American Univ.
 Rutgers

 DOL
 AIP
 US Cath. Conf.
 NAACP
 CLC
 Consumers Un.
 AIP
 New School Univ.
 Miller/Howard Invest. Inc.
 Moriah Fund
 Syracuse
 FSU
 AIP
 DOL
 American Univ.
 UNC
 Ohio State
 LRG
 Arizona State Univ.
 DOL
 Duke/AIP

as of Jan. 12 at 5:10pm

To: Marge

1907
456-~~6783~~

From: Suzanne

AIP info

EVENT:

Briefing at the White House on the Apparel Industry Partnership's agreement for opinion leaders, human rights groups, universities, and socially responsible investment groups.

REASON FOR PARTICIPATION:

To demonstrate the Department's commitment to support the Apparel Industry Partnership and eliminate sweatshops.

MESSAGE:

The Administration supports the AIP model of bringing together in partnership – the industry, human rights groups, labor, consumer advocates and Duke University – to combat sweatshops and communicate with consumers with information so they can make informed choices when they buy apparel and footwear.

FORMAT:

The briefing will be held in the Indian Treaty Room. There will be a long table with seven chairs for the various speakers, and a podium.

- 10:00- 10:05 am Gene Sperling welcomes attendees, explains context, and conveys Administration's commitment to the success of the AIP.
- 10:05 – 10:08 am Maria Echaveste conveys Administration commitment
- 10:08 –10:11 am Kitty Higgins echos DOL commitment
- 10:12 –10:22 am Mike Posner discusses the details of the Fair Labor Association
- 10:23 –10:28 am Terry Collingsworth (ILRF) – Why the FLA works for the NGO community
- 10:28 –10:33 am Linda Golodner presents what the Fair Labor Association will mean for consumers
- 10:33-10:36 am Robbie Karp explains company perspective and ask the NGO/opinion leaders to encourage companies to join.
- 10:37 –11:25 am Questions and Answers
- 11:25 –11:30 am Closing Remarks – Sarah Rosen

Afternoon

- 12:00 –1:00 pm Meeting of AIP members in the Deputy Secretary's Conference Room to discuss organizational issues
- 1:00 – 5:00 pm Meeting with university officials, licensing representatives and AIP members in the Deputy Secretary's Conference room

PRESS:

Closed to the press.

AUDIENCE:

Human rights groups, university officials, socially responsible investment groups, and other opinion leaders. About one hundred attendees are expected.

ACKNOWLEDGEMENTS:

You can thank the AIP members for their hard work and determination to make the Fair Labor Association a reality.

CONTEXT FOR EVENT:

To build support for the Fair labor Association among the human rights and university community.

PARTICIPANTS' CONCERNS:

Many attending are concerned about the lack of participation of the labor movement and the criticism lodged against the FLA by the labor movement. Many are also concerned that this will be more of a "pep rally" rather than a substantive briefing.

ISSUES TO NOTE:

After the White House briefing, the department will host a 12:00 meeting for the AIP members and a 1:00 pm meeting with university officials to discuss how universities can join the AIP.

STAFF:

Suzanne Seiden, Stephanie Swirsky, and Andrew Samet

ATTACHED:

- (1) Talking Points for White House briefing.
- (2) List of attendees for White House briefing.
- (3) Talking Points for drop-by at meeting with universities.
- (4) List of attendees for afternoon meeting with universities.
- (5) University Issues.
- (6) White House folder with enclosures for meeting.

EMBARGOED

FENTON COMMUNICATIONS

Wednesday, January 13, 1999

Until Wed. Jan. 13, 1999 at 10:00am

CONTACT: Elizabeth Buchanan
 Fenton Communications
 (202) 822-5200 x234

First-Ever Lawsuits Filed Charging Sweatshop Conspiracy Between Major U.S. Clothing Designers and Retailers, Foreign Textile Producers

**15,000 Workers Living In Indentured Servitude
 While Producing Goods "Made in the USA"**

**More Than \$1 Billion Sought -- Defendants Include
 The Gap, Tommy Hilfiger, May Company, Sears and Wal-Mart**

In the first-ever attempt to hold U.S. retailers accountable for mistreatment of workers in foreign-owned factories operating on U.S. soil, litigation was filed today in California and Saipan against 18 high-profile U.S. clothing manufacturers and retailers, including The Gap, Tommy Hilfiger, May Company, Sears and Wal-Mart.

These companies are accused of violating federal law by engaging in a "racketeering conspiracy" using indentured labor -- predominantly young women -- to produce clothing on the island of Saipan. (Saipan is part of the Northern Mariana Islands, a U.S. Commonwealth in the South Pacific).

Their foreign-owned garment contractors in Saipan are also charged with failing to pay overtime and creating intolerable work and living conditions. In the last five years, contractors in Saipan have received more than 1,000 citations for violating U.S. Occupational Safety and Health Administration (OSHA) standards, many of which characterized capable of causing death or serious injury.

Two federal class action lawsuits were filed on behalf of more than 50,000 workers from China, the Philippines, Bangladesh and Thailand. The workers were allegedly drawn to Saipan with promises of high pay and quality work in the United States. Instead, they found themselves working up to 12-hour days, seven days a week, often times "off the clock" without receiving any pay or overtime.

A third companion lawsuit was filed in California state court by four national human rights and labor organizations (Global Exchange, Sweatshop Watch, Asian Law Caucus and UNITE!). The lawsuit accuses the retailers of using misleading advertising, and trafficking in "hot goods" manufactured in violation of U.S. labor laws.

-MORE-

FENTON
 COMMUNI
 CATIONS

1320 14TH ST. NW
 FIFTH FLOOR
 WASH. DC 20036
 TEL:202/822-5200
 FAX:202/822-9787

INTERNET
 fecon@fenton.com
 www.fenton.com

EMBARGOED

until Wed., Jan. 13, 1999 at 10:00 a.m.

Together, the three lawsuits are seeking more than a billion dollars in damages, disbursement of profits and unpaid wages.

"To allow such squalid conditions to persist on American soil is both patently unlawful and morally reprehensible," said Al Meyerhoff, one of the lead attorneys. "Saipan is America's worst sweatshop."

According to the Lawsuits:

- Garments made in Saipan's sweatshops may carry a "Made in the USA" or "Made in The Northern Mariana Islands, USA" label. American consumers are deceived into believing they have purchased a product made by American workers protected by U.S. labor laws, that guarantee a living wage and a clean, safe work place.
- Last year alone, the federal government estimated that contractors and U.S. retailers avoided more than \$200 million in duties for \$1 billion worth of garments shipped from Saipan, that would otherwise have been paid for the same clothing if it were manufactured in China or the Philippines. Some Chinese garment interests have moved their textile operations to Saipan virtually "lock stock and barrel," in large part, to avoid U.S. duties and quota restrictions. The federal government estimates that this increase in Chinese apparel production in Saipan has allowed China to exceed its import quota by 250% in 1997 alone.
- Although Saipan's garment factories are owned predominantly by Chinese and Korean companies, quality-control inspectors from The Gap, The Limited, and other U.S. retailers allegedly oversee the manufacturing process. Still, they have refused to exercise their power to mitigate the intolerable work and living conditions.
- Over 90% of garment industry jobs in the Marianas are held by foreign "guest workers." These and other foreign workers make up more than half of the estimated total Marianas population of 70,000. This is largely due to the Island's's exemption from U.S. minimum wage and immigration laws instituted to encourage local economic development. Since 1996, over 200,000 apparel industry jobs were lost in the continental United States.
- With promises of a good job and a new life, workers agree to repay recruitment fees from \$2,000 to \$7,000. They often must sign "shadow contracts" waiving basic human rights, including the freedom to date or marry.
- The crowded, unsanitary factories and shanty-like housing compounds are in flagrant violation of federal law. The heat in some factories is so extreme it can cause workers to faint. Many live in a room with up to seven other people in inward-pointing barbed wire-enclosed barracks. Their movements are strictly supervised by guards, and are subject to lockdowns or curfews. Complaints about the conditions are met with threats of termination, physical harm, and summary deportation.

-MORE-

EMBARGOED

until Wed, Jan. 13, 1999 at 10:00 a.m.
-3-

"Unfortunately, slavery and indentured servitude is alive and well in the many parts of the world, including the United States," said another lead attorney, William S. Lerach. "Companies like The Gap and Wal-Mart have reaped millions in profits from this scheme -- now they will be held accountable."

Conditions in the Marianas have generated a host of highly critical reports from federal agencies and Congressional oversight. One recent report on the Marianas from the U.S. Department of Interior sharply criticized "the heavy and unhealthy dependence upon an indentured alien worker program and on trade loopholes to expand its economy."

Garment production in Saipan continues to increase, already exceeding that of Malaysia and Jamaica. Although the legal limit on foreign garment workers is 11,000, recent estimates exceed 15,000, and more factories are being built.

The plaintiffs are represented by a coalition of law firms, including Milberg Weiss Bershad Hynes & Lerach LLP -- class action specialists with principal offices in New York and San Diego. The firm has successfully litigated numerous consumer lawsuits against such companies as R.J. Reynolds ("the Joe Camel" case); Prudential Insurance (for life insurance fraud); and Lincoln Savings (for defrauding depositors).

Most recently, the firm negotiated a \$1.2 billion settlement from Swiss banks as reimbursement to surviving families and victims of the Holocaust. They are currently seeking compensation for Holocaust victims forced to work as slave labor in factories.

###

EMBARGOED**Background on the Saipan Litigation**

unhl wnl, Jan 13, 99
at 10:00 a.m.

The lawsuits being filed by foreign garment workers and labor and human rights organizations make the following allegations:

Saipan (one of a group of islands known as The Northern Mariana Islands) came under U.S. control in negotiations with Japan after World War II. The Marianas gained Commonwealth status following a 1975 plebiscite. In recent years, Asian-based companies have established dozens of low-tech garment factories and shanty-like housing compounds on the islands, drawn there in part by the lack of tariffs and production quotas that the U.S. otherwise imposes on Asian imports.

An estimated \$1 billion worth of wholesale so-called "Made in the USA" clothing was shipped duty-free in the year ended October 1998 from Saipan to the U.S. mainland. According to the U.S. government, this resulted in an estimated savings of more than \$200 million in duties that would otherwise be paid by the Asia-based garment factories and the U.S. garment industry.

Young women and men are recruited from poor regions of China, the Philippines and other Asian countries with the promise of good wages, healthy food and "American-style" living quarters. Upon arrival in Saipan, however, these workers encounter what the lawsuit calls a "cruel hoax." Conditions are unsafe and abhorrent, and liberties of the workers can be greatly restricted.

Causes of Action

Quality-control inspectors from U.S. companies routinely visit the garment factories as part of their quality inspection programs to check on the manufacturing process, then either knowingly or negligently turn a deaf ear to reports of dangerous working conditions, physical and psychological abuse, and filthy living quarters. The lawsuits involve alleged violations of racketeering, labor, human rights and unfair business practice laws.

Case # 1 -- Filed in federal district court in Los Angeles, brought pursuant to the Alien Tort Claims Act and the Racketeering Influenced Corrupt Organization Act (RICO). This lawsuit alleges that contractors, manufacturers and retailers engaged in and benefitted from forced labor, and also alleges that workers were forced into conditions constituting peonage and involuntary servitude, in violation of international human rights laws. The plaintiffs are a class of current and former Saipan workers, estimated to number more than 50,000 people.

Case # 2 -- Filed in state court in San Francisco, under California statutes against unlawful and unfair business practices and misleading advertising. This lawsuit alleges that manufacturers and retailers gained profits by trafficking in "hot goods." These companies also claim to have in place "no sweatshop" and monitoring programs to ensure such conditions do not exist. In addition, the defendants falsely advertise their clothing, focusing on the "American" nature of its production. The plaintiffs are public interest and labor groups that include UNITE!, Global Exchange, Sweatshop Watch and the Asian Law Caucus, representing the interests of the labor and human rights communities.

— MORE —

EMBARGO

— 2 —

until Jan 13, 1999 at 10:00 a.m.

Case # 3 -- Filed in federal district court in The Commonwealth of The Northern Marianas Islands (C.N.M.I.), brought under the Fair Labor Standards Act and C.N.M.I. law. This lawsuit alleges that garment contractors fail to pay workers who are forced to "donate" their time when their regular shifts end. The plaintiffs are a class of workers estimated to number more than 25,000.

Defendants Include:

The Associated Merchandising Corp., Cutter & Buck Inc., Dayton-Hudson Inc. (*Marshall Fields, Mervyn's, Target*), The Dress Barn Inc., The Gap Inc., Gymboree Manufacturing, Inc., J. Crew, Inc., J.C. Penney Company Inc., Jones Apparel Group, Lane Bryant, Inc., The Limited Inc., The May Department Stores Company (*Famous-Barr, Filene's, Foley's, Hecht's, The Jones Store, Kaufmann's, Lord & Taylor, L.S. Ayres, Meier & Frank, Robinson's-May, Strawbridges*), Nordstrom Inc., Oshkosh B'Gosh Inc., Sears, Roebuck and Company, Tommy Hilfinger USA Inc., Wal-Mart Corp., Warnaco, Inc.

Statement of Allegations

Information gained from reviews of reports from government and human rights organizations and interviews with numerous former and current workers forms the basis of the litigation. The allegations in the lawsuits include prison-like confinement. The housing compounds are frequently secured by guards and surrounded by fences often topped with inside-pointing razor wire. Workers have little freedom of movement. Except for infrequent passes, many spend their free time in these barracks under constant supervision. Workers who leave without permission or violate curfews may be threatened with deportation to their home countries.

Peonage

Workers must stay on the job in order to pay exorbitant recruitment fees that are a pre-condition of their employment, often as much as \$7,000. Unilaterally determined costs for food and housing of up to \$200 a month are also deducted from their paychecks. At a minimum wage of \$3 an hour, these workers may need to work up to 2,500 hours in a year just to break even, but their maximum contract can only be for one year. The effect is to keep workers in a state where their wages rarely exceed the payments owed for their debts.

Unhealthy Living Conditions

For cleaning and drinking, workers must often depend on water brought home in bottles, rain water or water delivered in metal barrels. It is not uncommon for the water to be non-potable. Routinely, water is not provided to the workers in factories. The flushing mechanisms on toilets are often inoperative, as are the showerheads.

Food is of low nutrition and unhygienic or infested, leading to intestinal problems. Cooking equipment may only consist of a hotplate.

Up to twenty people sleep in rooms infested with vermin and insects. Floors are bare concrete and the beds are constructed of plywood with light padding. The air-conditioning often is broken, and there is little ventilation. Personal belongings are often damaged or are stolen in persistent thefts.

— MORE —

EMBARGOED

Until Wed, Jan. 13, 1999 at 10:00 a.m. — 3 —

Unsafe Working Conditions

Many of the garment factories are hotboxes due to poor ventilation. Punishment is regularly meted out as a means of instilling worker discipline. In one case, workers had to remove bolts of cloth from a storage unit that was so hot the skin on their backs, arms and legs was burned from contact with the metal walls, making a searing sound like "frying meat." The worker reporting the incident was subsequently ridiculed by management when he complained.

There are numerous reported incidents of safety shields being removed from sewing machines to allow for faster production, fire exits being blocked or chained shut and factories not offering dust masks despite air filthy with synthetic and cotton fibers.

In 1996, U.S. OSHA inspectors visited numerous garment factories in Saipan and found over 90 violations, 45 of which involved the risk of serious injury or death. Workers report that, just prior to inspections, supervisors will strive to create a false impression of safety, installing safety shields, turning on fans and unlocking previously chained exits. Since 1993 there have been more than 1000 reported OSHA citations in the Saipan garment factories.

Callous Medical Treatment and Physical Abuse

To cut costs and to avoid the chance that outside doctors might report abuse or injuries, garment contractors provide medical care to workers at their place of employment. Many workers report suffering at the hands of these company doctors and some even witnessed colleagues die after being denied basic medical care. One worker reported being reprimanded and threatened with termination for following a doctor's order to elevate his injured leg while at work.

Infringement of Civil Liberties

Many workers must sign what are referred to as so-called "shadow" contracts restricting their freedom of speech, freedom of religion, freedom to engage in social activities and ability to seek alternative jobs.

Workers have been threatened with violence or deportation should they report violations of safety or human rights laws. Retribution is also threatened against their families in their home countries, who often are without resources or influence. One factory owner, Willy Tan (who was recently forced to pay \$9 million in restitution for unpaid overtime, minimum wage and sub-standard living conditions) stood on the tailgate of a truck and made these threats to an assembly of workers who had been ordered out of their barracks.

Unpaid Overtime Work

When unrealistically high production quotas are not met, workers are told to resume working on an unpaid basis. Workers report having to contribute 15 - 20 or more additional hours of "free" time each week.

#

EMBARGOED

until wed. Jan. 13, 1999 at 10:00 a.m.

Legal Summary of Saipan Litigation

I. TERMS & EXAMPLES

- Contractor = Garment factories in Saipan or Commonwealth of the Northern Marianas Islands ("CNMI") that manufacture clothing.
- Manufacturer = Designer of clothing or licensee of designer name.
- Retailer = Sells clothing designed by manufacturer and sometimes a "house label."
- Jones Apparel Group is a manufacturer and designer who sells most of its clothing to a retailer (Nordstrom, May Company).
- Retailers (Nordstrom, May Company) sell clothing from many different manufacturers (Jones, etc.).

II. CASE #1

Class action to be filed in federal district court in Los Angeles against contractors, manufacturers and retailers. Plaintiffs will be current and former garment workers, on behalf of all former and current garment workers employed by contractors since 1988. The lawsuit alleges that defendants conspired to operate and control an association of contractors, manufacturers and retailers engaging in and benefitting from forced labor and the indentured servitude of thousands of foreign garment workers in Saipan. An action for conspiracy to operate and control the forced labor enterprise will be brought under the Racketeering Influenced Corrupt Organizations Action (RICO).

Additionally, the lawsuit alleges violations of the anti-peonage and indentured servitude laws of the U.S., and of the Law of Nations and international law under the Alien Tort Claims Act for violations of internationally recognized human rights, e.g., forced labor constituting slavery and peonage, false imprisonment, and oppressive and degrading working conditions. The class action seeks a declaration of the rights of the parties. The class will seek recovery for damages resulting from their indentured servitude, trebled under RICO, return of their recruitment fees, and an independent monitoring program.

III. CASE #2

Public interest action brought on behalf of the general public of the State of California in California State Court against retailers and manufacturers. Plaintiffs will be UNITE!, Sweatshop Watch, Global Exchange, and the Asian Law Caucus, representing the interests of labor and human rights activists.

EMBARGOED

until Wed. Jan. 13, 1999 at 10:00 a.m.

The lawsuit alleges violations of California's unlawful, fraudulent and unfair business practice and untrue and misleading advertising statutes. These claims are based on: (1) selling garments manufactured in violation of the overtime provisions of the Fair Labor Standards Act (FLSA), which violates the federal "Hot Goods" law, and (2) unlawful business practices due to the retailer/manufacturers' alleged control over the contractors' efforts, and (3) untrue and misleading advertising by implying such garments are made in the U.S.A. under "no sweatshop" conditions. The retailers and manufacturers claim to monitor the factories to ensure lawful working conditions, which has a tendency to deceive the general public in light of the actual conditions in the Saipan garment factories.

Relief requested includes restitution and disgorgement of monies and profits received as a result of these fraudulent, unfair or unlawful practices, an injunction from the court ordering defendants to cease such practices, full disclosure of the practices, and/or implementation of a corrective advertising program.

IV. CASE #3

Class action to be filed in federal district court in C.N.M.I. against contractors only for violations of the Fair Labor Standards Act and CNMI common law for failure to pay overtime wages. Class is current and former garment workers over the last several years. The complaint alleges that workers are forced to work "off the clock" to meet unrealistic quotas, or are required to "donate" hours to the contractors and are paid no overtime for these additional hours. The lawsuit seeks payment of all overtime and other wages due.



THE WHITE HOUSE
Office of the Press Secretary
Saturday, January 9, 1999

[Listen to Address with Real Audio player](#) || [Download in .au format \(~3 Mb\)](#)

RADIO ADDRESS BY THE PRESIDENT TO THE NATION

Solidarity House
Detroit, Michigan

THE PRESIDENT: Good morning. I'm speaking to you today from Solidarity House in Detroit, Michigan, where, for more than half a century, the members of the United Auto Workers have led the fight to improve the lives of America's working families. I've come to America's industrial heartland to talk about what we must do to strengthen our workers and manufacturers for the 21st century.

Over the past six years, we've created the longest peacetime economic expansion in American history, with 17.7 million new jobs; the lowest combined unemployment and inflation rate in more than 30 years; the highest home ownership ever. Wages are going up at all income levels, and finally, the rising tide of our economy is lifting all boats.

But today, and in the years to come, America's prosperity depends upon the world's prosperity. In our new global economy, a financial crisis half a world away can be felt on factory floors here at home. For more than a year, a recession in other countries has forced them to cut imports of our goods -- from cars to computers to jumbo jets -- and to boost exports of their own products to our shores. After years of double-digit growth, U.S. manufacturing exports have slowed, and that's led to thousands of layoffs. These developments cause no small amount of concern.

With millions of American jobs depending on foreign exports, we must help manufacturers find new markets, and attract new customers for our goods overseas. That's why my next balanced budget will include a \$108 million initiative to spur nearly \$2 billion in additional U.S. exports, which will sustain or create 16,000 high-wage American manufacturing jobs.

We'll begin by boosting our support for our Import-Export Bank, which currently finances 10 percent of all U.S. capital equipment exports. For every dollar it spends, the bank generates some \$16 in American exports. By expanding credit, we can foster billions of dollars in exports that might have been deferred or canceled due to this financial crisis. We'll also expand the Department of Commerce's efforts to help small exporters to sell their goods in emerging markets such as China, Latin America and Africa. And we'll help developing

countries establish a legal and regulatory infrastructure to make it easier for our firms to export.

Most of all, we must ensure that the new global economy works for working people. Working families around the world must be able to exercise core labor rights; benefit from legal standards for fair pay and reasonable hours and safe working conditions; and improve their lives through unions, just as generations of Americans have done through the UAW. The United States supports the International Labor Organization in its efforts to advance core labor rights -- rights that are crucial to building a strong and stable global economy.

That's why, in my balanced budget, America will provide, for the first time ever, up to \$25 million to create a new arm of the International Labor Organization, to work with developing countries to put in place basic labor protections, safe workplaces, and the right to organize, so that workers everywhere can enjoy the advantages of a strong social safety net. We hope all countries will adopt and enforce the ILO's core labor standards and that developing countries will accept the unique assistance of the ILO. And I encourage other nations to join us in helping the International Labor Organization, and insisting that trade and investment agreements reflect these core principles.

Today, in the rooms and hallways of Solidarity House, you still can hear the echoes of the voices of the men and women whose sweat, energy and vision lifted millions into our middle class and transformed America into the world's greatest force for peace, prosperity and freedom. With them as our guide and our inspiration, we can, and we will, harness the power of our new global economy to build a bright future for all our people in the 21st century.

Thanks for listening.

[Search](#) archived radio addresses.



*To comment on this service,
send feedback to the [Web Development Team](#).*

[Read our Privacy Policy](#)

RAISING LABOR STANDARDS THROUGHOUT THE WORLD

January 8, 1999

The enormous growth and integration of the international economy since the end of the Cold War promises a higher standard of living for more people in more countries than ever before. But we must ensure that spirited economic competition among nations never becomes a race to the bottom on labor standards. More and more countries are learning from the financial crises in Asia that strong worker protections promote social stability during times of economic turmoil. But developing nations need our help if they are to put in place basic labor protections and strong social safety nets for their workers. President Clinton's FY2000 budget will provide up to \$40 million for the first time ever to help those countries making a determined effort to raise labor standards.

A NEW ARM TO HELP DEVELOPING COUNTRIES PROTECT WORKERS

In many cases, governments lack the internal expertise or resources needed to implement and enforce core labor and workplace safety standards and build social safety net programs like unemployment insurance and pensions. The U.S. will assist those countries that are willing -- but unable to move forward alone -- by:

- Establishing a new multilateral program at the International Labor Organization (ILO) to provide technical assistance to developing nations;
- Encouraging other nations to join us in supporting the ILO's new program; and

THE IMPORTANCE OF CORE LABOR STANDARDS

The international community recognizes certain core labor rights as fundamental human rights:

- freedom of association and the right to collective bargaining;
- the elimination of all forms of forced or compulsory labor;
- the abolition of child labor; and
- the elimination of discrimination in the workplace.

The failure of some governments to afford their workers core labor rights and adequate social safety nets has further exacerbated the financial crisis gripping some Asian nations by eliminating from public dialogue the very people upon whose shoulders economic recovery must be built and exacerbating the adjustment process. Free trade unions and other core labor standards are a vital component of a vibrant democracy and a thriving economy, and they must be an integral part of any stable, democratic, and prosperous society.

BUILDING ON PRESIDENT CLINTON'S RECORD OF AGGRESSIVE SUPPORT FOR INTERNATIONAL LABOR RIGHTS

President Clinton has made leveling up, not down, a key priority as we build a trading system for the 21st Century.

- At the World Trade Organization last May, President Clinton called upon the World Trade Organization (WTO) and the International Labor Organization (ILO) to work together to make certain that open trade lifts living standards and respects the core labor standards that are essential not only to worker rights, but to human rights.
- In an October speech, President Clinton called on the international financial institutions, like the World Bank and International Monetary Fund, to build a commitment to core labor standards and labor market institutions into their investment policies.
- The U.S. pressed an effort that led, in June, to the ILO adopting an historic, new declaration on fundamental principles and rights at work that obliges all member countries to respect and promote core labor rights and that includes a meaningful follow-up mechanism to assure accountability.
- Last year, President Clinton fought and obtained from Congress a ten-fold increase -- to \$30 million a year -- for the U.S. contribution to the International Program for the Elimination of Child Labor (IPEC). The U.S. now leads the world in supporting programs to move children from work to school and build lasting economic solutions for their families.

FREQUENTLY ASKED QUESTIONS

about

THE APPAREL INDUSTRY PARTNERSHIP (AIP)

Prepared by members of the Apparel Industry Partnership
January 13, 1999

Frequently Asked Questions about the Apparel Industry Partnership

Q. What is the Apparel Industry Partnership?

A. The Apparel Industry Partnership was initiated by the White House in August 1996 to take steps to protect workers worldwide and to give the public information it needs to make informed purchasing decisions. The Partnership is comprised of apparel and footwear companies, a prominent U.S. university, human rights groups, labor and religious organizations, and consumer advocates.

In November 1998, a working group of the AIP reached an agreement to create a new nonprofit entity, the Fair Labor Association, to oversee monitoring of compliance with the Workplace Code of Conduct, which was established in April 1997 by the AIP.

1. Public Confidence

Q. The purpose of the Apparel Industry Partnership was to establish a means to provide the public with confidence that products they purchase are not made under exploitative or inhumane conditions. Have you accomplished your goal?

A. Yes--the Charter Document for the Fair Labor Association details a process that will be a solid foundation for subjecting companies to a rigorous system of scrutiny. It requires companies to provide comprehensive information to the Association, monitor their factories themselves, and submit to independent monitoring of the factories that manufacture their clothing and footwear.

Q. When will a consumer be able to buy "sweatshop-free" footwear and apparel?

A. This will not happen overnight. In early 1999, the Fair Labor Association will open its doors, accept applications from companies that want to participate, review their plans, and begin internal and independent monitoring. When a company has gone through all the procedures to the satisfaction of the Board of Directors, the company will be "in compliance." The term, "sweatshop-free" can be misleading, however. What consumers can be assured of is that the company has complied with the code of conduct and the monitoring process, and has been certified by the Association to be in compliance.

Q. Will there be a label?

A. The Fair Labor Association will create a "service mark" that a company certified to be in compliance may choose to use in its advertising, at the store where you make a purchase, or on the apparel or footwear you buy.

Q. When will a company be able to communicate its compliance to consumers?

A. Only when it has gone through the monitoring process, including internal monitoring of **all** of its factories and independent, external monitoring of 30% of its factories. This will take from two to three years from the time the Board of Directors of the Fair Labor Association approves the company's monitoring plan.

Q. Does this mean that everything the company manufactures will carry the label?

A. No. At this time, the Association will concentrate on apparel and footwear. In addition, many companies manufacture apparel and footwear under several brands. That is why we use the term "applicable brands." If a brand bears the company name, it must be included in the monitoring plan. Each year when the company renews its application, it must show that more brands and products are included than the year before. If it does not, it may lose its certification.

2. **Fair Labor Association**

Q. What is the Fair Labor Association?

A. The Fair Labor Association is a new nonprofit organization set up to accredit independent monitors, to determine whether companies are in compliance with the Association's standards, and to issue public reports that will assure consumers that they are purchasing apparel and footwear that has not been made under exploitative conditions.

Q. What makes the Fair Labor Association unique?

A. It is the first industry-wide system that holds U.S.-based apparel and footwear companies accountable for the work of their contractors and suppliers around the world. It also represents a unique effort by nongovernmental organizations and companies to address collectively problems of exploitative working conditions. It includes an unprecedented system of public reporting and review.

Q. How will the Association be governed?

A. There will be a Board of Directors with six industry members and six NGO/labor members. There will also be chair who is mutually acceptable to both industry and the NGO/labor representatives.

Q. The charter is very detailed regarding voting procedures and process. Is there flexibility for change?

- A. There is flexibility in the document to review and adapt the system as the Association gains practical experience in working with it. The goal is to assure that the Association works efficiently and effectively. For example, during the first three years, the Association will gather information and consult with experts in sampling techniques to determine whether the level of independent external monitoring is sufficient to certify compliance. After this period, the goal will be adjusted, if necessary.
- Q. How will the Fair Labor Association communicate to the public?
- A. In a number of ways. There will be periodic public communications addressing the monitoring process and identifying those companies that are participating, and those companies currently in compliance with the Association's code and standards. The Association will also maintain a web site, distribute brochures, and provide an accessible system for consumers and workers to make inquiries and register complaints.
- Q. How much will all this cost? Where will the Association get its money?
- A. The Apparel Industry Partnership has developed a preliminary budget. Initial funding will come from the participating companies, the government, and from foundations. Costs will increasingly be covered by companies as participation expands.
- Q. Is the labor movement going to be part of the Fair Labor Association?
- A. Not at this time. The American labor movement participated actively in the process from the beginning and supported the Principles of Monitoring and the Workplace Code of Conduct when they were released in April 1997. In a joint statement on November 4, 1998, the AFL-CIO and the apparel industry unions indicated that "despite the seriousness of these deliberations - and the good faith in which we believe the negotiations were conducted - the labor movement has concluded that signing on to an agreement with the participating companies is not possible at this time and is, therefore, not participating in the tentative agreement that was signed by the companies and some of the participating NGOs.... We will continue to work with all concerned organizations, retailers, and manufacturers who are striving to raise the standards of competition in the apparel industry and assure American consumers that the apparel they buy is not produced by oppressed, exploited and abused workers anywhere."

3. **Code of Conduct**

- Q. When consumers think about sweatshops, they typically envision women and children, working very long hours, receiving meager wages, often under abusive conditions. Are these the areas you addressed in the AIP?
- A. The workplace code of conduct addresses all of these areas and goes further. The code is the centerpiece of the Fair Labor Association charter document. It addresses forced labor, child labor, harassment or abuse, discrimination, health and safety concerns, freedom of association and collective bargaining, wages and benefits, hours of work, and overtime compensation. In fact, the hours of work provision is stronger than the U.S. Fair Labor Standards Act, which does not limit required overtime.
- Q. There is a movement to establish a "living wage" in several jurisdictions in the United States and in other countries. Why doesn't the agreement call for a "living wage?"
- A. The document does not call for a "living wage." The code states, "Employers recognize that wages are essential to meeting employees' basic needs." This is the language that all members of the Apparel Industry Partnership signed on to when the code was presented to the President in April 1997. The document goes beyond the language in the code by calling for a wage study to be conducted by the U.S. Department of Labor within six months. The study will examine the relationship between wages and basic needs of employees in apparel and footwear-producing countries and compile data on the market basket of goods used to establish the poverty level in these countries and to examine the relevance of these studies for the workplace code of conduct.
- Q. In the code of conduct, you mention that "employers shall recognize and respect the right of employees to freedom of association and collective bargaining." What about countries, such as China, where the law does not allow these practices?
- A. The Apparel Industry Partnership recognized that some standards may be problematic in certain countries and addressed this in a section entitled "Special Country Guidelines." The agreement spells out that companies must take positive steps to ensure that employees have the ability to exercise these rights without fear of discrimination or punishment.
- Q. What does it mean for a company to "participate" in the Fair Labor Association?
- A. To "participate" in the Association, a company must submit an application that includes a monitoring plan describing the company's internal and independent

external monitoring program. The application will also include an agreement by the company to:

- Adopt (and cause its applicable licensees, contractors, and suppliers to adopt) the Workplace Code in the manufacture of its apparel and footwear products;
- Formally convey the code in the applicable language(s) to all factories and their employees and communicate the company's commitment to comply with the Workplace Code to employees, senior officers, and managers; and
- Implement a system of monitoring that complies with the monitoring principles.

4. **Monitors**

Q. What is internal monitoring?

A. Internal monitoring will be performed by the participating companies. This will include establishing workplace standards; communicating these standards within the workplace; creating programs to train company monitors; conducting periodic visits and audits to ensure compliance; providing factory workers with a confidential reporting mechanism; developing relationships with local labor, human rights or religious organizations; and establishing a means to remediate problems and communicate findings to the Association.

Q. How does independent external monitoring work?

A. Independent external monitoring will be performed by monitors accredited by the Association. They must establish clear evaluation guidelines and criteria; verify internal monitoring principles; have independent access to and conduct independent audits of employee records; conduct periodic visits and audits both announced and unannounced; develop relationships with local labor, human rights or religious organizations; conduct confidential employee interviews; submit an evaluation report to the company and the Association.

Q. Can small companies or nongovernmental organizations be monitors?

A. Yes. The Association encourages small businesses and nongovernmental organizations to become monitors.

- Q. How do nongovernmental organizations or labor unions fit into the process of monitoring?
- A. Local NGOs, including religious organizations and labor unions, often have the trust of workers. Participating companies and independent external monitors, if they are not themselves local NGOs or trade unions, must establish relationships with these local groups. If they don't, the companies will not be in compliance and the independent monitors will not be accredited.
- Q. Will inspections be announced?
- A. There must be both announced and unannounced inspections.
- Q. Who decides where independent external monitors will go?
- A. The Association makes the final decision on where the independent external monitors will go.

5. Complaint Process

- Q. Can an individual worker complain to the Association?
- A. Yes. And the complaint may be made in confidence.
- Q. What sort of follow-up will the Association do when it receives a complaint?
- A. The executive director will review the complaint. If it is determined that there is evidence and other supporting information about the noncompliance of a company, the director shall review all internal and external monitoring reports relating to the facility in question and determine whether the problem has already been remedied. If it has, the organization or person complaining will be informed. If it has not been remedied, the executive director will contact the company for review. The company then has 45 days to report on what it has found out about the complaint. If there has been an incident of noncompliance, the company must remediate and inform the executive director about whether it has developed an effective means to prevent and remedy such noncompliance in the future. If the executive director is dissatisfied with the company's action, he/she can select another independent monitor to take up the case.

Apparel Industry Partnership

*Summary Produced by International Labor Rights Fund,
Lawyers Committee for Human Rights,
National Consumers League, and
Robert F. Kennedy Memorial Center for Human Rights*

The Apparel Industry Partnership (AIP) was initiated by the White House in August 1996 to take steps to protect workers worldwide and to give the public the information it needs to make informed purchasing decisions.

The Partnership is comprised of apparel and footwear companies, a prominent U.S. university, human rights groups, labor, religious organizations and consumer advocates.

In April 1997, the AIP released an historic agreement establishing:

- **A Workplace Code of Conduct** addressing problems in 9 key areas (child labor, forced labor, discrimination, harassment, freedom of association, wages, health and safety, hours of work and overtime compensation).
- **Principles of Monitoring** with two components:
 - *Internal Monitoring Principles* that include establishing workplace standards; communicating these standards within the workplace; creating programs to train company monitors; conducting periodic visits and audits to ensure compliance; providing factory workers with confidential reporting mechanisms; developing relationships with local labor, human rights or religious institutions; and establishing a means of remediation.
 - *Independent External Monitoring Principles* that include establishing clear evaluation guidelines and criteria; verifying implementation of internal monitoring principles; providing independent access to and conducting independent audits of employee records; conducting periodic visits and audits (announced and unannounced); developing relationships with local labor, human rights or religious institutions (where external monitors are not themselves such organizations); conducting confidential employee interviews; implementing remediation; and completing evaluation reports.

In November 1998, a working group of the AIP reached an agreement that will include the following:

- Creation of a new non-profit entity, the **Fair Labor Association**, to oversee monitoring of compliance with the code and evaluation of company compliance. The Association board will have equal numbers of company and NGO/labor members with a mutually acceptable chair.
- The Association will accredit independent monitors who will inspect a significant number of factories manufacturing products for each Participating Company that is part of the Association's monitoring process.

Reporting to the Public

Apparel Industry Partnership Summary

A key objective of this process is to provide consumers with the information they need to make informed purchasing decisions. The reports of the independent monitors will be delivered to the Association, and the Association will disseminate to the public an annual report on each company. The report will include the following:

- a finding as to whether the Company has effectively implemented internal and independent external monitoring programs consistent with the Monitoring Principles;
- a finding as to whether the Company has timely remediated instances of noncompliance with the Workplace Code found by internal or accredited independent external monitors; and
- a summary and assessment of any significant and/or persistent patterns of noncompliance, and instances of serious noncompliance, with the Workplace Code.

A Participating Company cannot make any public announcement to the public that all or some of its Brands are produced in Compliance with the Fair Labor Association Standards and will not have the right to use the service mark of the Association unless:

- such Brands have been certified by the Association to be produced in Compliance with the Fair Labor Association Standards; and
- the Company continues to satisfy the criteria for participation in the Association's monitoring process.

Monitoring Plan

Companies will submit a monitoring plan to the Association. The plan will contain the following:

- The Participating Company's plan to conduct internal monitoring and external monitoring. All external monitors shall be chosen from a list of Association-approved monitors.
- Training materials for internal monitors, background on the internal monitors, information on number and frequency of on-site inspections.
- A confidential list of all production facilities -- both company-owned and contracted.
- A description of applicable brand or product lines.

External Monitoring

By the end of the initial implementation period, Participating Companies will have fully implemented an external monitoring program in compliance with the following requirements:

FAX TRANSMITTAL SHEET

AIP



Wage and Hour
U.S. Department of Labor
200 Constitution Avenue, NW
Suite S3502
Washington, DC. 20210

From Suzanne Seiden
Phone: (202) 693-0051
Fax: (202) 219-4753
Email address: sbs@fenix2.dol-esa.gov

To: Mania F. Chase Date: 1/14/99
Fax: 456-1907

Number of pages including cover sheet: 10

Notes:

Fyi - draft copy of Kennedy
School Chapter on Sweatshops
drafted by Jack Donahue
It will be published by Brodrip's
Shanne

January JD version
4,500 words
Requires agency fact-checking
Requires some sources from agency and/or Laura and John

"NO SWEAT"

It is March 1911 in New York City when smoke erupts from a 10-story building. Horse-drawn fire engines clatter to the scene. But their ladders reach barely half the building's height. Young women lean screaming from windows on the top three floors. As the fire engulfs them, some of the women jump. They plummet to the pavement, their burning skirts trailing flames. When it is over, 146 women lie charred in the ruins or crushed on the street. The dead, mostly Jewish immigrants, had been working at the Triangle Shirtwaist Factory--a "sweatshop," in the day's slang. The women had been locked into the workrooms, stitching clothes for the fashion trade, when the building began to burn.

It is August 1995 in El Monte, California, when the women are discovered living and working behind the barbed-wire barricade. There are dozens of them, Thai immigrants, most of them young. They are compelled to sew 16 hours a day, sometimes much more. Most speak no English; all are forbidden any uncensored communication by phone or mail. If they try to leave, or refuse to work, or complain about the conditions or the pay (sometimes 70 cents an hour) the women face threats of beating, or rape, or death. Some of them have been held for years, stitching clothes for the fashion trade.

Few Americans in the early 1990s gave much thought to "sweatshops," or indeed even encountered the word except as a faint echo from the days of bustles and whalebone corsets. Blurred black-and-white images of young immigrant girls, thin and unsmiling, crowded shoulder to shoulder in front of piles of garments, seemed like relics of an older, harsher America left behind long ago. Surely such antique abuses had no place in the glamorous, crisply corporate fashion industry of today. Surely the government, no matter how inept or impecunious, could prevent such blatant breaches of the laws that long-dead crusaders had shamed the nation into adopting early in the century.

But the sweatshop was once again tarnishing America's garment trades. The El Monte raid, and others like it, unveiled for the public the troubling truth that sweatshops exploiting a new generation of immigrants had emerged and spread within the \$45-billion apparel industry. Another truth, not so well publicized but at least as troubling to some, was that the modern-day sweatshop was no news at all to the Labor Department

inspectors who were supposed to make sure that nothing of the sort could exist in this country.

How had it happened? Had the labor laws been repealed, or fatally weakened? Had government inspectors been corrupted, or were they fools? Nothing so simple explained the recrudescence of sweatshops in the garment industry, and nothing as conventional as revised regulations or stepped-up inspection would turn out to be the most promising modern weapons against an age-old shame.

There is no question that what happened in El Monte was flatly illegal. An imposing edifice of labor laws, mostly erected in the first half of the 20th century, is meant to protect workers from exploitation on the job. The most prominent such law is the Fair Labor Standards Act of 1938, but a long list of legislation at the federal and state level bars work hours that are too long, wages that are too low, or working conditions that are too grim. Regulations render these laws explicit, often with painstaking precision. Inspectors are empowered to detect breaches of the law; courts are authorized to punish them. The U.S. Department of Labor was established in 1913 "to foster, promote, and develop the welfare of the wage earners of the United States," and was assigned responsibility for enforcing federal labor laws as each was enacted—laws setting minimum wage levels, for example, or forbidding child labor, or requiring overtime pay for long workweeks. Enforcement officers at Labor Department field offices, and other compliance officials in state government, are charged with guarding against precisely the kind of working conditions that were discovered in El Monte.

The key office within Labor was the Wage and Hour Division of the Employment Standards Division. "Wage-Hour," as the division was generally referred to, had a deep-rooted organizational culture built around a tough enforcement ethos. By the early 1990's, however, Wage-Hour was troubled by a growing disparity between its capacity and the scale of the economy it was meant to regulate: While the number of workers and workplaces had climbed, the ranks of Wage and Hour inspectors had been held down by budgetary concerns and, some charged, by political pressures to go easy on enforcement.

But however serious the shortage of inspectors may have been, something more subtle was also behind the new wave of garment-trade sweatshops. The industry was developing a structure that thwarted conventional enforcement strategies.

The apparel industry had evolved into a "food chain" of interdependent but separate private companies. At the top of the chain are the large retailers—many of the household names, with carefully nurtured images in the international fashion world. One level below the high-profile retailers are roughly a thousand major clothing suppliers. While these companies are sometimes termed "manufacturers," the designation is imprecise. The suppliers plan, design, ship, and broker lines of apparel, but for most of their "product" they don't do the actual stitching. Most of the production is funneled out to the bottom of the chain, a mass of small sewing shops that assemble garments under

contract. While nobody knows exactly how many such contractors there are, something over 20 thousand are probably in operation at any given time.

The bottom of the fashion food chain features an uncommonly harsh business environment. Order volumes ebb and flow seasonally, and in response to unpredictable market changes. Product designs change continuously. Business links between the manufacturers and the contractors are shifting and short-term. An impending large order from a major manufacturer triggers a competitive frenzy among sewing shops. Each scrambles to submit a bid that will win them a piece of the action; each of the winners then scrambles to deliver the goods as cheaply and as quickly as possible. As orders are completed a sewing shop usually gears up for the next one—but may downsize, or go out of business, or merge with another, or change its name or location.

This environment proved ideal for incubating sweatshops. Tight deadlines and razor-thin profit margins tempt sewing contractors to cut corners. Labor constitutes most of their production cost, and disregarding minimum-wage and maximum-hour rules can drive costs down dramatically. Their workers are generally transitory, semi-skilled, sometimes illegal, almost always lacking in political or economic clout, and as vulnerable to exploitation as their counterparts in the early 1900's. Many of the contractors—most of them, perhaps—have scruples against exploiting their workers. But the unscrupulous minority enjoy a built-in edge when it comes to winning bids. If they are able to evade regulators' radar, scofflaws can undercut the contractors that play by the rules and claim a larger share of the market. If a shady sewing shop attracts unwanted attention, it is often able to pack up and move—literally overnight—to shake off enforcers, leaving behind workers with unpaid wages.

Such behavior is rare among the manufacturers in the middle of the food chain, and all but unheard-of among the retailers atop it. Even if their managers were utterly lacking in ethics, it simply wouldn't be good business to court fines or (even worse) bad publicity for the sake of whittling down labor costs. But the retailers and manufacturers can nonetheless benefit, invisibly and even unknowingly, from sweatshop conditions. A penny less paid for cutting and sewing contracts means a penny more profit for manufacturers and retailers to divide, after all. That gratifyingly low bid may be due to efficient organization, cutting-edge technology, and top-flight management on the part of a contractor. Or it may signal a sweatshop. It is not always easy for a manufacturer to know which it is; harder still for a retailer, an extra step removed from the actual production. And traditionally, it has been much better *not* to know. In such an industrial climate, natural selection works against the good guys in the sewing business as the bottom-feeders prosper.

Wage-Hour enforcers had long been aware of this grim dynamic, and had struggled to curb the growth of sweatshops. Inspectors stepped up their efforts to visit sewing contractors, spot abuses, and sanction the bad actors. But in the early 1990's Wage-Hour had fewer than a thousand inspectors in total. Even if it ignored the rest of the economy—concentrating on protecting America's million garment workers and leaving the 109 million other workers to fend for themselves—constant monitoring of

cut-and-sew operations would have been beyond the resources of the Wage and Hour Division. And when inspectors did succeed in spotting a sweatshop, all too often the operation would simply melt away to evade sanctions, only to reopen the next day under some other name in some other dingy building and reclaim its place in the food chain. Even if Wage-Hour nailed a sweatshop owner, levied fines and made them stick legally, the assets of the operation—a few sewing machines, typically, and the lease on some low-end space—were trivial, and bankruptcy could make the fines irrelevant. And if a determined campaign by inspectors succeeded in shutting down one sweatshop, new operations were always forming, and existing contractors were under intensifying competitive pressures to turn to the low road. Using traditional enforcement with a limited corps of inspectors to police the bottom tier of the fashion food chain was like moving a sand dune with a dinner fork.

Labor-law enforcement in the sewing industry was made more frustrating yet by the industry's invisibility. Some trades that are equally prone to exploitative practices are at least exposed to public view, with the opportunity for somebody—a supplier, a customer, a cop on the street, a worker herself—to spot abuse and tip off an inspector. But sewing shops were typically tucked away in lofts, warehouses, or low-rent industrial parks, seldom visited by anyone outside the industry, populated by powerless workers who were often immigrants, sometimes illegal, unaware of their legal rights and reluctant to turn to authority even if they knew where to turn. A huge boost in the number of Wage-Hour inspectors might help some. But given continuing budget pressures no major increase was in the cards, Wage-Hour officials knew, even under a new Administration that was avowedly concerned about workplace law enforcement. And some officials had their doubts that more manpower could do the trick on its own. Echoing a growing view among veteran enforcement officials, Wage-Hour acting deputy administrator Suzanne Seiden [what was Suzanne's title at the time?] concluded "you can't change things through enforcement alone." The Labor Department needed to come up with something different.

The invisibility of sweatshops was maddeningly ironic to the enforcers. The cut-and-sew trade among which sweatshops lurked, after all, formed the underpinnings of perhaps the most glitteringly visible industry in the country. The fashion business lived or died by image. The industry's distinctive features—celebrity designers, super-models, ferociously promoted and frenziedly reported runway shows to announce each season's new styles—were all devices to attract the public's eye and burnish a label's image. So there was an irony that beneath the hype and glamour, hidden from public view, festered a supplier industry marred by spreading exploitation. An irony—and also, Wage-Hour enforcers began to think, perhaps an opportunity.

A strategy began to take shape at the start of the 1990's, emerging first from long and painful discussions among Labor Department field staffers in California. *Why is so hard to root out the sweatshops, they asked?* Because we can't get at the bottom of the "food chain" where the abuse happens. *Who does deal, every day, with the cut-and-sew*

operations? The manufacturers and, through them, the retailers. Why don't these top-end players care about sweatshops? Because they have no incentive to care. And gradually from these conversations the central question emerged: How can we get them to care?

One possible answer to this question crystallized from a close reading of the Fair Labor Standards Act. A dusty provision of that Act bars "shipment in interstate commerce" of goods made in violation of the labor laws. *So did that mean that shipping sweatshop-made goods across state lines is illegal?* The lawyers read the law and the precedents and issued their judgment: It means precisely that. If a dress is produced in violation of the labor laws, anyone who puts that dress into interstate commerce is himself in violation of the Fair Labor Standards Act. It doesn't matter if you're the supplier, who contracted out the actual production. It doesn't matter if you're the retailer, two steps removed from the stifling loft where the dress was sewn. If it's produced in a sweatshop and you put it on the national market, you're breaking the law. This provision, termed the "hot goods" clause, was to become a powerful lever to pry open sweatshop doors. (JD note to Suzanne Seiden or others at Labor: Review for reasonable realism, of course but also, are there identifiable individuals who first surfaced the "hot goods" approach?)

Armed with the "hot goods" lever, Wage-Hour staffers realized they could enlist the retailers and manufacturers—who had expertise and clout within the fashion industry—as allies in enforcement. In early 1993, the strategy went national. When inspectors discovered a garment-industry contractor breaking labor laws, they still cited the sewing shop. They no longer stopped there, however, but moved up the food chain to the organizations with more durable stakes in a clean fashion industry. The manufacturer for whom the contractor was working would be reminded of the wage and hour laws, and informed of the "hot goods" provision. And the retailers who did business with the manufacturers learned that a tainted shipment could be embargoed from interstate trade. The message spread quickly through the industry: Get your sewing done by the good guys, and keep an eye on labor-law compliance by the operations you deal with lower in the food chain, or face the consequences of moving hot goods. "It was a credible threat," Labor's Suzanne Seiden recalls. "We didn't have to go to court very often." This became the foundation of a four-part strategy termed "enforcement, education, recognition, and partnership."

Wage-Hour quickly moved to provide some structure for the new expectations of garment-industry manufacturers by drafting a "Compliance Monitoring Agreement." The agreement codified manufacturers' obligations to ensure that their contractors obeyed the labor laws. By late 1998 nearly 50 manufacturers had formally signed on to the agreement. More important, perhaps, was emerging evidence that the middle-tier manufacturers, whether signatories or not, were taking their obligations seriously. A 1998 compliance survey of the Los Angeles garment industry showed dramatic improvement since a similar survey four years earlier. Nearly half of the area's sewing contractors were being monitored by manufacturers, either through direct agreement between the manufacturer and the Wage and Hour Division, or in voluntary programs

undertaken by manufacturers. Of the shops being monitored, only around one-fourth were cited for minimum wage violations. Nearly two-thirds of the sewing contractors that weren't being monitored by the next tier in the food chain were cited for violations.

One part of the new strategy focussed on the middle of the food chain, using the leverage of the "hot goods" law. Another part focussed on the top of the chain—the brand names that are recognized by millions of Americans—and added the subtler but potentially even more powerful lever of public opinion. This was uncharted terrain for the Department of Labor, but soon developed into an intense team effort uniting by-the-book civil-service enforcers and media-savvy political appointees brought in by then-Labor Secretary Robert Reich.

For most of its history, the Labor Department had not been a particularly high-profile operation. Most of its work—issuing regulations, distributing training funds to states and localities, drafting codes, mediating labor disputes, and enforcing labor-law compliance—struck the general public as technical, complex, and perhaps a little dull. Several specialized publications covered Labor, but were read only by insiders, whether lawyers, lobbyists, or regulated companies. On those few days each month when the Bureau of Labor Statistics released numbers on employment trends or consumer prices—data that could, and did, move the financial markets—reporters from big-time papers or news shows would drop by. But otherwise Labor was not much of a player in the media world. Susan King, a Washington news anchor who later headed Labor's public-affairs office, summarized Labor's historical status with the press as a "backwater." The appointment of Robert B. Reich as Labor Secretary in 1993 marked a break with this convention. An academic and author wise in the ways of the media, Reich constantly invoked the triad of "policy, politics, and message" as interconnected arenas for advancing an agenda. Reich was a poised and practiced television presence who relished taking his case to the airwaves (whether on the Sunday morning TV debates or the *Tonight Show*), and became one of the Administration's most visible members. He enlisted top-flight talent—first Anne Lewis, then Susan King—to handle press and public affairs for Labor. The next stage of the anti-sweatshop campaign proved tailor-made for Labor's fortified outreach operation.

By 1995, Wage-Hour officials had begun working with the public affairs staff at headquarters to boost the visibility of the sweatshop problem. And then the El Monte story broke. Conditions at El Monte were horrific enough to penetrate the media's traditional indifference to labor-law issues, and stories about "slavery in California" filled the news. The Labor team seized the moment to trigger a public awareness campaign, coordinated with Wage-Hour's enforcement offensive, that came to be called "No Sweat." The El Monte contractor, it turned out, was producing garments for some of the most recognizable names in retail apparel. Wage and Hour let reporters in on the story as it developed, supplying background information and access to senior officials for on-the-record interviews. Some enforcers were uncomfortable with the high-profile approach. A public-relations push was an unconventional adjunct to law enforcement, and struck some as undignified. But boosting the visibility of garment-industry abuses, they

realized, could catalyze compliance. The enforcement veterans believed that if consumers *knew* about sweatshops many might shun the tainted labels, providing a bottom-line incentive for the fashion industry to root out labor abuses. "But if you can't tell it," said Wage and Hour's Seiden, "you can't do much about it." The No Sweat effort, enforcers came to realize, offered an opportunity to arouse public opinion and leverage their traditional compliance efforts. "The press office made Reich available, which struck me as an effective means of telling the government's side of the story," one reporter recalls, while another reports "I've never had such access at an agency."
[Sources???

The modern American sweatshop, long a *fact*, suddenly became a *story*. Weeks of headlines, television discussion, business page analysis, and editorial page comment ensued. Reich and Wage-Hour Administrator Maria Echaveste became news-show fixtures, retelling grim tales of conditions in the garment trades. Labor staffers strategized to keep the momentum going. Shortly after El Monte, Labor announced it was organizing a "retail summit" meeting and (very publicly) invited the retailers that had received goods from the El Monte contractor and other major players in the fashion industry to join the conversation about cleaning up the industry. With every subsequent development in the El Monte case—a suit filed to recoup back wages owed to the workers; the indictments of the sweatshop owners; the request that retailers who had sold the tainted goods help compensate the El Monte workers—a media effort accompanied the enforcement action. Enforcement data that had previously stayed in-house were assembled into a quarterly enforcement report published in coordination with the anti-sweatshop campaign. When the seven Thais who had run the sweatshop were convicted in 1996, the story was still being covered.

But the historically anomalous level of media interest in labor-law enforcement was about to intensify. In May of 1996 inspectors raided a particularly nasty sweatshop in New York City. The conditions the Wage-Hour enforcers uncovered, while abusive and glaringly illegal, may not have been the worst to be found. But a glance at the shop's paperwork revealed that abused workers were stitching clothes destined for Wal-Mart's "Kathie Lee" apparel line. ["Kathie Lee" or "Kathie Lee Gifford" label?] Wal-Mart was the biggest retailer in America; by some measures the biggest retailer ever, anywhere. Talk-show host Kathie Lee Gifford [which show? current or former? need some pop-culture help here] was an A-list American celebrity with a perky, maternal image. Suddenly the sweatshop scourge became front-page fodder from the tabloids to the *New York Times*. What had begun with Wage-Hour staffers in California struggling to energize their obscure enforcement mission had become a magnet for public concern. "I'm not sure you'd get that without the celebrity," recalls Susan King says. Public awareness, however, was not the purpose of the campaign, King stressed, but a means to the end of anti-sweatshop vigilance at the top of the "food chain." "We then had to sustain the effort" by showing the brand-name players that "we could help them deal with their problem."

And here, Kathie Lee Gifford became an unexpectedly avid ally of the Wage-Hour enforcers. Ms. Gifford was embarrassed, of course, by the tabloids' gleeful

revelations that America's sweetheart was profiting, if indirectly, from sweatshops. But beyond concern about bad PR, she was by all evidence honestly anguished to learn of her links to an abusive workplace. A week after the New York strike, Gifford joined Reich at a podium in New York's Fashion Cafe to announce a "fashion industry forum" to combat garment-trade sweatshops. As the cascade of press reports fueled consumer concern about how their clothes were produced, and as companies fretted about stains to their images, other major figures in the fashion industry signed on. The well-publicized Washington conclave drew celebrities like former model Cheryl Tiegs, representatives of major companies such as Nicole Miller and Nordstrom, and sweatshop workers themselves.

Later that summer, Congress held hearings on the sweatshop problem, at which Gifford and others testified, spurring a fresh round of coverage in news and entertainment media. President Bill Clinton officially unveiled the "No Sweat" campaign on the first anniversary of the El Monte raid, as the first round of manufacturers took the pledge to market only goods produced in compliance with the labor laws. A "No Sweat" label was unveiled, which participating companies could affix to their wares. The expected consumer appeal of goods certifiably produced by well-treated workers was meant to offset the temptation to trim costs by skirting the law. Meanwhile, the Labor Department created and publicized a "Trendsetters List" to celebrate fashion industry retailers and manufacturers that took the lead in industry-wide reform. (In 1997, the list was superseded by the formation of the Apparel Industry Partnership, a voluntary industry-driven effort involving manufacturers, labor, non-governmental organizations, and consumer groups.) And labor continued to reinforce street-level enforcement with a series of forums, seminars, public service announcements, and on-line data to apprise workers of their rights; contractors of their obligations; manufacturers of effective monitoring practices; retailers of techniques for avoiding hot goods; and consumers of how they use their market muscle to help combat sweatshops.

U.S. News and World Report devoted a cover story to the sweatshop issue late in 1996, and the next spring President Clinton announced the first stages of an *international* campaign against sweatshops. "In our system of enterprise, we support the proposition that businesses are in business to make a profit," he said at an Apparel Industry Partnership event in the White House. "But in our society, we know that human rights and labor rights must be a part of the basic framework within which all businesses honorably compete." He unveiled a voluntary workplace code of conduct protecting worker rights, along with new industry-developed standards for internal and external monitoring to ensure the code's enforcement. [Suzanne or designate: Is this formulation accurate? Is it at odds with any of the more recent developments in the international effort?]

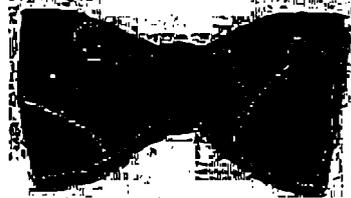
Common action did not imply complete consensus, to be sure, nor was the "No Sweat" formula of direct enforcement, bolstered by "hot goods" and public opinion pressure, uncontroversial. Some critics in labor, consumer groups, and even industry charged that the public-awareness campaign was a shallow substitute for old-fashioned

enforcement. Established trade groups resented being bypassed by new organizations going directly to the retailers and manufacturers. And some observers were troubled by what could be cast as government complicity in besmirching private firms' reputations.

Yet Labor was convinced that the No Sweat campaign was a legitimate and sustainable lever for what would inevitably remain inadequate resources for traditional inspection. Conventional enforcement, moreover, retained a central role; by 1998, labor enforcement officials and lawyers had had recovered \$14.1 million in back wages for nearly 45,000 garment workers since the start of the initiative. Even if the novel legal and public-relations strategy "was what really shook up the industry," Labor's Seiden emphasized that "it had to have substance behind it." Former Labor Department official Anne Lewis thinks that "it took someone at the top who understood that media alone and enforcement alone weren't going to work. You have to put them together." "Some people think the work of an agency is its product, but its message is the product that reaches most people," Susan King observes. "You have to show the public what they're getting for their tax dollars-and how government works for them."

Industry sensitivities, meanwhile, were soothed somewhat by the Department's willingness to define sweatshops as a *shared* failing and to candidly concede the public sector's limits. "Reich openly admitted that many of the sewing shops in the country resembled sweatshops," says NBC producer Kelly Sutherland. "He wasn't hiding from the fact there were problems on his watch. Instead, he explained what the constraints were. You build credibility by being up-front." "The Labor Department succeeded in making progress on an issue that is tremendously complex and ripe for many conflicts," according to Roberta Karp, general counsel to the Liz Claiborne fashion house. "That is no easy task."

And it was undeniable that labor practices in the garment industry, however improbable this may have seemed a few years earlier, had gained a place on the public agenda. Companies continued to sign on to the No Sweat campaign. In 1998 Duke University established a code of conduct for its 700 apparel licensees, which make everything from sweaters to sweatpants bearing the Duke seal, and other universities were expected to follow suit. [Is this accurate?] The Smithsonian Institution set up an exhibit on the history of sweatshops in its Museum of American History, sponsored by major companies that included Calvin Klein, K-Mart, and Levi Strauss along with the National Retail Foundation and labor and consumer groups. At its opening in [date?], Secretary of Labor Alexis Herman, Reich's successor, said "there is a tremendous amount of momentum right now. We need to keep building on it."



"Farewell Party"

**Please Join Us As We Bid Farewell
to Michael J. Wilson**



**January 20, 1999
Time: 3:30 - 5:00
Place: OSHA's Conference
Room - S-2217**

**Cost: \$10 - Due by 1/15/99
Contact: Gloria Barrett - S2318
219-7391**

