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**Folder Title:**  
Department of Labor/Apparel Industry Partnership [4]

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## **Fillichio Carl**

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**From:** Belsky AI  
**Sent:** Monday, April 14, 1997 11:46 AM  
**To:** Fillichio Carl  
**Cc:** Board Dolores,ESA; Glass Rae,ESA  
**Subject:** US Newswire - UNITE Statement 4/9/97

usn

Statement by UNITE on White House/Apparel Industry Partnership  
U.S. Newswire  
9 Apr 18:21

Statement by UNITE President on White House/Apparel Industry Partnership  
To: National and Business desks, Labor Writer  
Contact: Jo-Ann Mort of UNITE, 212-332-9365

NEW YORK, April 9 /U.S. Newswire/ -- Following is a statement by Jay Mazur, president of UNITE, on the White House/apparel industry partnership:

This is an important step toward companies recognizing the realities of the new global village and taking responsibility for the working conditions in all of their facilities around the world.

It also makes clear the responsibility of those involved at all the different levels of this industry -- designers, retailers, manufacturers, contractors, in combatting sweatshops both at home and abroad.

The partnership's progress also reflects its unique diversity of companies, unions, consumer, human rights and religious organizations. The code of conduct that addresses the worst abuses in the industry and the monitoring system that incorporates local human rights and religious organizations are essential elements for any program confronting the global epidemic of sweatshops and its attendant evils.

But we still have a long way to go, particularly regarding the question of the type of information that will be made available to the consumer and the transparency of the system.

We appreciate President Clinton's initiative and leadership in convening the partnership. We now have to focus on taking the next step over the next six months, as we move into the 21st century and what we are determined will be a brighter future for the cause of workers rights around the world.

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/U.S. Newswire 202-347-2770/  
04/09 18:21

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## Filichio Carl

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Thank you and good afternoon. It is a pleasure for me to welcome of you to the White House...and especially to the East Room...for this historic event.

Almost a century ago, the American woman was idealized in drawings that portrayed "the Gibson girl." She inevitably wore a garment called a shirtwaist. Just as inevitably, American women bought them by the millions.

Most shirtwaists were manufactured in New York City sweatshops. One, the Triangle Shirtwaist Company was probably the most notorious. They imposed harsh working conditions on their 500 employees..mostly immigrant girls, whom they paid as little as 6 dollars a week.

Triangle operated on the top three floors of a ten-story building just one block from Washington Square in downtown Manhattan. On Saturday, March 25, 1911 at 4:45 p.m., the employees lined up to be paid. Somebody noticed smoke curling up from a cutting table...then flames as a wicker basket of fabric scraps and lace were ignited and almost instantly spread throughout the factory.

We all know the rest of the story.

Panicked girls rushed to the doors that either opened inward, were blocked by machinery or simply locked. Some made their way to the fire escape...but sections of the ladder--weakened by the weight of the girls and the heat from the fire--buckled, flinging screaming women into the alley below. Others, driven by the heat and smoke, went to the windows. As their hair or clothes caught fire, many lost their grip and fell to the street. Most chose to jump, some hand-in-hand with a friend, a sister, or their mother.

The death toll reached 145 people. A shocked press and public demanded safer and more humane working conditions for those in the garment industry...and for a very long time, most people believed that an ugly chapter in this nation's history had ended.

We were wrong.

Almost two years ago, all of us were appalled to learn that 72 garment workers were found laboring in slave like conditions in a factory outside of Los Angeles. They were harassed, beaten and often threatened with deportation...and even worse, death. Sweatshops, it seems, had never gone out of style.

Since the beginning of this administration, eradicating sweatshops has been a top priority. Today, we are one giant and important step closer to reaching that goal. The men and women standing behind me--executives from some of the largest and most recognizable labels in the apparel industry, trade unionists, worker advocates and human rights organizations have done what many in the industry thought to be impossible. They have come together--often with divergent opinions and points of view, each representing a different side of the table--and mapped out a plan of action that will indeed...finally...begin to remove the stain of sweatshops from the apparel industry--in this country and around the world.

It has taken us a long time and a lot of hard work to get to this point. Before I introduce the next speaker, I'd like to acknowledge the people in the administration who have been working tirelessly--through aggressive enforcement of the nation's labor laws, education efforts, and other initiatives that will--and have--made a significant impact in this effort.

Acting Labor Secretary Cynthia Metzler, Assistant DOL Secretary Bernie Anderson, Gene Sperling--the head of the National Economic Council--and the staff from the Labor Department and the NEC--would you please stand? We owe you a debt of gratitude...and a round of applause. Thank you all very much.

Now I have the honor...and the pleasure... to introduce someone who has spent his entire adult life working on behalf of garment workers--and for so long has played a pivotal role specifically in this effort. Ladies and gentlemen--The president of the Union of Needle Trades, Industrial and Textile Employees...with the appropriate acronym, UNITE--Mr. Jay Mazur.

# UNITE!

A MERGER OF THE AMALGAMATED CLOTHING & TEXTILE WORKERS UNION & THE INTERNATIONAL LADIES' GARMENT WORKERS' UNION

## FAX

Date: April 17, 1997

Number of pages including cover sheet: Four

To: Maria Echaveste

Phone: \_\_\_\_\_  
Fax phone: 202-456-2983  
CC: \_\_\_\_\_

From: Jay Mazur

Phone: 212-265-7000 X 250  
Fax phone: 212-315-3803

REMARKS:



Urgent



For your review



Reply ASAP



Please comment

1710 Broadway  
New York, NY 10019-5299  
Tel 212 265-7000  
Fax 212 265-3415

UNION OF NEEDLETRADES; INDUSTRIAL AND TEXTILE EMPLOYEES; AFL-CIO; CLC

JAY MAZUR *President*  
ARTHUR LOEY *Secretary-Treasurer*  
BRUCE RAYNOR *Executive Vice President*  
EDGAR ROMNEY *Executive Vice President*



VICE PRESIDENTS: JOHN ALLERUZZO RONALD ALMAN NOEL BEASLEY GARY BONADONNA NICHOLAS S. BONANNO CLAYOLA BROWN ED CLARK SUSAN COWELL OLGA DIAZ EVELYN DUBROW BRUCE DUNTON JOSEPH FISHER MARK FLEISCHMAN JOHN FOX SIDNEY GERSTEIN SALVATORE GIARDINA LILLIAN KOLWYCK GROBMYER STANLEY GROSS JEAN HERVEY SOL HOFFMAN JOHN HUDSON JAMES A. JOHNSON BARBARA LAUFMAN WILLIAM LEE EMANUEL LEVENTHAL RICHARD MACADYEN PETER NADASH FRANK NICHOLAS, JR. STEVEN MUTTER CARMEN PAPALE GERALD ROY SALVATORE RUMBOLD ANTHONY SQUITO AMANDA STEVENS-JACKSON JOAN SUAREZ PAT SULLIVAN JOSE TORRES JAMES TRIBBLE PAUL WINSLOW

GLOBAL



EXCHANGE

April 15, 1997

Dear Member of Presidential Task Force on the Apparel Industry:

We would like to thank you all for your good faith efforts in the recent agreement on sweatshops. We respect your work and understand the pressure you were under to come up with an agreement after eight months of discussions. However, we are deeply concerned about a number of points in the agreement. We have outlined our concerns in the attached statement.

If there are points or issues we have misunderstood or misinterpreted, we would greatly appreciate any clarification you might be able to provide. If there is any way we can work with you while you are hammering out the details of this agreement, we would be eager to work with you.

We appreciate your efforts to improve the lives of the workers in sweatshops, at home and abroad, and hope that you will work to shape this agreement into something that moves us further in this direction.

Sincerely,

Medea Benjamin  
Co-Director

## **Presidential Task Force on Sweatshops Leaves Sweatshops Intact**

We, the undersigned human rights and labor groups, are extremely dismayed by the major flaws in the Presidential Task Force's agreement on sweatshop. While the task force was a coalition of industry, human rights and labor groups, the industry representatives refused to sign an agreement that had meaningful standards. We thank the human rights and labor groups for their good faith efforts, which unfortunately were not matched by the representatives of the apparel industry.

*The agreement says....Companies shall pay the prevailing minimum wage or industry wage.*

We say...Companies are flocking to countries that deliberately set the minimum wage below subsistence to attract foreign investment. In Vietnam, Nike pays 20 cents an hour; in Haiti, Disney pays 30 cents an hour. These wages, while the legal minimum, are not enough to even cover three decent meals a day, let alone transportation, housing, clothing and health care. U.S. companies should pay wages that allow workers to live healthy, dignified lives. They should swiftly and publicly commit themselves to paying at least double the legal minimum in their overseas factories. And they should agree to pay restitution to workers who have been cheated out of past wages.

*The agreement says...Except in extraordinary business circumstances, employees shall not be required to work over 60 hours a week.*

We say...In addition to accepting a 60-hour week as the norm—which in itself is outrageous—the agreement provides absolutely no guidelines on what constitutes “extraordinary circumstances.” Moreover, it only addresses “mandatory” overtime. Already, apparel factory workers put in endless hours of supposedly “voluntary” overtime. There should be no mandatory overtime, and if workers were paid a living wage for an 8-hour day, excessive “voluntary” overtime would cease.

*The agreement says...Employees shall be compensated for overtime hours at the legal rate or, where none exists, at a rate at least equal to their regular hourly compensation rate.*

We say...Labor unions the world over call for overtime to be paid at a higher rate than the regular hourly wage. The Task Force Code should call for at least time-and-a-half for overtime.

*The agreement says...Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.*

We say...Recognition of these rights is certainly a positive step. Unfortunately, many U.S. companies choose to work in countries or free trade zones where independent organizing is illegal and where workers who stand up for their rights are severely repressed. To give this recognition of workers' rights meaning, U.S. companies must pressure local governments to allow workers the freedom to organize, call for the release of all those jailed for their organizing efforts and rehire workers in their own factories who have been fired for organizing.

*The agreement says...Companies shall utilize independent external monitors to ensure that the Code is implemented.*

We say...The agreement does not insist the companies use local human rights, labor or religious groups that have the trust of the workers and knowledge of local conditions. Instead, the companies can use private accounting firms, and merely "consult regularly" with these local institutions. It is extremely unlikely that employees working under repressive conditions would speak openly to representatives of accounting firms. Meaningful monitoring must be conducted by respected not-for-profit entities such as human rights or religious groups. And meaningful monitoring must also have a meaningful code to monitor.

According to this agreement, companies could still pay their workers 20 cents an hour, push them to do countless hours of "voluntary overtime", use accounting firms that have no connections to workers as their external monitors, and be rewarded for this behavior with a "no sweatshop" seal of approval.

The results of this Task Force's eight-month process demonstrate all too clearly that we cannot leave the fate of the world's apparel workers in the hands of presidential commissions. We will continue to support struggling factory workers, mobilize public opinion and pressure abusive corporations until workers at home and abroad are paid living wages and treated with dignity.

Medea Benjamin, Global Exchange, 415-255-7296

Trim Bissell, Campaign for Labor Rights, 541-344-5410

Dr. Elaine Bernard, Harvard University Trade Union Program\*, 617-495-9265

Thuyen Nguyen, Vietnam Labor Watch, 201-792-7622 ext 335

Jeff Ballinger, Press for Change, 201-768-8120

Max White, Justice: Do It Nike, 503-292-8168

Reverend Max Surjadinatā, United Church of Christ, 212-222-1899

\* Organization for identification only.

**FOR PRESS:** *If you are interested in quoting from this document, you can attribute quotes to Medea Benjamin. Phone numbers are work: 415-255-7296, ext 222 or home 415-648-7015.*

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Brenda M. Anders

04/23/97 06:24:45 PM

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Record Type: Record

To: Marjorie Tarmey/WHO/EOP

cc:

Subject: Thursday's interview

Sorry about the confusion over in person/over the phone NPR interview. I think the interview went well.

time: 5:30-6:00pm *LIVE* by telephone

show: Newsmakers

hosts: Mike Faudi, Michelle Lexait

topic: sweatshops

guest: Ginny Coughlan, UNITE

call-in: 904-397-1500

backup: 800-825-5937

contact: Tim Howe 202-546-3459

Newsmakers is a nationally syndicated program distributed to 130 radio stations.

I'll come up to Maria's office at 5:25pm to place the call.

Maria  
Pls note  
JRR

## ON CAPITOL HILL

### Lawmakers Stream To Flooded Midwest States

House Republican leaders are beating a path to the flooded areas of the upper Midwest, following President Clinton's tour of the area earlier this week.

House Speaker Newt Gingrich (R-Ga.) toured flood-damaged areas of North Dakota and Minnesota by helicopter yesterday before heading to Florida for weekend fund-raising events for GOP Reps. John L. Mica and Bill McCollum and the Florida Republican Party. On Monday, House Majority Leader Richard K. Armey (R-Tex.) will lead a delegation of lawmakers to Grand Forks, Devils Lake and Cando, N.D.

Gingrich's office characterized the trips as part of "a series of steps by House Republicans to fully understand and alleviate the suffering of area residents."

For Armey, it will be something of a homecoming. He was born in Cando and got his master's degree at the University of North Dakota in Grand Forks. Some of his family has been affected by the flooding.

Next week, the House will vote on a supplemental spending bill that contains \$5.5 billion in disaster relief for 22 states, including \$200 million for flood victims in North Dakota and Minnesota.

—John E. Yang

### 'Sweatshop' Bill

■ Charging that "Made in USA" labels on garments are being used to conceal worker exploitation in a U.S. territory, Rep. George Miller (Calif.) has introduced legislation aimed at imposing federal minimum wage and immigration laws in the Northern Mariana Islands and cracking down on what he de-

scribed as sweatshops on American soil.

Miller, senior Democrat on the House Resources Committee, which has jurisdiction over U.S. territories, charged that the Commonwealth of the Northern Mariana Islands (CNMI) has failed to take effective action against labor and human rights abuses in the Western Pacific territory, allowing sweatshop conditions, forced prostitution, international organized crime and the exploitation of foreign workers to thrive. The CNMI government has rejected such charges.

Miller said the "Made in USA" label, which allows foreign-operated garment factories in the CNMI to ship clothing to the United States without duties or quotas, is used to conceal systematic exploitation and indentured servitude. Some of the factories are owned by the Chinese government, which requires Chinese workers recruited for jobs in the CNMI to waive rights guaranteed by U.S. law, he said.

Noting that Clinton and U.S. manufacturers recently announced an "Apparel Industry Partnership" aimed at ending sweatshop conditions around the world, Miller said, "Those efforts must also focus on our own soil, on the CNMI, where conditions that could not be tolerated anywhere else in America flourish with the blessings of the local government."

—William Branigin

### Quotable

■ Gingrich, surrounded by reporters as he was leaving a speech to the Louisville Area Chamber of Commerce Thursday, handed his gift of a Louisville Slugger baseball bat to Christina Martin, his press secretary: "Here—you'll know what to do with this."

Notes from Apparel Industry Partnership Meeting  
May 9, 1997

- The Apparel Industry Partnership held its first meeting since presenting its report to the President last month.
- The Partnership is planning to actively solicit new companies to sign on to the code of conduct, monitoring principles, and commitment to form the association.
- A small group is preparing a set of questions and answers for use by the members when they talk to potential new members.
- The co-chairs will contact Karen Kane and Nicole Miller to ascertain their continuing interest. Karen Kane's representative raised several issues about the agreement and will report back at the next meeting. Although Nicole Miller did not participate at the White House event, the company has recently reaffirmed its commitment.
- Several committees were formed to develop recommendations to the full Partnership
  - Criteria for association membership-Ann Hoffman, Jim Silk, Aron Cramer, Jack Robinson, Chair -Michael Posner.
  - Qualification for external monitors- Brad Figel, Jack Robinson, Pharis Harvey, Doug Cahn, Chair -Aron Cramer
  - Consumer communication-Sharon Cohen, Jane Randel, Katherine Hyde, Kevin Sweeney, Linda Golodner, Brad Figel, Lenore Miller, Chair -Jack Robinson.
  - Association governance-Michael Posner/, Jon Rosenblum, Alan Howard, Sandra Cuneo, Brad Figel, Chair -Lynda Clarizio
- Next Steps:
  - Scheduled Meetings- June 2- 11:30 conference call
    - June 17- 10:30 in DC/at DOL
    - August 5- 10:30 in NY/at UNITE
    - September 19- 10:30 in Maine at LL Bean
  - DOL to explore how to get translations made of report.
  - Group to explore Foundations as a source of support for effort.
  - Liz Claiborne developing draft budget.
  - Working groups to report back with workplans at June 2 conference call.

**FONTHEIM & HAMMONDS**

888 SIXTEENTH STREET, N.W.

SUITE 300

WASHINGTON, D.C. 20006-4103

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**FACSIMILE TRANSMISSION**

**TO:** Ms. Marge Tarmey  
**FROM:** Christopher J. Donaldson  
**CC:** Claude G.B. Fontheim & D. Holly Hammonds  
**DATE:** June 2, 1997  
**RE:** Claude Fontheim May 16, 1997 Memorandum to Maria Echaveste  
**FAX:** 456-2983  
**PAGES:** Cover + 4

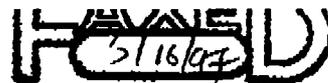
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Dear Marge:

As discussed, please find attached the memorandum that Claude Fontheim sent to Maria Echeveste on May 16. Please call if you have any questions.

Regards.

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**FACSIMILE TRANSMISSION**

**TO:** Ms. Maria Echaveste  
**FROM:** Claude G.B. Fontheim  
**DATE:** May 16, 1997  
**FAX:** 456-6218  
**PAGES:** Cover +3

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"Funded"  
in Appeal*

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*CF -  
Have  
some folks  
interested in  
talks about in  
trade issue  
Stebena like  
Bully submit  
progress on  
in China -  
rule of law -  
promote this  
"rule of law"*

To: Maria Echaveste  
From: Claude Fontheim  
Date: May 16, 1997

Dear Maria:

Having just returned from my travels, I would first of all like to thank you for taking the time to meet with me with me a couple of weeks ago regarding trade and related issues of corporate conduct and responsibility in international operations. I look forward to helping in any way that I can, and I will be in contact with both you and Peter O'Keefe. Please feel free to call upon me any time!

I also greatly appreciate your offer to help Sam Fried and me with our interests in seeking appropriate commission appointments in which I believe we can make real contributions.

Sam is interested in the U.S. Institute for Peace. As you know, Sam is not only one of the country's top corporate counsels, he has been a pioneer on issues of corporate ethics and governance, and the enlightened role of corporations in public policy. Sam is also an ordained rabbi and one of the most remarkable intellects that I have ever worked with. He wants to participate in an organization that is engaged in making the world a better place (not just in something that would be a means of professional advancement). He would be an extraordinarily valuable addition to any board or commission to which he is appointed.

I am interested in the President's Advisory Committee for Trade Policy and Negotiations, and if a position on the ACTPN is not now available I would be interested in the President's Export Council. As you know, I worked on the Clinton-Gore campaign. I advise and represent some of America's leading companies on international operations and trade matters. I believe that my combined experience as the CEO of a small business, and in trade policy, international business consulting, labor, human rights and business ethics, would make me particularly well suited for the ACTPN. (I am certainly open to suggestions regarding other opportunities).

I look forward to seeing you again soon. Best regards.

## SAMUEL P. FRIED

Samuel P. Fried has been Vice President and General Counsel of The Limited, Inc. since November, 1991. The Limited is the nation's premier specialty retailer, with annual sales of nearly \$9 billion through more than 5,500 stores offering the following brands: Express, Lerner New York, Lane Bryant, Limited Stores, Victoria's Secret, Structure, The Limited Too, Abercrombie & Fitch Co., Henri Bendel, Bath & Body Works, Cacique, Galyan's Trading Co. and Penhaligon's. The Limited also distributes apparel internationally through Victoria's Secret Catalogue.

In 1995, as part of a reconfiguration plan designed to accelerate growth and enhance performance, The Limited established Intimate Brands, Inc. as a separate New York Stock Exchange listed company to operate its lingerie and personal care products businesses. In furtherance of this strategy, Abercrombie & Fitch was also established as a separately listed public company in 1996. In addition to his position with The Limited, Mr. Fried serves as the Vice President and General Counsel of Intimate Brands and Abercrombie & Fitch.

Mr. Fried began his legal career in 1974 with a Boston law firm, specializing in securities and tax matters. From 1977-1981, he held legal and international finance positions with The Bendix Corporation, a multinational company serving the aerospace-electronics, automotive, forest products and machine tool industries. From 1982-1987, he was Vice President and Chief Legal Officer of Clevite Industries, a multinational company engaged in the manufacture and distribution of component parts for the transportation and general industrial markets. From 1987-1991, Mr. Fried served as Vice President and General Counsel of Exide Corporation, the oldest and largest US manufacturer and distributor of automotive and industrial batteries.

In all of the foregoing positions, Mr. Fried was responsible for the efficient delivery of quality legal services to highly entrepreneurial organizations. In addition, he was charged with negotiating complex domestic and international transactions requiring the coordination of multidisciplinary skills.

Mr. Fried joined The Limited as its first in-house counsel and is responsible for all legal matters affecting The Limited and its affiliated companies. By applying entrepreneurial principles to a formerly bureaucratic function, he has significantly increased the quality and responsiveness of legal services provided to these companies while, at the same time, dramatically reducing cost. Mr. Fried has also pursued a clearly articulated, value-based approach to corporate conduct, resulting in significant enhancements to the already impressive organizational integrity of the companies he serves.

Mr. Fried has assumed leadership roles in numerous civic, community and religious programs. He is also active in Democratic politics. Mr. Fried was an early and key supporter of the Clinton-Gore 1992 campaign and reprised that role in the 1996 campaign. In 1994, Mr. Fried was named a member of IPAC, the governmental committee that provides policy advice to the Secretary of Commerce and the United States Trade Representative. Mr. Fried is also a founding director of The Foundation for Global Environmental Education, the private sector partner to The Globe Program (a worldwide, interactive science and education program on the environment conceived by Vice President Gore).

Mr. Fried is a member of the Illinois, Massachusetts, Michigan and Ohio bars. He received his A.B. (magna cum laude and Phi Beta Kappa) from Washington University in St. Louis and his J.D. (with honors) and Masters of Law in Taxation from Boston University School of Law. He was also ordained as a rabbi by the Chief Rabbinate of Israel. Mr. Fried served as Editor of the Boston University Law Review and edited Psychosurgery: A Multidisciplinary Symposium (Lexington Books, 1974, with a foreword by Senator Edward M. Kennedy).

Mr. Fried and his wife, Gigi, have five children and reside in Bexley, Ohio.

## CLAUDE G.B. FONTHEIM

Claude Fontheim is the CEO of International Strategic Advisors, Ltd. (ISA), an international business consulting firm, and Fontheim & Hammonds (F&H), an international law firm. ISA and F&H are affiliated firms based in Washington, D.C. and have an office in Hong Kong. ISA and F&H provide services to some of America's leading companies, including various Fortune 500 firms. Prior to establishing this business, Mr. Fontheim practiced international law in Washington, D.C.

Mr. Fontheim was the Business Liaison for Trade and International Economics of the Clinton-Gore campaign in 1996. Mr. Fontheim holds leadership positions in various civic, community and political organizations (including the Democratic Leadership Council, and the National Jewish Democratic Council). Mr. Fontheim served as a member of the board of directors of the Washington International Trade Association, a member of the Export Finance Task Force and the Telecommunications Task Force of the U.S. Chamber of Commerce and as General Counsel to the Export Council for Renewable Energy. He has served in executive positions with the American Bar Association and was Executive Director of the ABA's study of international trade laws.

Mr. Fontheim lectures regularly and has published numerous articles regarding international trade and investment matters, human rights and ethics in international business, and labor standards. He wrote the chapter on European telecommunications policy and regulation in the American Enterprise Institute series "The United States Faces a United Europe" and the concluding chapter of Trade Policy: The Lawyer's Perspective of which he was co-editor with Professor John Jackson. He is listed in Who's Who in American Law, Who's Who in Industry and Finance and Who's Who in the World.

Mr. Fontheim is a Phi Beta Kappa and honors graduate of the University of Michigan, where he received his J.D., M.P.P. and B.A. He was Managing Editor of the Michigan Yearbook of International Legal Studies. He is a member of the Bar of the District of Columbia.

Mr. Fontheim is married and has two children.

Law Offices Of

**GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP**TELEPHONE: (310) 553-3610  
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MARIA ECHEVESTRE <input checked="" type="checkbox"/>	EXECUTIVE OFFICE OF THE PRESIDENT	(202) 456-6218 HARD COPY TO FOLLOW: Yes: No: <input checked="" type="checkbox"/>
J. DAVITT McATEER <input type="checkbox"/>	SOLICITOR, USDOL	(202) 219-9255 HARD COPY TO FOLLOW: Yes: No: <input checked="" type="checkbox"/>
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GERALD M. HALL <input type="checkbox"/>	USDOL	(818) 966-5539 HARD COPY TO FOLLOW: Yes: No: <input checked="" type="checkbox"/>
<input type="checkbox"/>		HARD COPY TO FOLLOW: Yes: No: <input checked="" type="checkbox"/>

FROM: STANLEY W. LEVY

May 27, 1997

ATTY #: 297

NO. OF PAGES: 6 (including fax cover sheet)

DOCUMENT TITLE: LETTER

RE: NLRB'S "JOINT EMPLOYER" POSITION



# California Fashion Association

110 East Ninth Street, Suite A625 Los Angeles, California 90079-2827 PH: (213) 688-6288 FX: (213) 688-0290

*Apparel*

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 Union Bank  
 Wasserman, Comden & Casselman  
 Women's Wear Daily

May 27, 1997

**BY FAX: (202) 219-8822**

Alexis M. Herman  
 Secretary of Labor  
 U.S. Department of Labor  
 200 Constitution Avenue N.W.  
 Washington, D.C. 20210

**BY FAX: (703) 522-6744**

Larry Martin, President  
 American Apparel Manufacturers Association  
 2500 Wilson Blvd., Suite 301  
 Arlington, VA 22201

Re: UNITE's "Joint Employer" position to the  
 NLRB threatens to destroy the USDOL-  
 sponsored Apparel Industry Monitoring  
 Programs

Dear Ms. Herman and Mr. Martin:

I received your invitation to attend the Compliance Workshops scheduled for May and June 1997 in San Francisco, Los Angeles, New York City and Charlotte, North Carolina. I will attend the Los Angeles workshop.

The purpose of my letter is to bring to your attention a new "Joint Employer" theory which UNITE is urging upon the NLRB and which is of concern to all apparel manufacturers. Were the NLRB to adopt UNITE's position, it would threaten to destroy the efforts of the White House and the USDOL to get manufacturers to monitor their contractors for compliance with the Fair Labor Standards Act and Company Codes of Conduct and Workplace Standards.

I am writing to you in my capacity as Chairperson of the Labor Committee of the California Fashion Association and a member of its Board of Directors.

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Larry Martin  
May 27, 1997  
Page 2

The California Fashion Association is composed of leading companies in the fashion and apparel industry. We are dedicated to enhancing every aspect of our industry. This includes doing all we can to ensure that the independent contractors which make our apparel and footwear comply with all applicable Federal and State labor laws. We have supported the compliance efforts of the USDOL including monitoring of contractors.

I am also a member of the White House Apparel Industry Partnership which delivered its first report to the President last month.

Let me first briefly describe the history of monitoring and then make you aware of the UNITE's "Joint Employer" position to the NLRB.

### History of Monitoring

#### The USDOL's Compliance Program Agreement

In 1992 the U.S. Department of Labor launched a new program aimed at eliminating sweatshops in the Apparel Industry. The program consisted of asking apparel manufacturers to enter into an agreement with the USDOL (known as the Augmented Compliance Program Agreement or ACPA) to monitor their contractors for compliance with the Fair Labor Standards Act. By January 1997, 74 major apparel manufacturers had entered into these ACPA monitoring agreements with the DOL and DOL investigations of monitored contractors showed substantially lower rates of FLSA violations.

The DOL's ACPA explicitly states:

"Nothing done or to be done by the FIRM (the manufacturers) pursuant to the express terms of this ACPA will be interpreted by the DOL as constituting a violation of the (Fair Labor Standard) Act by the FIRM during the term of this ACPA nor as sufficient, in and of themselves, to make the FIRM an employer a joint employer of any employee of any contractor for purposes of the ACT (FLSA) during the term of this ACPA." (Augmented Compliance Program Agreement [DOL Form ACPA (AM), p. 5]).

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Larry Martin  
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### The USDOL's Trendsetter List

In December 1995, to further encourage apparel manufacturers to monitor their contractors, the DOL created the "Trendsetter List" of companies which pledged to help to eradicate sweatshops in America by, among other efforts, monitoring the working conditions of their contractors for compliance with the FLSA. By December 1996, over 30 major apparel companies were on the Trendsetter List.

### The USDOL's Child Labor Report

In 1996, the USDOL Bureau of International Labor Affairs issued its report entitled, "The Apparel Industry and Codes of Conduct: A Solution to the International Child Labor Problem?" That report stated that "one reason for any potential downward trend in the use of children in the garment industry may be the widespread adoption in the last several years of U.S. company codes of conduct prohibiting child labor" (p ii) and "Monitoring is critical to the success of a code of conduct; it also gives the code credibility." (p v).

### The White House Apparel Industry Partnership

In August 1996, President Clinton created his White House Apparel Industry Partnership composed of representatives of major apparel and footwear companies, UNITE and other unions and Human Rights and Religious Organizations. The DOL is serving as advisors to the Partnership. As I mentioned, I am a member of the Partnership. Its mission was to create a code of conduct for workplace standards in apparel and footwear factories, create a mechanism for manufacturers to monitor their contractor's factories for compliance with the standards, and to inform the consumers of companies which adopted the standards and the monitoring.

In April of this year the Partnership presented President Clinton with its first Report which established the Code of Conduct and the Principles of Monitoring by which manufacturers would monitor both their domestic and international contractors' factories for compliance with the Code.

Now, let me describe UNITE's "Joint Employer" position to the NLRB.

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Larry Martin  
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UNITE's "Joint Employer" Position to the NLRB

UNITE's position to the NLRB, which is directly contrary to the DOL's written agreements with manufacturers, is as follows:

. . . There are apparel manufacturers which are parties to a written agreement with the Department of Labor - the ACPA, which requires that the manufacturer guarantee payment of the minimum wage, and that the manufacturer is to ensure, through monitoring, that its contractors' hours and working conditions are as required by the FLSA. By these undertakings, the manufacturer is thereby effecting substantial involvement in the noted contractor employees terms and conditions of employment.

The agreements with the DOL, and the Compliance Monitoring Agreements which the apparel manufacturers have with those contractors establish either expressly or by implication, authority for the manufacturer to control employment conditions of the contractors employees. In the noted ACPA agreements, the apparel manufacturer has undertaken to guarantee, and in fact monitors to ensure that contractor employees are granted certain terms and conditions of employment (including payment of minimum wage rates; payment of overtime; requirement of time clocks and time-monitoring system; granting of regularly scheduled break times; granting of clean lunch areas; granting of well-lit working areas; prohibition of child labor; prohibition of home work requirements, etc.)

By these Agreements with the DOL and the monitoring, the apparel manufacturer possesses the power to control the contractors' employees terms and conditions of employment and is therefore a joint employer.

The Apparel Industry CEO Conference takes place in less than a week and I am sure UNITE's "Joint Employer" position to the NLRB will be a major topic of discussion.

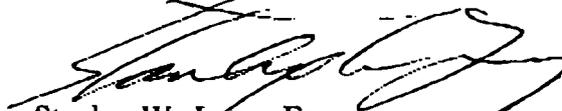
Alexis M. Herman  
Larry Martin  
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If the NLRB were to adopt UNITE's "Joint Employer" position, manufacturers will have to carefully evaluate whether to monitor their contractors, given the serious consequences of being treated as a joint employer.

I felt it was very important to bring these "Joint Employer" issues to your attention so that both the DOL and the AAMA can respond appropriately.

I would be happy to meet with you in Washington so that I could advise our association and others of your respective positions. I may be contacted directly at my office at Greenberg Glusker Fields Claman & Machtinger LLP, 1900 Avenue of the Stars, Suite 2100, Los Angeles, CA 90067-4590, 310) 553-3610, (310) 553-0687 fax.

Very truly yours,



Stanley W. Levy, Esq.

SWL/mrs

cc: Gene Sperling, Assistant to the President for Economic Policy,  
The White House National Economic Council  
Maria Echeveste, Assistant to the President and  
Director, The White House Office of Public Liaison  
J. Davitt McAteer, Solicitor, USDOL  
Suzanne Seiden, USDOL Acting Administrator Wage and Hour Division  
Bruce Cranford, USDOL Regional Garment Coordinator, Texas  
Bruce Sullivan, USDOL Regional Garment Coordinator, New York  
Rolene Otero, USDOL Regional Garment Coordinator, California  
Gerald M. Hall, USDOL District Director Wage and Hour Division, Los Angeles  
Members of the California Fashion Association

U.S. Department of Labor

Employment Standards Administration  
Wage and Hour Division  
Washington, D.C. 20210



*Special*

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[Text version]



# National Economic Council

Assistant to the President for Economic Policy Gene Sperling  
Director

The National Economic Council was created by a presidential executive order which was released January 25, 1993.

## The principal functions of the Council are:

1. To coordinate the economic policy-making process with respect to domestic and international economic issues;
2. To coordinate economic policy advice to the President;
3. To ensure that economic policy decisions and programs are consistent with the President's stated goals, and to ensure that those goals are being effectively pursued; and
4. To monitor implementation of the President's economic policy agenda.

## Budget

1. President Clinton's Fiscal Year 1998 Balanced Budget Summary Documents

## Education

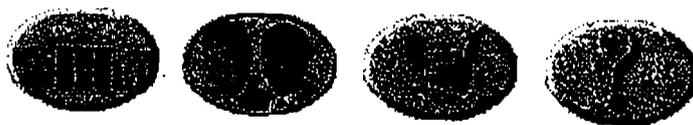
1. Hope and Opportunity Act of 1997
2. The Partnership to Rebuild America's Schools Act of 1997

## Transportation

1. The National Economic Crossroads Transportation Efficiency Act

## Other Initiatives

1. Pension Simplification Document
2. Apparel Industry Partnership Agreement



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## **President Clinton Announces Apparel Industry Partnership Agreement**

April 14, 1997

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**TODAY, PRESIDENT CLINTON WELCOMES TO THE WHITE HOUSE THE MEMBERS OF THE APPAREL INDUSTRY PARTNERSHIP TO ANNOUNCE A NEW AGREEMENT.** Leaders from the footwear and apparel industry, labor, nongovernmental organizations (NGOs), and consumer groups have found common ground, agreeing to a Code of Conduct and independent monitoring systems that will assure Americans that the clothes and shoes they buy are made under decent and humane working conditions. The Partnership also agreed to recruit others in the industry and to develop an independent association to assure compliance and inform consumers about the Code and which companies comply.

**THIS AGREEMENT FOLLOWS FROM WHITE HOUSE MEETING LAST YEAR.** On August 2, 1996, the President and Vice President met with these parties to discuss the problem of sweatshops, consumer concerns, and the need to join together to address these issues. The parties formed a voluntary, industry-driven partnership that proposed to report back to the President its recommendations for action.

Participants in the Partnership include: Liz Claiborne; Nike; Phillips-Van Heusen; Reebok; L.L. Bean; Patagonia; Tweeds; Nicole Miller; Karen Kane; UNITE; the Retail, Wholesale, Department Store Union; Business for Social Responsibility; the Interfaith Center on Corporate Responsibility; the International Labor Rights Fund; Lawyers Committee for Human Rights; the National Consumers League; and the RFK Memorial Center for Human Rights.

**THE PARTNERSHIP'S AGREEMENT IS THE FIRST OF ITS KIND.** The agreement contains the following components:

- A Strong Workplace Code of Conduct that companies will voluntarily adopt and require their contractors to adopt, which, among other things, includes:
  - Prohibitions against child labor, worker abuse or harassment, and discrimination;
  - The recognition of workers' rights of freedom of association and collective bargaining;
  - A minimum or prevailing industry wage, a maximum 60-hour workweek, and a cap on mandatory overtime; and
  - A safe and healthy working environment.
- Independent External Monitors to conduct reviews of company policies and practices and to verify that the company is in compliance with its obligations

and commitments under the Code of Conduct. Companies will also maintain an internal monitoring system that outlines the obligations each company will undertake to ensure that the Code is enforced in its facilities and its contractors' facilities both domestically and internationally.

- Commitment to Form an Association Over the Next Six Months that will (1) recruit new member companies which also will abide by the Code and implement independent monitoring; (2) develop a reliable, independent means to provide for public confidence that the above obligations are being met; and (3) develop a mechanism or seal of approval informing consumers about which companies abide by the Code and monitoring.

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### **Details on The Apparel Industry Partnership Agreement**

The Apparel Industry Partnership agreement contains the following:

- A Strong Workplace Code of Conduct that individual companies will voluntarily adopt and require their contractors to adopt, which includes:
  - The prohibition of employing any persons under the age of 15 (unless permitted by the country of manufacture to be 14);
  - Prohibitions against any worker abuse or harassment and discrimination;
  - The recognition and respect for workers' rights of freedom of association and collective bargaining;
  - The requirement that employers pay at least the minimum or prevailing industry wage, whichever is higher, and provide mandated benefits;
  - The requirement that workers be provided with a safe and healthy working environment;
  - A cap on mandatory overtime to 12 hours per week and the regular work week of the country (or 48 hours, whichever is less); and requiring a day off in every seven day period; and
  - The requirement that overtime be compensated for at the premium rate required in the country or at least equal to their regular hourly compensation.
- Independent External Monitors who will conduct independent reviews of participating company policies and practices; provide company employees and contractors' employees with secure communication channels to report concerns of noncompliance; audit production records and practices to ensure compliance; conduct employee interviews and site visits; and verify that the company is in compliance with its obligations and commitments under the Code of Conduct.
- An Internal Monitoring System that outlines the obligations each company will undertake to ensure that the Code of Conduct is enforced in its facilities and its contractors' facilities both domestically and internationally.

- A Commitment to Form an Association over the next six months that will:
  - Recruit new member companies which also will abide by the Code and implement independent monitoring;
  - Develop a reliable, independent means to provide for public confidence that the above obligations are being met; and
  - Develop a mechanism or seal of approval informing consumers about which companies abide by the Code and monitoring.

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**Chronology on Clinton Administration's  
No Sweat Initiative**

- Summer 1993 Secretary Reich launches initiative to fight sweatshops.
- Spring 1994 National Conference on Garment Workers in NYC.
- Fall 1994 Labor Department hosts Retailer Roundtable in Washington, DC.
- August 2, 1995 El Monte, CA sweatshop busted for slavery. Sec. Reich steps up fight against sweatshops.
- September 1995 Retailer Summit in NYC on how to improve industry compliance with workplace standards.
- December 1995 Secretary Reich announces Trendsetter List -- retailers and manufacturers working to end sweatshops in the US.
- May 1996 First Quarterly Enforcement Report Released by the Labor Department.
- May 1996 DOL investigation reveals that Kathy Lee Gifford's clothing line being made in sweatshops. Gifford and Sec. Reich join forces to fight abuse.
- July 1996 Sec. Reich hosts Fashion Industry Forum. Kathy Lee Gifford, Cheryl Tiegs and 300 fashion industry representatives -- including retailers, manufacturers, designers, workers, labor and consumer advocates -- participate.
- Summer 1996 Legislation introduced on Capitol Hill to hold manufacturers and retailers liable for the conditions under which their contractors operate.
- August 2, 1996 President Clinton brings a diverse group of industry, labor, and human rights leaders to the White House to discuss industry conditions. The Apparel Industry Partnership is formed, and challenged by the President to take steps to assure that company products are made in compliance with acceptable labor standards, and to inform consumers that the products they buy are not made under exploitative conditions. The group agrees to report back in six months.
- Fall 1996 Monitoring Workshops for manufacturers and retailers in New York, Chicago, and Los Angeles.
- Sept 1996-April 1997 The Apparel Industry Partnership meets regularly with technical assistance from the Administration.
- October 1996 Release of Volume 3 of the international child labor report, By the Sweat and Toil of Children on the impact of Codes of Conduct on child labor conditions in the apparel industry.
- December 1996 Department of Labor's No Sweat Initiative receives Innovations in American Government Award from the Ford Foundation and John F. Kennedy School of Government.
- January 1997 Clinton Administration has collected more than \$10.4 million in back wages for minimum wage and overtime violations for more than 34,000 garment workers across the country.
- February 1997 Labor Department pledges funding to International Labor Organizations' initiative against child labor in the Pakistani soccer ball industry.
- March 25, 1997 Three companies added to the Trendsetter List, bringing the total to 34 companies representing over 125 apparel lines and tens of thousands of retail stores.
- April 14, 1997 Apparel Industry Partnership presents its agreement and plan of action to end sweatshops to President Clinton at the White House.

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**Members of The Apparel Industry Partnership**

**Liz Claiborne, Inc.**

Paul Charron, Chairman and CEO  
[co-chair]

**National Consumers League**

Linda Golodner, President  
[co-chair]

**Interfaith Center on Corporate Responsibility**

David Schilling, Director

**International Labor Rights Fund**

Pharis Harvey, Executive Director

**Kathie Lee Gifford**

**Lawyers Committee for Human Rights**

Michael Posner, Executive Director

**LL Bean, Inc.**

Tom Harden, Senior Vice President

**NIKE, Inc.**

Philip Knight, Chairman of the Board and CEO

**Patagonia**

David Olsen, CEO

**Phillips-Van Heusen**

Bruce Klatsky, CEO

**Reebok International, Ltd.**

Paul Fireman, CEO

**Retail Wholesale Department Store Union, AFL-CIO**

Lenore Miller, President

**Robert F. Kennedy Memorial Center for Human Rights**

Sandra Cuneo, Executive Director

**Tweeds, Inc.**

Martin Brill, President

**Union of Needletrades, Industrial and Textile Employees (UNITE)**

Jay Mazur

**Unable to Attend**

**Business for Social Responsibility**  
Robert Dunn, President and CEO

**Karen Kane, Inc.**  
Lonnie Kane, CEO and President

**Nicole Miller, Inc.**  
Bud Konheim, CEO

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NEC HOME PAGE



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June 5, 1997

**VIA FACSIMILE AND REGULAR MAIL**

(202) 219-8822

The Honorable Alexis M. Herman  
Secretary of Labor  
U.S. Department of Labor  
200 Constitution Avenue N.W.  
Washington, D.C. 20210

Re: UNITE's "Joint Employer" Position Relative to Apparel Manufacturers

Dear Ms. Herman:

On behalf of Kellwood Company, I would like to take this opportunity to congratulate you on your appointment as Secretary of Labor. Kellwood Company is a leading apparel manufacturer of branded and private label goods and we engage the services of many contractors, domestically and internationally, to produce much of our product. In the summer of 1995, we launched a comprehensive compliance program which entails the use of outside monitors to review our contractors' practices and compliance with, among other things, the Fair Labor Standards Act. Attached hereto is a Kellwood Company Report dated November 11, 1996 which outlines what we feel is a very successful program.

I will have to say that I am very troubled by the recent announcement by UNITE that it is urging the NLRB to adopt the position that those manufacturers that have signed the Augmented Compliance Program Agreement (the "ACPA" also known as the "long form"), be treated as joint employers. I believe that you have received a letter from Stan Levy, Esq., dated May 27, 1997, on behalf of the California Fashion Association which outlines his same concerns about this joint employer theory. The same letter was addressed to Larry Martin, President of the American Apparel Manufacturer's Association and Mr. Martin provided a copy to AAMA members. I am attaching a copy of Mr. Levy's May 27 letter for your reference. I am also attaching a letter dated May 30, 1997 that we forwarded to Mr. Martin indicating Kellwood's support of Mr. Levy's position and expressing our support of the AAMA in defending this position.

As Mr. Levy suggests, a "joint employer" designation of apparel manufacturers as suggested by UNITE, would very likely have the effect of causing manufacturers to discontinue their contractor monitoring activities. Such a designation would also have the likely effect of causing many "long form" signatories to terminate the agreement, which they have the right to do

Honorable Alexis M. Herman  
June 5, 1997  
Page 2

pursuant to the terms of the written contract. As Mr. Levy also correctly indicates, the Department of Labor's ACPA clearly provides:

"Nothing done or to be done by the FIRM pursuant to the express terms of this ACPA will be interpreted by the DOL as constituting a violation of the Act by the FIRM during the term of this ACPA nor as sufficient, in and of themselves, to make the FIRM an employer or joint employer of any employee of any Contractor for purposes of the Act . . ."

As the Department of Labor's own garment sweeps have shown, the monitoring of apparel contractors is working as the number of contractor violations continues to decrease. If monitoring creates additional liability for manufacturers, as a result of being deemed a "joint employer" it is our view that you will see a dramatic reduction in monitoring and a related unfortunate increase in the number of failing contractors. This is, of course, directly contrary to the Administration's goal of increased compliance.

Not only is UNITE asking the DOL to breach its clear obligations under the ACPA, but such a drastic change in the settled law should mandate legislative action and the possibility of court review.

Thank you for your time and consideration of this matter. Kellwood will continue to work directly with the Department of Labor in this area as well as through the AAMA, and I look forward to hearing from you if you have any questions or comments or would like to discuss this matter further.

Sincerely,



Hal J. Upbin

cc: Gene Sperling, Assistant to the President for Economic Policy,  
The White House National Economic Council  
Maria Escheveste, Assistant to the President and  
Director, The White House of Public Liaison  
J. Davitt McAteer, Solicitor, USDOL  
Suzanne Seiden, USDOL Acting Administrator Wage and Hour Division  
Bruce Cranford, USDOL Regional Garment Coordinator, Texas  
Bruce Sullivan, USDOL Regional Garment Coordinator, New York  
Rolene Otero, USDOL Regional Garment Coordinator, California  
Gerald M. Hall, USDOL District Director Wage and Hour Division, Los Angeles  
Stan Levy, Esq. for the Members of the California Fashion Association

# Sweatshop Raids Cast Doubt on Ability of Garment Makers to Police Factories

By STEVEN GREENHOUSE

For several years, Federal officials have pointed proudly to an anti-sweatshop program that relies on apparel companies to police factories as a model of government-industry cooperation and as a way to reassure consumers that the clothes they buy are not made by exploited workers.

But over the last few days, several raids by California officials have dealt that program a serious setback by uncovering immigrants doing illegal piecework at home for several companies that are covered by the Federal initiative. In one of the largest crackdowns over the past year, California's labor inspectors found sewing machines and bags of garments at five homes in the Los Angeles area, where the residents engaged in the long-banned practice of doing homework for apparel companies.

These raids, along with government reports and interviews with workers, point to serious problems in the fast-growing voluntary program in which Federal officials have tried to compensate for a shortage of government inspectors by pushing large apparel companies to monitor the factories with which they have contracts.

Union officials and many garment workers assert that self-monitoring is not working, insisting that many private monitors do shoddy inspections or ignore violations.

"It's the fox guarding the chicken coop," said Edna Bonacich, a sociology professor at the University of California at Riverside, who is writing a book on California's garment industry.

In the Los Angeles garment district, a gritty sprawl of warehouses and tucked-away factories, factory owners say the competition is so cutthroat that they often have to cut corners to survive. They say they have been whipsawed by rising costs, specifically California's new \$5-an-hour minimum wage, and by falling revenue, resulting from companies' paying rock-bottom prices and from competition from low-wage Mexican factories. They complain that they are paid \$4 to make a pair of jeans that might retail for \$50.

Before this week's raids, California's inspectors found out about the illegal homework through a tip from the apparel union, the Union of Needletrades, Industrial and Textile Employees, known as Unite. Some of the illegal homework was done for factories that make clothes for Guess Inc., the jeans maker, which Unite is pressuring to use unionized factories only. None of the homework was being done on Guess garments, state officials said.

Industrial homework was banned in the early 1940's when Federal officials concluded that it was too hard to regulate and that it led to widespread abuses of minimum wage, overtime and child-labor laws.

In 1992, Guess became the first apparel maker to sign a self-policing agreement with the Federal Government, pledging to monitor all the factories that make its garments. More than 100 large manufacturers have now signed such agreements.

Responding to the raids, Bill Barnes, a Guess spokesman, said the company was pleased that none of the homework was being done on Guess garments.

"The raid indicates that our monitoring program is effective," Mr. Barnes said.

But union officials said that if Guess's monitoring was truly effective, its contractors would not be doing illegal homework, for Guess or for anyone else.

Monitoring is one of the most pressing issues in the apparel industry today. A main issue facing the White House task force on sweatshops is just how independent monitors should be when they inspect apparel factories at home and abroad. Pointing to the experience in Los Angeles, the nation's largest garment manufacturing center, unions and human rights groups assert that monitors should be as independent as possible.

Many of the shortcomings of self-monitoring are evident in 1,500 pages of inspection reports, prepared by Guess monitors, that were obtained by lawyers representing garment workers who have sued Guess and its contractors, charging them with millions of dollars in wage violations. The reports, which Unite made available to The New York Times, make possible a case study of how well the self-monitoring initiative is working.

The reports trace Guess's monitoring since 1992, when it agreed to self-policing to help settle a Federal investigation that found large-scale wage and child-labor violations by Guess contractors.

Daniel Petrocelli, a lawyer for Guess, said, "This voluntary policing mechanism that Guess pioneered has become the model for the country."

Acknowledging that violations continue at some shops, Mr. Petrocelli added, "It is impossible to have a completely violation-free environment in this industry or any other."

The reports show that over a four-year period Guess monitors found repeated violations at three factories with the same owner: Pride Jeans, Price Jeans and Price Fashions. In May 1993, an inspector reported, "This shop needs to be watched very carefully because it has the tendency of cheating employees very easily."

The next month, an inspector found that many workers did not punch timecards or receive overtime when they worked more than eight hours. In March 1994, an inspector found 160 employees working, but just 113 clocked in. In June 1994, like the previous June, monitors found that the company did not pay overtime after eight hours of work. In February 1996, an inspector reported that "something is 'fishy'" with Pride's payroll methods.

Despite this monitoring, last November Federal inspectors found that Pride had failed to pay \$135,067.03 in overtime to 146 workers.

Steven Lai, Pride's president, did not return a telephone call seeking his response.

The story was similar at Jeans Plus, where Federal inspectors say they will soon announce that the company owes \$80,000 in back wages even though Guess inspectors gave it a clean bill of health last November.

In recent months, government inspectors have uncovered other violations not found by Guess's monitors, including \$45,000 in wages due at Line 8, \$16,121 at Indigo, \$12,480 at Total Denim and \$8,805 at Star Avenue. Because of these violations, Guess was placed on probation from the Trendsetter List, raising questions about whether the company will be allowed to remain on this Federal honor roll of apparel makers that are considered sweatshop-free.

Guess, which used to monitor the factories itself, says it has recently improved its monitoring by hiring an outside company, the Cal Safety Compliance Corporation.

Industry executives defend self-monitoring, saying it has uncovered a mountain of violations and enabled companies to pressure factory owners to come clean or risk having their contracts cut off. Federal officials also praise self-policing, noting that factories inspected by company monitors have a lower rate of wage and homework violations than those that are not monitored.

"I don't think anyone thinks there will be a 100 percent compliance for anything, but there's definitely a better chance to have compliance when shops are being monitored," said Suzanne Seiden, acting deputy administrator for enforcement of the Department of Labor's wage and hour division. "Monitoring clearly makes a difference."

One government study found overtime violations in 75 percent of California garment factories that are not monitored, but in only 39 percent of those that are monitored. Union officials say having 39 percent flout overtime laws is nothing to boast about.

Enriqueta Soto, a 37-year-old seamstress from Mexico, said monitoring had not worked at her factory. She told of being paid \$120.41 for a 40-hour week, coming to an illegally low \$3 an hour. Her boss, she said, orders workers not to punch their timecards — he punches the cards instead in a scheme to underpay workers. One week she was paid for 16 hours of work, she said, even though she worked 41.

"Sometimes the boss comes up and says, 'Don't tell the Guess inspectors that I punched in the timecards for you,'" she said.

At another factory that was monitored, Celia Calderon said the boss often went home to nap on Sunday afternoons, leaving the seamstresses locked in the factory. Alejandro Guzman told of being forced to work for five hours every Saturday without pay, and Juan Campos said he usually worked from 7:30 A.M. to 5 P.M., but his boss punched out his timecard 90 minutes before he left.

Connie R. Meza, the first director of Guess's compliance program, questioned the company's commitment to fight violations, saying Guess forced her to quit in 1993 because it considered her too stringent with contractors — a charge company officials deny.

"I didn't think they were that committed to really making effective changes," she said. "I think they were window dressing." As compliance director, Ms. Meza severed Guess's relationship with 40 small factories that she found had violated the law. But she said Guess executives chastised her and told her to stop making surprise inspections when she cracked down on large

factories that the production managers depended on, an allegation that the company denies. "The program was being compromised," she said.

Stan Levy, a former Guess general counsel who oversaw the compliance program, said, "There was no going easy on anybody." He said Guess cut off business with repeat willful offenders, while pressing large factories with violations to comply with the law. Guess, he acknowledged, hesitated to cut off big contractors for fear of throwing scores of employees out of work.

"Guess had a lot of sympathy for the workers," he said. "As a result, sometimes you give more than three strikes. Sometimes you'll give companies four strikes."

In an embarrassing episode last summer, state inspectors raided eight homes where workers were doing illegal work for a Guess contractor, Kelly Sportswear, resulting in \$87,750 in citations. Guess officials said Kelly workers had lied to Guess's inspectors about doing homework. Homework is probably the hardest violation to uncover, Guess officials said.

But Hillary Horn, the Unite official, said Guess's inspectors could not be very effective when the union easily learned about the homework. She argued that unionizing garment factories was the best way to prevent illegalities and to allow workers to report violations without fear.

Questioning that assertion, Guess's lawyers noted that last month state inspectors found wage, homework and child labor violations at one of California's few unionized garment factories.

Jose Millan, a former California official who oversaw a Federal-state task force on the garment industry, said self-policing should never supplant government inspections: "It's important that the government, Federal, state and local, make sure that those companies that say they're doing a great job monitoring are actually doing it."

The New York Times

FRIDAY, JULY 18, 1997

Apparel

# Builders Start New Homes At Faster Pace

## Sign of a Rebound In Housing Demand

By Bloomberg News

WASHINGTON, July 17 — Housing starts rose 4.8 percent in June, reversing a decline in the previous month and signaling that demand for homes could rebound as the economy enters the third quarter.

The Commerce Department said today that the annual rate of housing starts climbed to 1,452 million in June. Starts rose in the South, the Midwest and the West.

May's decline was revised to 6.6 percent from the previously reported 4.8 percent. In April, starts rose three-tenths of 1 percent; the initial report showed a decline in April.

Analysts said June's increase was probably the first of a series because milder weather, a rebound in demand and lean inventories would prompt builders to break new ground in the third quarter.

Permits for new housing construction fell 2.6 percent in June, to an annual pace of 1,395 million.

By region, starts rose seven-tenths of 1 percent in the Midwest, to a 294,000 rate; 11.2 percent in the South, to a 683,000 rate, and 1.1 percent in the West, to a 362,000 rate. They fell 6.6 percent in the Northeast, to a 113,000 rate.

Starts on single-family housing construction rose 2.6 percent, to a 1.11 million rate, while multifamily projects rose 12.9 percent, to a 342,000 rate.

Real estate markets have been bolstered by the highest levels of consumer confidence in the economy in decades, the lowest unemployment rate in a quarter-century and historic gains in the stock market. Home builders, like economists, are optimistic about the housing industry, a survey by the National Association of Home Builders showed.

Mortgage rates have declined steadily since mid-April. The average rate on a 30-year fixed mortgage fell to 7.69 percent in June from 7.93 percent in May.

"With the fall in mortgage rates over the last few weeks, the housing sector will modestly contribute to overall economic growth" in the third quarter, said Stan Shipley, an economist at Merrill Lynch & Company in New York. Mortgage refinancings should also rise, putting more money in consumers' pockets to spend, analysts said.

Separately, the Labor Department said that fewer American workers applied for state unemployment benefits last week, after a wave of claims in the prior week caused by auto plant closings.

First-time jobless claims decreased 28,000, to a seasonally adjusted 349,000, in the week ended Saturday. The four-week average for jobless claims, a less volatile gauge, rose to 345,750, from 348,500 the previous week. The last time the four-week average reached that level was in the week ended Jan. 18, when it stood at 349,500.

# Temper Cited as Cause of 28,000 Road Deaths a Year

By MATTHEW L. WALD

WASHINGTON, July 17 — Aggressive behavior like tailgating, weaving through busy lanes, honking or screaming at other drivers, exchanges of insults and even gunfire is a factor in nearly 28,000 highway deaths a year, and the problem is getting worse, the chief Federal highway safety official said today at a Congressional hearing.

The official, Ricardo Martinez, head of the National Highway Traffic Safety Administration, said the phenomenon resulted in part from a 35 percent increase in traffic since 1987, while construction of new roads was up only about 1 percent in that time and the resources dedicated to traffic enforcement were down.

Dr. Martinez added that he thought that the last 10 years had also seen an increase in a "me first" philosophy, and was a period in which society as a whole had grown less deferential.

Dr. Martinez, a former emergency room surgeon, said the best tool to calm drivers down was a police car in the rear view mirror.

Testifying before the surface transportation subcommittee of the House Transportation Committee, Dr. Martinez said that several factors were involved in every car crash but that rage was present in two-thirds of the 41,907 deaths last year, and in a third of the nonfatal crashes, which resulted in three million injuries.

"The more serious the crash, the more likely that aggressive driving was involved," he said.

Dr. Martinez's agency analyzes all fatal accidents each year for behavior including what he listed as constituting aggressive driving.

Representative Sue W. Kelly, a New York Republican who is a member of the subcommittee, said half of New York's traffic fatalities were caused in part by aggressive driving.

David K. Willis, president and chief executive of the A.A.A. Foundation for Traffic Safety, said his group had studied thousands of accidents from 1990 to 1996 and found a 7 percent annual growth rate in "violent aggressive driving."

Others testifying before the committee offered their own interpretations of the causes of aggressive driving. Representative Nick J. Rahall 2d, Democrat of West Virginia, attributed it to frustration.

In his district, Mr. Rahall said, "following a coal truck chugging along at 25 miles per hour up a winding mountain road for 20 minutes or so tries the patience of the most sane drivers and can cause rather aggressive reactions."

The solution, he said, was bigger roads, a position also endorsed by the committee chairman, Representative Bud Shuster of Pennsylvania, who said big roads had fewer accidents than small roads.

In two one-week periods this spring, police in the Washington area issued 28,958 summonses and warnings, including nearly 12,000 for speeding, 3,300 for failing to obey traffic signals, 2,000 for failing to wear a seat belt and 1,800 for failing to obey a traffic sign.

Some experts said today that police agencies should make more use of surveillance cameras that record the license plate numbers of cars running red lights or speeding. The cameras would be linked to computers that automatically issued tickets to the car owners.

"A lot of the gains we've made through seat belt use and better car design are giving way to aggressive behavior," Dr. Martinez said in comments after the hearing.

Dr. Arnold Nerenberg, a psychologist from Whittier, Calif., testified today that his survey of 585 drivers had found that 53 percent of drivers had "road rage disorder," which he described as one driver's clearly expressing anger to another at least twice a year. Dr. Nerenberg said most people having it were children of drivers who also had it.

It is curable, he said, but first, "road ragers" must acknowledge that they have a problem.

"People need to say to themselves, it's just not worth it," he said.

**Peter Liebhold**  
History of Technology  
Room 5009 MRC 629

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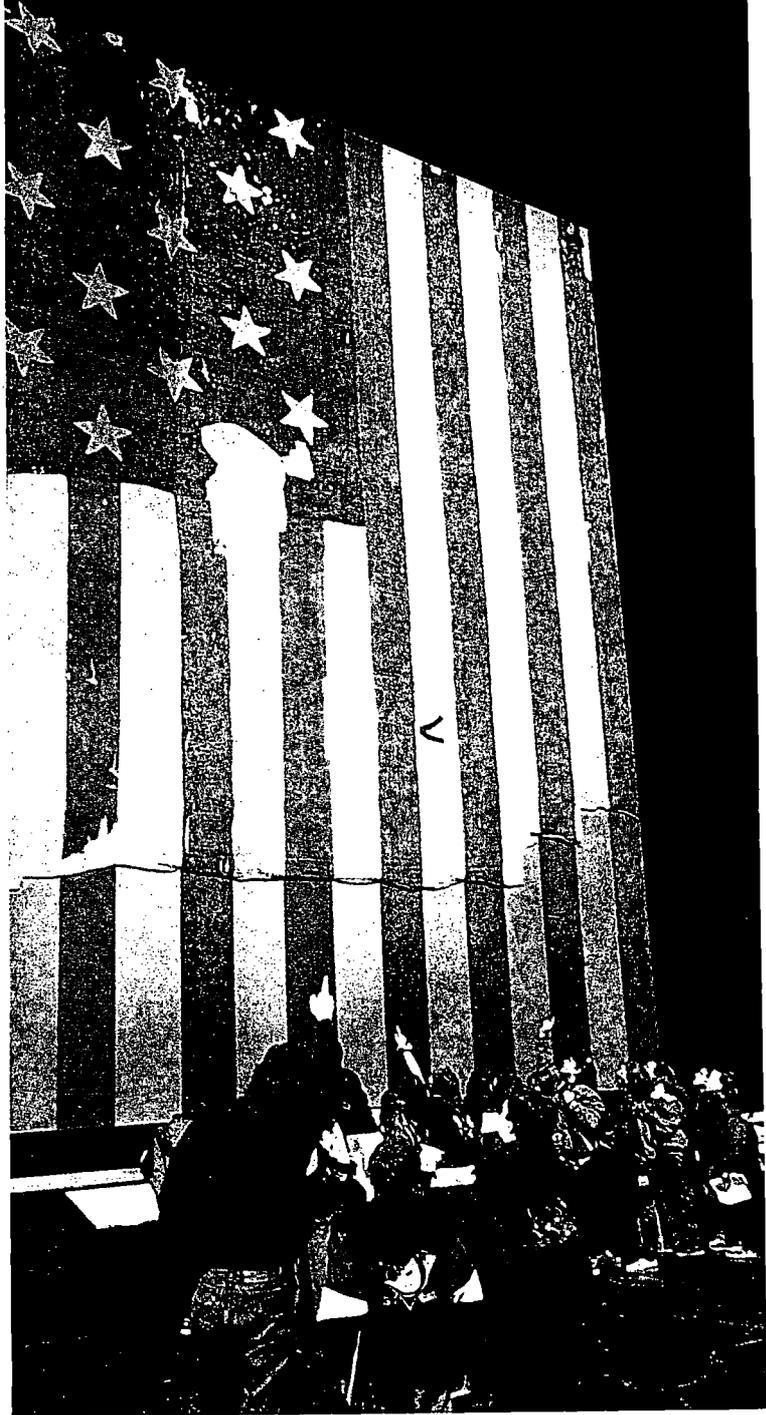
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Pamphlet  
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A Free Guide

# Smithsonian Institution





## NATIONAL MUSEUM *of* AMERICAN HISTORY

*...inspiring a broader understanding of our nation  
and its many peoples.*

Located on the Mall in Washington, DC the National Museum of American History is the third most visited museum in the world. Over 5.5 million people from across the country and around the world annually visit the over 275,000 square feet of exhibitions. Additionally, the Smithsonian Institution's award winning world wide web site receives 6 million hits monthly. Renown for its exhibitions on science, technology, and American life including Engines of Change, Information Age, and Field to Factory the National Museum of American History actively engages its audience with a wide variety of public programs and activities.

As the country's only national museum the Smithsonian Institution is responsible for the collection, care and preservation of the nation's heritage through objects, photographs, oral history, and archival records. The National Museum of American History's collection contains more than 2 million artifacts including such premier items as the Star Spangled Banner, the First Ladies gowns, the lunch counter from the Greensboro sit-in of 1960, and Lewis and Clark's compass. The National Museum of American History also houses a notable research library with the world's largest collection of trade literature.

The National Museum of American History's exhibitions, collections, educational programs, publications, and research support the museum's mission which: *dedicates its collections and scholarship to inspiring a broader understanding of our nation and its many peoples. We create learning opportunities, stimulate imaginations, and present challenging ideas about our country's past.*

*Between a Rock and a Hard Place*  
**Exhibition Outline**

**Introduction**

This section will be comprised of three components, the exhibition main text, a definition of sweatshops, and a label explaining why history museums present stories like this one and preserve these types of artifacts.

**Section I - History of Sweatshops**

This section of the exhibition will place sweatshops into an historical context. Divided into three major time periods it will explore themes of competition, immigration, subcontracting, entrepreneurship, political reform and government regulation in the garment industry. It will consider the people who worked in and owned sweatshops, the types of industries that used this form of production, and the reform movements that grew in response.

The first period, 1820 - 1870, will cover the origins of sweatshops through the development of the ready-to-wear industry, the introduction of new technology, the creation of a contracting system of production utilizing a division of labor, and the impact of urbanization. The next period, 1880-1940, will detail the maturing of the industry, changes in retailing and consumption patterns, the effect of new waves of immigrants, as workers and as owners, and the development of reform and labor movements. The last period will cover 1950 to the present. It will examine international competition, technological innovation, new styles of retailing, and a changing workforce.

Section I will be illustrated through text, photographs, graphics, and artifacts including: sewing machines, clothing, immigration memorabilia, reform movement leaflets and posters, labor union broadsides, ribbons, and other objects.

**Section II - El Monte case study**

This section will combine a recreation of an El Monte sewing room, with a video tape presentation. The room recreation will contain artifacts collected from El Monte including: two sewing machine workstations, bundles of cut fabric, partially completed garments, finished garments, company labels, and the razor wire that surrounded the compound. The project will produce a video narrated by former Secretary of Labor Robert B. Reich that will include the story of the El Monte sweatshop told through the voices of the workers, the owners (if available), and the law enforcement agents who worked this case. Included in this section of the exhibition will also be material discussing how subcontracting shops, like the El Monte operation, fit into the structure of the apparel industry.

### **Section III - National reactions to contemporary sweatshops**

In this section our goal is to provide an opportunity for national leaders to voice their opinion on the significance of the current proliferation of sweatshops. We are asking these individuals to prepare a short statement and provide exhibitable material such as codes of conduct, posters, advertisements, etc. Presently, Larry Martin, president of The American Apparel Manufacturers Association; Jay Mazur president of UNITE; Julie Su, Asian Pacific American Legal Center, Maria Echaveste, former Administrator Wage and Hour Division, US Department of Labor, currently Assitant to the President and Director Office of Public Liasion, and Kathie Lee Gifford have agreed to participate. We are currently seeking a representative from retailing to complete the list of participants.

*Tracy Mullin ??*

### **Section IV - Non Sweatshop Production**

The goal of this section is to remind visitors that the vast majority of garments available in stores today are not produced in sweatshops. This section of the exhibition will show how affordable garments are being made in the US and abroad in non sweatshop conditions. The topic will be presented in a video (if budget allows) or through photographs of current facilities.

*??*

### **Background Information**

#### **What is a Sweatshop?**

Concern over unsafe working conditions and the rights of workers began at the dawn of the industrial revolution. Some of the most egregious of these conditions occurred in what became known as sweatshops. There is no clear single definition of what is a sweatshop. For most, however, the term sweatshop suggests a small shop that operates long hours, frequently in unhealthy environments, pays far below acceptable wages, and is abusive to its workers. Typically these were small subcontractors employing large numbers of women, children, and recent immigrants to American cities. In the 19th century the types of items commonly associated with these shops included clothing, shoes, cigars, jewelry, and paper flowers.

While sweatshop conditions exist in many industries today, one of the most publicized areas of concern is in the manufacturing of clothing. Small subcontracting firms give the apparel industry great flexibility to meet seasonal demand, but the competition between the shops is fierce. The feast or famine style of production, endemic in the garment industry, has recently been exacerbated by the new trends of faster style changes and retailers reducing the size on their inventories. It is in these small shops that abuses are sometimes found. As in the sweatshops of the 19th century these operations require their employees to work long hours for sub-normal wages in unsafe conditions, often in violation of a host of safety and wage laws.

### **The El Monte Sweatshop**

On August 2, 1995 police officers in a coordinated multi-agency raid burst into the fenced compound of seven townhouses in El Monte, California. They arrested the operators of a clandestine garment sweatshop and freed 71 illegal immigrants who were being held in debt peonage and forced to sew. The workforce at El Monte, recruited in Thailand, were predominately women who came from impoverished backgrounds and had little education. The workers were tricked into accepting employment by recruiters who induced prospective workers to take on debt to cover the cost of illegal papers and transportation to the United States. Subsequently the debt was used as a lever, along with physical intimidation and a guard force to keep the workers from escaping.

The workers regularly put in 18-hour days, with their meager earnings going to pay off the debts incurred for their emigration to the United States. The workers were not allowed to leave the compound and had to "buy" their food and personal supplies from the company store located in the garage of one of the apartments. Using standard industrial sewing machines the workers assembled a variety of garments.

The El Monte sweatshop was part of a family-run business known variously as SK Fashion, S&P Fashion, Pat Fashion, Alex, and D&R Fashion. This business started off as a legal subcontracting shop and over time violated more and more laws. The sweatshop was run by Suni Manasurangkul, a Sino-Thai woman known to her workers as Auntie. A small legitimate manufacturing operation in the Los Angeles garment district, employing 29 Latino workers, fronted for the El Monte sweatshop. This small shop's workforce provided the theoretical source for the production of garments when representatives of the manufacturers (who contracted with SK Fashion) came to inspect merchandise or facilities.

The operators of the El Monte shop, nine Thai nationals, were convicted in Federal court in 1996 and are now serving prison sentences. Arrest warrants for two additional suspects, believed to be in hiding in Thailand, are still outstanding. The workers have been allowed to file for US citizenship. Most of the workers continue to live in Los Angeles and are employed in legal garment shops.

## *Between a Rock and a Hard Place*

### Exhibition Team

#### Exhibition Curators

**Peter Liebhold:** Manufacturing Collections, Division of the History of Technology, National Museum of American History, Smithsonian Institution.

Has curatorial responsibilities for the manufacturing, management, iron and steel, mining, and petroleum collections of the National Museum of American History. He has conducted corporate histories of New United Motor Manufacturing, Gerber Scientific, Inc., and Washington Steel. He has published articles on business practice, invention, management, and industrial photography. He has curated several exhibitions including *Who's in Charge: Workers and Managers in the United States*, *The Paper Shuffle*, and *Images of Steel: 1860-1994*.

**Harry R. Rubenstein:** Political History Collections, Division of Social History, National Museum of American History, Smithsonian Institution.

Has curatorial responsibilities for the political history, reform movements, and labor history collections of the National Museum. He has published various articles on political campaign and labor history. He has curated numerous exhibitions at the museum including: *Badges of Pride: Symbols and Images of American Labor*; *Who's in Charge: Workers and Managers in the United States*; *Produce for Victory: Posters on the American Home Front, 1941 -1945*, and *We the People: Winning the Vote.*"

#### NMAH Advisors:

**Lonnie Bunch**, Associate Director, Curatorial Affairs

**Harold Closter**, Associate Director, Public Services

**Hal Aber**, Director of Design, Program Planning and Design

**Claudia Kidwell**, Curator, Costume Collections, Division of Social History

**Tensia Alvírez**, Director of Public Affairs

#### Outside Consultants:

**Eileen Boris:** Professor of History at Howard University. Author of *Home to Work: Motherhood and the Politics of Industrial Homework in the United States*, Cambridge University Press, 1994, and co-editor of *Major Problems in the History of American Workers*, D.C. Heath and Company, 1991.

**Alice Kessler-Harris:** Professor of History at Rutgers University. Author of *A Woman's Wage: Historical Meanings and Social Consequence*, The University Press of Kentucky, 1990, and *Out to Work: A History of Wage Earning Women in the United States*, Oxford University Press, 1982.

**Robert B Reich:** Former Secretary of Labor and Professor at Heller School of Business, Brandeis University.

*Between a Rock and a Hard Place*  
**Exhibition Budget**

This exhibition will be 2,000 square feet in size. The NMAH installation of this exhibition will be augmented with additional artifacts from the Smithsonian's collection. The targeted opening date for the exhibition is April 1998 at the National Museum of American History. The exhibition will subsequently travel to four to six other venues.

Exhibition development	5,000
Catalog	
Design	4,000
Printing	36,000
Exhibition Design	35,000
Exhibition Production	
Material and construction	90,000
NMAH installation	15,000
Video	50,000
Rental of video equipment	1,500
Traveling Exhibition Expenses	
NMAH oversight	5,000
Management	25,000
Crates	5,000
Programming	
NMAH programming	5,000
Programming packet for host sites	1,000
Fundraising Overhead	7,500
<b>Total</b>	<b>\$285,000</b>





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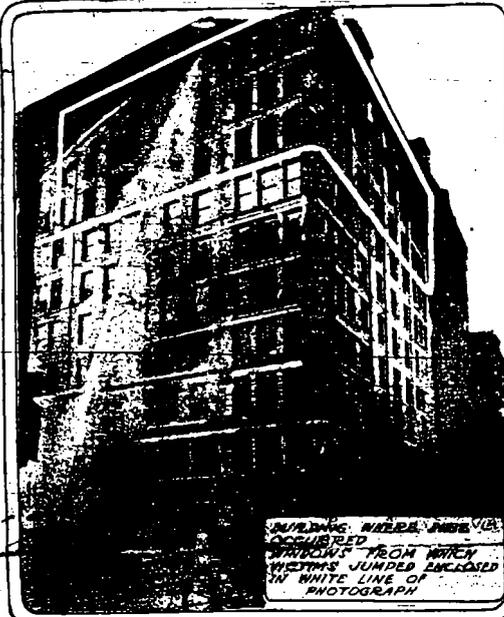
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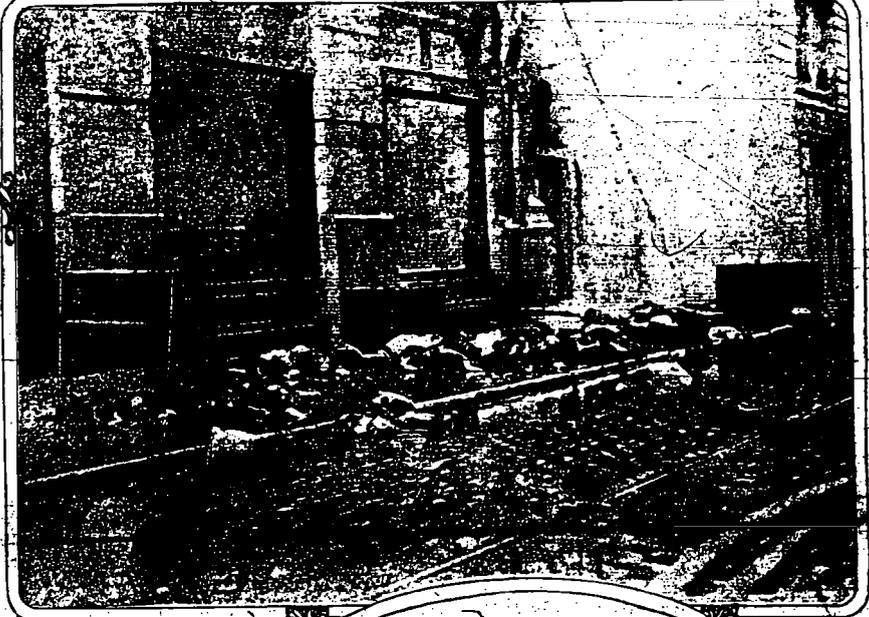
NEW YORK, SUNDAY, MARCH 26, 1911.

92 PAGES. PRICE FIVE CENTS.

# 154 KILLED IN SKYSCRAPER FACTORY FIRE; SCORES BURN, OTHERS LEAP TO DEATH.



BUILDING MILLER, FIRE, ACCIDENT  
 WINDOWS FROM WHICH  
 VICTIMS JUMPED ENCLOSED  
 IN WHITE LINE OF  
 PHOTOGRAPH



GREEN STREET  
 STREET  
 WITH  
 BODIES

## 700 WORKERS, MOSTLY GIRLS, TRAPPED; BODIES OF DEAD HEAP THE STREETS; ONLY ONE FIRE ESCAPE FOR ALL.

Employees Caught on Eighth, Ninth and Tenth Floors—The Blaze Spreads with Great Rapidity—Victims Jump from Window Ledges with Clothing Aflame and Pile Up Below, Dead and Dying—Life Nets Either Torn from Grasp of Rescuers or Burst by Force of Numbers—Criminal Negligence May Be Charged for Locked Fireproof Doors Leading to Stairs—Blaze Is in Triangle Waist Co. Rooms, Washington Place and Greene St.

At 4:35 o'clock yesterday afternoon fire springing from a source that may never be positively identified was discovered in the rear of the eighth floor of the ten-story building at the northwest corner of Washington place and Greene street, the first of three floors occupied as a factory of the Triangle Waist Company.

At 11:30 o'clock Chief Croker made this statement: "Every body has been removed. The number taken out, which includes those who jumped from the windows, is 141. The number of those that have died so far in the hospitals is seven, which makes the total number of deaths at this time 148."

At 2 o'clock this morning Chief Croker estimated the total dead as one hundred and fifty-four. He said further: "I expected something of this kind to happen in these so-called fire-proof buildings, which are without adequate protection as far as fire-escapes are concerned. More than a third of those who lost their lives did so in jumping from windows. The firemen who answered the first of the four alarms turned in found 20 bodies on the pavements of Washington place and Greene street. Almost all of these were girls, as were the great majority of them all."

A single fire escape, a single stairway, one working passenger elevator and one working freight elevator offered the only means of escape from the building. A loft building under the specifications of the law, no other ways of escape were required, and to this fact, which also permitted the use of the building as a factory,

the dreadful toll may be traced. Two other elevators were there, but were not in operation.

The property damage resulting from the fire did not exceed \$100,000.

To accommodate the unprecedented number of bodies, the Charities pier at the foot of East Twenty-sixth street was opened for the first time since the Sicilian disaster, with which this will rank, for no fire in a building in New York ever claimed so many lives before.

Inspection by Acting Superintendent of Buildings Ludwig will be made the basis for charges of criminal negligence on the ground that the fire-proof doors leading to one of the enclosed tower stairways were locked.

The list of dead and injured will be found on page 4.

**Streets Littered with Bodies of Men and Women.**  
 It was the most appalling horror since the Blackhawk and the Iroquois Theatre fire in Chicago. Every available ambulance in Manhattan was sent upon to carry the dead to the Morgue—bodies carried in unmarked (pliable Mackintosh or covered in a tick) burials was to be seen by blocks down or those proceeding through flames and clothing. Men and women, boys and girls were of the dead that littered the street; that is actually the condition the streets were littered.

The fire broke in the eighth story. The flames licked and about their way to engulf the other two stories. All three floors were occupied by the Triangle Waist Company. The number of the employees at work, a man named Chief Croker at about 1:00. The presence of the fire was not known until five minutes after the fire.



REMOVING  
 VICTIMS FOR  
 IDENTIFICATION

first flame that permeated the street knew that three three top stories had turned into red furnaces in which human creatures were being caught and incinerated who were screaming men and women and boys and girls crowded out on the many window ledges and threw themselves into the streets far below.

They jumped with their clothing ablaze. The hair of some of the girls streamed up of flame as they leaped. Thus after that sounded on the pavement. It is the ghastly fact that on both the Greene street and the Washington place sides of the building there grew mounds of the dead and dying.

And the worst horror of all was that in this heap of the dead and dying there were still a faint sound of a siren.

**Skeletons Reeling Over the Machines.**  
 Within the three burning floors it was as if a tidal wave of fire had rolled many so that they died instantly. When the third floor burst and made his way into these three floors he found signs of a siren's approach—that sent him, a man used to visiting horrors, back and down into the street with quivering lips.

knit away bodies burned in bare bones. There were skeletons trailing over the awning machines.

**Heroic Elevator Boys Saved Hundreds.**  
 The elevator boys saved hundreds. They each made twenty trips from the top of the alarm until twenty minutes later when they could do no more. Fire was streaming into the shaft, flames biting at the cables. They did for their own lives.

Some about twenty bodies a spontaneous stream of escape. They clambered up a ladder to the roof. A few remembered the fire escape. Many who were trapped in the heart of the burning fire.

Those who got the roof-top life. Young men of the University of New York Commercial and Law school, studious young fellows who had gotten to attend their Saturday afternoon in study, answered the yells for help from the smoking roof by thrusting ladders from the upper



Weed Sewing Machine Co. Advertisement





## NATIONAL MUSEUM *of* AMERICAN HISTORY

*...inspiring a broader understanding of our nation  
and its many peoples.*

### **Between a Rock and a Hard Place: A Dialogue on American Sweatshops, 1820-Present**

#### **Exhibition Theme and Goals**

*Between a Rock and a Hard Place: A Dialog on American Sweatshops, 1820 - Present* examines the history of sweatshop production in the United States. This topic will be introduced primarily through an examination of the apparel industry. The sweatshop exhibition will be an historical presentation on a portion of American work life that is seldom explored in museums. Following the El Monte sweatshop raid in 1995 considerable public attention has been focused on sweatshop production in America. While the issue has obtained media attention, rarely has historical material been presented to help explain the complexity of the issues or the concerns and pressures of those in the garment industry.

The exhibition will be strong in historical scholarship, but equally, it will be sensitive to participants voice. By presenting a rich and compelling display of objects and graphics, with a strong design and video, the exhibition will achieve two principal goals. First, to help visitors understand the historical context of an issue that is being discussed on a regular basis in the news media. Second, to bring a range of perspectives on the subject before the public that include those of manufacturers, retailers, contractors, workers, unions, government agencies, and community leaders.

#### **Intended Audience**

The National Museum of American History is located on the Mall in Washington, D. C. The mission of the museum is to inspire a broader understanding of the United States and its many people through exhibitions, research, publications and educational programs. The museum averages 5.5 million visitors annually. Additionally, the Smithsonian Institution's World Wide Web site receives 6 million hits monthly.

*Between a Rock and a Hard Place: A Dialog on American Sweatshops, 1820 - Present* will be directed toward the museum's general audience of adults, school groups and families. Our goal is to present material that will be relevant to all visitors who can identify with the subject of sweatshops in

America as consumers, workers, managers, and citizens. The exhibition will be of special interest to those involved in the garment industry; individuals and groups that are concerned with immigrant history and labor-management relations; and those actively engaged in public policy issues regarding industry and work.

To reach beyond the Washington, D.C. area we intend to travel the exhibition to four to six other locations, including Los Angeles, San Francisco Bay area, and New York. Several other cities have been suggested and we will decide on the other sites with our sponsors input. We expect that the exhibition will attract considerable national news coverage. This will extend the impact of the exhibition to people who cannot attend the exhibition or its public programs. There will be a catalog and possibly World Wide Web pages on the Smithsonian Institution's web site.

While the exhibition will be aimed at the widest possible audiences, public programming will be created for targeted audiences. Each museum that hosts the exhibition will have an opportunity to focus on their own constituencies. Programming will be created for school groups, adults, and for individuals involved in industry and government. Programming could include films, performances, lectures, and panel discussions.

### **Methodology**

In planning sessions with outside advisors it became obvious that to provide balance the exhibition needed to incorporate many different voices and views. We are proposing an experimental approach that combines historical overview with current statements from participants and national leaders.

The occurrence of sweatshops is a complex issue that all too often has been simplified into stories of good against evil, and oppressors versus victims. We wish to go beyond this deficiency by displaying a complex array of trends in the industry and the larger society that encouraged sweatshops to exist in certain sectors of the garment industry. Some of the trends we will be looking at are the development of the ready-to-wear industry, changing clothing manufacturing technology, just-in-time production, and different forms of retailing. We will also include an examination of the impact of immigration, political and social reform, government actions, and union and consumer movements.

In the exhibition's third section we are inviting individuals representing different interests and perspectives to share their views. This will be a balanced discussion that demonstrates the range of opinions, clarify some misunderstandings, and suggest some steps that might be taken. There will also be an opportunity for visitors to join in the discussion by writing their comments in notebooks that will be kept in the exhibition gallery for others to read.

set up a Child Labor file

**Fax Cover Sheet**



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

**From Suzanne Seiden  
Phone: 202/219-8305  
Fax: 202/219-4753  
email address: sbs@fenix2.dol-esa.gov**

**Today's date:** 12/16/97

**To:** Maria Echaveste

**Fax #:** 456-2983

**Number of pages including cover sheet:** 6



**Notes:** Re: CL AP story from monday

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12/09/1997 17:28 EST

SEARCH

## Toughest Child Labor Laws are Not Enforced

By MARTHA MENDOZA  
AP National Writer

WASHINGTON (AP) -- Farmers and factory owners who illegally hire underage children generally get away with it.

The U.S. Department of Labor, charged with enforcing the nation's child labor laws:

- Fails to find the most vulnerable victims of child labor.
- Maintains a secret fine schedule that undercuts the \$10,000-per-violation child-labor penalty imposed by Congress.



Alone in the field  
(AP/Amy Sancetta) [22K]

• Fails to bring criminal cases against repeat offenders.

• Does not seize goods that are the product of illegal child labor, as provided by law.

**Setting Fines**  
GRAPHIC: Child labor penalties  
(56k)

These are among the findings of a five-month Associated Press investigation of child labor in America.

U.S. Labor Secretary Alexis Herman did not dispute them. "It's not acceptable for employers to think they can skirt the law, that the Department of Labor is not serious about enforcing the law," she said. "And I am on a path of making sure that we are more aggressive on that front."

Last year, at least 290,200 minors worked illegally in the United States, according to an AP analysis that used the government's own statistics. Labor Department investigators found 6,735 child labor violations at 1,546 establishments.



Harvesting raisin grapes  
(AP/Susan Sterner) [14K]

One-fourth of those establishments were fast-food restaurants, department records show. The typical violation the department uncovers is a high school student working later than the law allows on school nights.

The children the department does not find are the most vulnerable ones -- the very young, the illegal immigrants, the impoverished children who work not just to get extra spending money but to help feed their families.

The AP found many such children working illegally in dozens of fields and factories from coast to coast. Yet Labor Department officials around the country say those children are nearly impossible to find.

"I don't believe we have ever found it," said Jorge Rivero, Labor Department district director in Miami. "If it exists, we don't know about it."

Less than an hour away, however, near Homestead, Fla., the AP found eight underage children

12/16/97

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harvesting beans on several farms on a single day in November.

The Labor Department can overlook children working illegally even when someone else has found them and put it in writing.

In Brewster, Wash., more than 100 workers at a cherry- and apple-packing plant suffered carbon monoxide poisoning in July. Hospital records, which appear in the state's investigative files on the incident, show that seven of the victims were under 16.

The plant's president, in an interview, freely acknowledged these children had worked illegally at the plant and that he had fired them after the incident.

Yet federal investigators in Seattle said they knew nothing about the matter.

Maria Echaveste, an assistant to President Clinton, said it's easy -- and unfair -- to say the government doesn't care about children who work.

Ms. Echaveste, who picked strawberries as a child in California and who, until February, headed the Labor Department division responsible for enforcing child labor laws, said enforcement has historically been a low priority. She said tight budgets and bureaucratic inertia make reversing priorities difficult.



Labor raid at garment factory  
(Ap/Kathy Willens) [27K]



Back-breaking work  
(AP/LM Otero) [40K]

Former Labor Secretary Robert B. Reich agreed. "Remember there are only 800 federal inspectors" for millions of workplaces, he said in an interview. "If we had more resources, they could do far more."

This year, the number of inspectors was increased to 942.

The last major federal campaign against child labor came in 1990, when Labor Secretary Elizabeth Dole led Operation Child Watch. It found 28,000 minors working in violation of federal labor laws and assessed more than \$6 million in fines. Only about one-fourth of that was ever collected.

However, there is no evidence the campaign changed anything in the long run. And no administration, including Clinton's, has done anything like it since.

Soon, Ms. Herman said, the government will try again. Operation Salad Bowl, she announced, will be launched next spring in cooperation with the Department of Agriculture. The initiative, she said, will involve 50 farm inspections, concentrating on lettuce, tomato, garlic, onion and cucumber fields around the country.

Ms. Herman said she and Secretary of Agriculture Dan Glickman "have now made a commitment to go out into the fields in the first quarter of 1998 to engage this issue head on and hopefully try to deal firsthand with some of the things you have uncovered here."

If Ms. Echaveste's experience is a guide, Ms. Herman will have some obstacles to overcome. Ms. Echaveste said she met with resistance when she tried to get investigators into the fields to look for kids.

"Where would you rather be?" she asked a reporter. "In a nice air-conditioned office and interview some accountant and look at their records, or would you rather go out in a field at five in the morning to see who's working?"

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"I've never seen anyone working on any farm anywhere who is under the age of 18," said Brian Little, director of governmental relations at the American Farm Bureau Federation, a large lobbying group.

"See?" Ms. Echaveste said when told of the remark. "They actually say that!"

Even when the Labor Department does find violations, it usually doesn't do much about it.

According to the law, employers who hire children illegally are at the very least supposed to be fined. In 1990, Congress decided the fines weren't high enough and raised the maximum penalty from \$1,000 per violation to \$10,000.

Congress directed the department to use discretion in setting fines -- to consider the size of the business and the employer's familiarity with the law.

The practical result: The average fine assessed by the department increased from \$212 in 1990 to \$887 last year -- nowhere near the maximum set by law.

A "Child Labor Civil Money Penalty Report," which the department tried to withhold but the AP obtained, may explain why.

The secret report is used by compliance officers to set fines -- fines almost always discounted significantly from the recommended maximum set by Congress.

Among the reduced fines:

- \$275 for poor record-keeping.
- \$400 for a farmer who employs a 14- or 15-year-old during school hours.
- \$500 for the same violation at other businesses.
- Fines are reduced 30 percent for businesses with 20 or fewer employees.

The maximum fine, \$10,000, is used only when a child working illegally is seriously injured or killed. Other fines are far lower, despite directions from Congress to use the maximum fine as a deterrent.

The schedule is the work of mid-level Labor Department administrators. Top administrators professed to know little about what it said.

"That couldn't be right," Corlis Sellers, a program administrator, said when told the sheet gives farmers a \$100 break over other employers.

Then she took a closer look.

"There's a \$100 difference," she said quietly. Asked why, she seemed puzzled. "I don't know, off the top of my head."

Ms. Herman said she was unaware of the fine schedule until the AP inquired about it. She said she

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was concerned both by the difference between industry and agriculture and by the low amounts of the fines it recommends.

"Just on the face of it, after consultation with our legal team, it looked inappropriate and it was not clear to me there was justification," she said. "I intend to act on it."

In addition to civil fines, the law allows repeat offenders of child labor laws to be charged with criminal misdemeanors. Penalties include up to six months' imprisonment for a second conviction.

But no one has gone to jail for federal child labor violations in seven years. Generally, it happens about once a decade.

One reason: The Labor Department doesn't seem to know which law breakers are repeat offenders.

Labor Department spokeswoman Rae Glass said investigators are supposed to check department computer files to see if an employer has been in trouble before.

However, many district offices don't have access to the computer files. And even if they did, the files often wouldn't tell them much.

Names of violators are often misspelled or entered in slightly different ways. For example, McDonald's shows up as McDonald's, McDonalds, Mc Donalds, MacDonald's, McDonald's Restaurant and more. As a result, a multiple violator can appear to be a string of single violators. A McDonald's spokeswoman said the corporation abides by federal and state child labor laws and requires franchisees to do the same.

When the AP searched the database using variations in spacing, punctuation and spelling, it found 129 different recurring violators for last year alone.

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Perhaps the toughest enforcement tool available to the Labor Department is the "hot goods" provision. This 60-year-old clause allows authorities to seize products that are made with illegal child labor.

Under this law, the taint of such labor stays with a dress from the moment a child trims its threads in a New York City sweatshop until it enters a department store. The taint stays on a cucumber from the moment a child picks it in Ohio to the day it sits in a jar of pickles inside a supermarket warehouse.

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