

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	re Loy's meetings (5 pages)	02/03/1999	P1/b(1)

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([sweatshop ...])  
OA/Box Number: 530000

### FOLDER TITLE:

[01/12/1999 - 03/01/1999]

2018-1072-F

kc2362

### RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHBEA0038 0121548-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 121548Z JAN 99  
**LINE4:** FM AMEMBASSY BELIZE  
**OSRI:** RUEHBE  
**DTG:** 121548Z JAN 99  
**ORIG:** AMEMBASSY BELIZE  
**TO:** RUEHC/SECSTATE WASHDC 0092  
**INFO:** RUEHC/DEPT OF LABOR WASHDC  
RUEHZA/ALCA COLLECTIVE  
RUEHBS/USEU BRUSSELS  
RUEHGV/USMISSION GENEVA  
RUEHLO/AMEMBASSY LONDON 0012  
RUEHME/AMEMBASSY MEXICO 0025  
RUEHQT/AMEMBASSY QUITO 0001  
RUEHBH/AMEMBASSY NASSAU 0008  
RUEHPU/AMEMBASSY PORT AU PRINCE 0006  
RUEHSP/AMEMBASSY PORT OF SPAIN 0009  
RUEHWN/AMEMBASSY BRIDGETOWN 0009  
RUEHKG/AMEMBASSY KINGSTON 0011  
RUEHDG/AMEMBASSY SANTO DOMINGO 0009  
RUEHGE/AMEMBASSY GEORGETOWN 0008  
RUEHPO/AMEMBASSY PARAMARIBO 0006  
**SUBJ:** BUSINESS LEADERS DENOUNCE US SILENCE ON  
CONDITIONS IN NEIGHBORING BANANA FIELDS

**TEXT:**  
UNCLAS SECTION 01 OF 03 BELIZE 000038

DEPARTMENT PLEASE PASS TO USTR

E.O. 12958: N/A

TAGS: EAGR, ELAB, ECON, USTR, ILO, PHUM, SNAR, BH  
SUBJECT: BUSINESS LEADERS DENOUNCE US SILENCE ON  
CONDITIONS IN NEIGHBORING BANANA FIELDS

REFS: (A) 98 BELIZE 1302 AND PREVIOUS  
(B) 98 BELIZE 1351

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SUMMARY  
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1. THE FOUR-MEMBER EXECUTIVE COMMITTEE OF THE BELIZE BUSINESS BUREAU BERATED JANUARY 5 ONGOING USG EFFORTS TO FORCE THE EU TO AMEND ITS ACP BANANA PREFERENCE REGIME IN LINE WITH WTO REGULATIONS. BEYOND QUESTIONING WHY THE U.S., A NON-BANANA PRODUCER, IS SO INTENT ON CHANGING THE STATUS QUO, THE EXECUTIVES

PINNED BLAME ON US MULTINATIONAL CORPORATIONS (MNCS) FOR WIELDING INORDINATE INFLUENCE WITH THE CLINTON ADMINISTRATION IN AN ATTEMPT TO MONOPOLIZE THE WORLD MARKET FOR BANANAS. THEY ALSO CRITICIZED THE USG AND AMERICAN MASS MEDIA FOR IGNORING "SLAVE CONDITIONS" IN THE BANANA FIELDS OF NEIGHBORING CENTRAL AMERICAN COUNTRIES AND ECUADOR. THE NEED FOR A PROTECTED MARKET IN EUROPE WOULD NOT BE NECESSARY, THEY ARGUED, ONCE WORKING CONDITIONS AND WAGES IN THESE COUNTRIES ARE COMPARABLE TO THOSE IN BELIZE AND THE WINOWARD ISLANDS. END SUMMARY.

2. ARGUMENTS MADE BY DCM JUSTIFYING THE USG'S CAMPAIGN TO ENSURE THAT THE EU ABIDE BY WTO TRADE REGULATIONS ON BANANA IMPORTATION FELL ON DEAF EARS JANUARY 5 AT THE CENTRAL OFFICE OF THE BELIZE BUSINESS BUREAU (BBB - A PRIVATE NATIONAL BUSINESS ASSOCIATION WHICH REPRESENTS BELIZEAN PRODUCERS AND EXPORTERS). PRESIDENT ROSALIE STAINES, VP ISMAEL ARTURO MATUS, DIRECTOR LOUIS SYLVESTER, AND TREASURER FRED HUNTER (THE LATTER TWO LONGSTANDING MOVERS AND SHAKERS IN BELIZEAN POLITICS) PINNED THE BLAME FOR THE IMPASSE ON US MNCS, WHOSE LEADERSHIP, THEY CONTENTED, HAS INORDINATE INFLUENCE ON THE CLINTON ADMINISTRATION, WANTS MONOPOLISTIC CONTROL OF THE WORLD BANANA MARKET, AND KEEPS ITS OVERSEAS RURAL WORKFORCE IN CENTRAL AMERICA BARELY OVER THE SUBSISTENCE LEVEL. (NOTE: THEIR COMMENTS WERE MILDLY SURPRISING SINCE MANY OLDER GENERATION, EDUCATED BELIZEANS LIKE SYLVESTER AND HUNTER WERE PART OF THE POST-WAR ANTI-COLONIAL MOVEMENT AND INFLUENCED BY ARBENZ, CASTRO, CHE, AND ALLENDE.)

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SLAVING OVER BANANAS  
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3. THE BUSINESS EXECUTIVES ALSO CAST BLAME ON AMERICAN MASS MEDIA FOR FAILING TO EXPOSE THE QTE SLAVE WAGES UNQTE AND ROTTEN CONDITIONS BANANA WORKERS ENOURE IN CENTRAL AMERICA. THEY ARGUED AMERICAN CONSUMERS WOULD BE OUTRAGED IF THEY LEARNED THE TRUE STORY ABOUT HOW CHIQUITA AND DOLE MISTREAT THEIR WORKERS. INSTEAD OF BATTLING THE EU OVER THE PITTANCE OF BANANAS SUPPLIED BY ACP NATIONS, THE UNITED STATES SHOULD, THEY EXTOLLED SEEK TO ALLEVIATE POVERTY IN CENTRAL AMERICA BY PRESSURING THE MNCS TO TREAT PEOPLE RIGHT AND BRING WAGES UP TO BELIZEAN LEVELS, OR AT LEAST ONE DOLLAR AN HOUR WORLDWIDE. STAINES ARGUED REPEATEDLY THAT US MNCS ARE RUNNING QTE SWEATSHOP OPERATIONS UNQTE IN CENTRAL AMERICA. HUNTER WARNEO THAT THE WAY MNCS ARE CONDUCTING BUSINESS IN THE REGION IS A QTE RECIPE FOR UNREST IN MANY OF THESE COUNTRIES UNQTE. IN ADDITION TO THE U.S., THE ILO HAS BEEN ASLEEP AND HAS FAILED IN ITS DUTY TO HOLD THE FRUIT COMPANIES TO CORE LABOR STANDARDS. DRAWING FROM EMBASSY TEGUCIGALPA REPORTING ON WORKING CONDITIONS IN THE BANANA FIELDS, DCM POINTED OUT THAT BANANA JOBS

PAY TWICE THE HONDURAN MINIMUM WAGE AND ARE HIGHLY COVETEO. THESE JOBS ARE EVEN PASSED FROM FATHER TO SON. THE BBB PARTICIPANTS FOUND THIS LINE OF ARGUMENT UNCONVINCING.

UNCLAS SECTION 02 OF 03 BELIZE 000038

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E.O. 12958: N/A

TAGS: EAGR, ELAB, ECON, USTR, ILO, PHUM, SNAR, BH  
SUBJECT: BUSINESS LEADERS DENOUNCE US SILENCE ON  
CONDITIONS IN NEIGHBORING BANANA FIELDS

4. ALL FOUR

ARGUED BELIZEAN BANANAS WOULD BE MORE PRICE COMPETITIVE (AND THUS WOULD NOT NEED A GUARANTEEO QUOTA IN EUROPE) ONCE THE MNCS ARE COMPELLED TO ABIDE BY CORE LABOR STANDARDS AND SHAMED INTO RAISING HOURLY WAGES. STAINES COMPARED THE UNITED STATES' SEE-NO-EVIL APPROACH ON CENTRAL AMERICAN BANANA PRODUCTION WITH ITS VIGOROUS DENUNCIATION OF SLAVE SWEATSHOPS IN CHINA AND ELSEWHERE AND ITS WILLINGNESS TO BOYCOTT/PROHIBIT PRODUCTS MADE IN SUCH CONDITIONS. TO THE NODDING APPROVAL OF HER BUSINESS COLLEAGUES, SHE SAID THE U.S. SHOULD SPEAK OUT AND USE THE SAME MORAL YARDSTICK AGAINST THE U.S.-BASED BANANA CONGLOMERATES. HUNTER CONTENDED THAT PRODUCTION IS NOT DONE ON A QTE LEVEL PLAYING FIELD DUE TO UNFAIR LABOR PRACTICES UNQTE.

5. AFTER OUR HOSTS POSED THE QUESTION, QTE WHY SHOULD THE UNITED STATES CARE ABOUT BANANAS WHEN IT DOES NOT PRODUCE THEM UNQTE, STAINES AND HUNTER (A FORMER MINISTER OF AGRICULTURE AND ONE OF BELIZE'S WEALTHIEST RANCHERS AND CRUISE SHIP OPERATORS) GRUMBLED ABOUT CHIQUITA CEO CARL LINOER DICTATING USG POLICY. THEY CHARGED LINOER WANTS TO CREATE A WORLD MONOPOLY AND FIX PRICES. AMERICAN AND EUROPEAN CONSUMERS WILL PAY THE PRICE. HUNTER CONTENDED THAT THE PRICE OF BANANAS JUMPED CONSIDERABLY EVEN BEFORE ANALYSTS HAD SURVEYEO THE DAMAGE WROUGHT BY HURRICANE MITCH, IMPLYING THAT THE MNCS USED MITCH AS AN EXCUSE TO RAISE PRICES ON BANANAS ALREAOY EN ROUTE TO MARKET.

6. ASKED WHAT THEY PROPOSED, THEY RESPONDED THAT A GLOBAL MINIMUM WAGE SHOULD BE ESTABLISHED. SYLVESTER SAID THE U.S. SHOULD AGREE TO A SET PERCENTAGE FOR ACP BANANAS. A BANANA QUOTA SHOULD BE MAINTAINED. HUNTER RECOMMENDED AN INTERNATIONALLY AGREED MINIMUM PRICE FOR BANANAS SHOULD BE ESTABLISHED. WHEN ECONOFF SUGGESTED A BASE PRICE WOULD RUN COUNTER TO PRICE DRIVEN BY SUPPLY AND DEMAND, HUNTER ARGUED UNPERSUASIVELY THAT A TARGET PRICE IS THE ONLY WAY TO FORCE WAGES UP. HE CONTENDED THE POOL OF UNSKILLED, OESPERATE LABOR IN GUATEMALA, HONDURAS, ECUADOR, AND EL SALVADOR IS SO DEEP THERE IS NO INCENTIVE FOR THE MNCS TO RAISE HOURLY WAGES.

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BELIZE'S BANANA APPEAL  
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7. AS IT STANDS NOW, BELIZE OFFERS A BETTER WORKING CONDITIONS, A HIGHER STANDARD OF LIVING, AND THREE TIMES THE HOURLY PAY FOR FARM WORKERS. CONSEQUENTLY, MIGRANT WORKERS ARE EAGER TO GET EMPLOYMENT, LEGAL OR OTHERWISE, IN BELIZE. WHILE BELIZEAN BANANA GROWERS WELCOME CHEAP FOREIGN LABOR, THERE IS CONCERN AMONG ELITES THAT THE COUNTRY WILL NOT BE ABLE TO ABSORB MORE MIGRANTS. THEY SEE RISING INCOMES AND IMPROVED STANDARDS OF LIVING IN NEIGHBORING HONDURAS AND GUATEMALA AS THE ANTIDOTE. HUNTER AOMITTED IT IS IN BELIZE'S NATIONAL INTEREST TO STEM MIGRATION. (COMMENT: HOW BELIZE RESPONDS TO THE POSSIBLE INFLUX OF NEW FIELDHANDS PUT OUT OF WORK BY HURRICANE MITCH COULD DRAMATICALLY INCREASE BORDER TENSIONS AND INTERETHNIC RIVALRIES AMONG CREOLES ANO MESTIZOS. PER REF B, THE GOB HAS ALREADY INAUGURATED A GET-TOUGH IMMIGRATION POLICY INVOLVING MORE VIGOROUS ENFORCEMENT OF FINES AGAINST EMPLOYERS CAUGHT WITH UNDOCUMENTEO WORKERS. THERE APPEARS TO BE A MORE CONCERTED EFFORT AT DEPORTING ILLEGAL ALIENS AS WELL. SOME UNHCR OBSERVERS BELIEVE THE GOB IS SENDING A MESSAGE TO POTENTIAL MIGRANTS THAT THEY ARE NOT WANTED.)

8. SHOULD THE U.S. SUCCEED AGAINST THE EU, THE FOUR PREDICTED BELIZE'S BANANA INDUSTRY WOULD NOT SURVIVE. SYLVESTER AND STAINES WARNED THAT MARIJUANA, BELIZE'S QTE TOP DOLLAR PRODUCT IS RIGHT BEHIND UNQTE.

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UNCLAS SECTION 03 OF 03 BELIZE 000038

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COMMENT  
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9. WHAT SOUNDS LIKE MARXISM FROM OUR BUSINESS HOSTS MAY WLL HAVE BEEN LAST-GASP PROTECTIONISM. WE SUSPECT THAT THE BBB REALIZES THAT TIME IS RUNNING OUT FOR BELIZE'S HIGH-PRICE COMMERCE WITH EUROPE AND THAT FREE TRADE IS INEVITABLE, BUT BELIZEAN BUSINESS LEADERS JUST CANNOT DEAL WITH THE CONCEPT AFTER GENERATIONS OF PROTECTIONISM AT HOME AND ABROAD. SO, THEY TAKE THE EASY WAY OUT BY ARGUING THAT INSTEAD OF BELIZE  
CHA  
NGING HOW IT DOES BUSINESS - BECOMING MORE  
EFFICIENT AND CHEAPER - HAVE OTHERS MAKE THE CHANGES  
BY HIKING THEIR WAGES TO MARKET-DISTORTING LEVELS.  
THE BBB'S LEVEL OF DESPERATION MAY BE SEEN BY HUNTER'S  
LUDICROUS SUGGESTION (PARA 6) THAT A MINIMUM PRICE FOR

BANANAS, A LA OPEC, IS NEEDED. IN ANY EVENT, THE BBB CLEARLY APPRECIATED THE EMBASY'S WILLINGNESS TO BEAR ITS EXECUTIVE COMMITTEE OUT ON THE ISSUE. THE COROIALITY AND ATTENTIVENESS THAT MARKED THE MEETING EASED EVEN FURTHER INTO LAUGHS AND THE LATEST POLITICAL GOSSIP.

CURIEL

**SECT:** SECTION: 01 OF 03  
<^SECT>SECTION: 02 OF 03  
<^SECT>SECTION: 03 OF 03

**SSN:** 0038  
<^SSN>0038  
<^SSN>0038

**TOR:** 990112110336 M3641552  
<^TOR>990112110355 M3641555  
<^TOR>990112110417 M3641556

**DIST:** SIT: ARMSTRONG DOBBINS GALLUCCI HAMMONDS HOLTZAPPLE LEE MILLER ORFINI  
SIT: NSC

# Cable

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**PREC:** IMMEDIATE

**CLASS:** UNCLASSIFIED

**LINE1:** OAAUZYUW RUEHCAA8014 0150028-UUUU--RHEHNSC.

**LINE2:** ZNR UUUUU ZZH

**LINE3:** O 150024Z JAN 99

**LINE4:** FM SECSTATE WASHDC

**OSRI:** RUEHC

**DTG:** 150024Z JAN 99

**ORIG:** SECSTATE WASHDC

**TO:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE

RUEHIA/USIA WASHDC IMMEDIATE 7264

RHEHNSC/NSC WASHDC IMMEDIATE 1285

RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 6866

RUEHKOF/AMCONSUL FUKUOKA IMMEDIATE 8932

RUEHKON/AMCONSUL NAGOYA IMMEDIATE 2292

RUHBBMA/AMCONSUL NAHA IMMEDIATE 2634

RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 5839

**INFO:** RUEHLO/AMEMBASSY LONDON IMMEDIATE 4017

RUEHFR/AMEMBASSY PARIS IMMEDIATE 2017

RUEHUNV/USMISSION UNVIE VIENNA IMMEDIATE

RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 9710

RUEHGV/USMISSION GENEVA IMMEDIATE 9446

RUEHOL/AMEMBASSY BONN IMMEDIATE 2144

RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 5755

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0462

RUEKJCS/SECDEF WASHDC//USDP PRIORITY 4392

RUEHBS/USEU BRUSSELS PRIORITY

RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

RUAGAMS/COMUSKOREA SEOUL KOR//CC/BJ/CJ/EJ/PAJ/SJS//PRIORITY

RUAGAMS/CHJUSMAG SEOUL KOR PRIORITY

RHHMHAH/CINCPACFLT PEARL HARBOR HI PRIORITY

RUCJACC/USCENTCOM MACDILL AFB FL PRIORITY

RUEKJCS/JOINT STAFF WASHDC PRIORITY 1496

RUEAIIA/CIA WASHDC PRIORITY 5688

RUETIAA/NSA FT GEORGE G MEADE MD PRIORITY

RUEATRS/TREASURY DEPT WASHDC PRIORITY 2035

RUCPDOG/USDOC WASHDC PRIORITY 4645

**SUBJ:** JANUARY 14, 1999 PRESS GUIDANCES FOR THE EAP  
REGION

ALL POSTS - ALSO FOR USIS

**TEXT:**

UNCLAS SECTION 01 OF 05 STATE 008014

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JANUARY 14, 1999 PRESS GUIDANCES FOR THE EAP

REGION

ALL POSTS - ALSO FOR USIS  
SECDEF - ALSO FOR OASD/PA  
USCINCPAC FOR FPA TWINING  
UNVIE FOR FITZPATRICK  
BEIJING - PASS CHENGDU  
USEU FOR RUTH

1. INDEX:

--CAMBODIA: CIVIL UNREST OVER ECONOMIC PROBLEMS PARAS 2 -  
3  
-- JAPAN - NEW COALITION AND CABINET RESHUFFLE PARAS 2 AND  
4  
-- SPRATLYS -- U.S. POLICY REGARDING A CONFERENCE PARAS 2  
AND 5  
-- SAIPAN, MARIANA ISLAND: SUIT ON APPAREL SWEATSHOPS  
PARAS 2 AND 6  
-- TERRORISM: RELEASE OF UBL POSTER PARAS 2 AND 7

2. THE FOLLOWING PRESS GUIDANCES WERE PREPARED ON 1/14/99  
AND NOT USED BY THE SPOKESMAN DURING THE DAILY BRIEFING.  
POSTS MAY DRAW ON THESE GUIDANCES FOR USE ON AN IF ASKED  
BASIS.

3. CAMBODIA: CIVIL UNREST OVER ECONOMIC PROBLEMS

CONTEXT: ABOUT 200 UNIVERSITY GRADUATES BURNED TIRES AND  
DEMONSTRATED IN FRONT OF PHNOM PENH'S EDUCATION MINISTRY  
ON JANUARY 13 IN ONE OF THE FIRST STUDENT PROTESTS OVER  
CAMBODIA'S CRIPPLED ECONOMY. ECONOMIC DEMONSTRATIONS  
USUALLY HAVE COME FROM THE GARMENT WORKERS. BUT THIS IS  
THE SECOND DEMONSTRATION THIS WEEK BY GRADUATES FRUSTRATED  
WITH THE ECONOMIC CRUNCH AND SHRINKING JOB MARKET. POLICE  
WERE PRESENT BUT DID NOT INTERVENE IN THE PROTESTS.

Q: ARE WE CONCERNED ABOUT PRESENT AND FUTURE CIVIL UNREST  
IN CAMBODIA OVER THE ECONOMIC SITUATION THERE IN VIEW OF  
THE RECENT DEMONSTRATION PROTESTING ECONOMIC CONDITIONS?

A: CAMBODIA TODAY FACES SEVERE ECONOMIC PROBLEMS, THE  
LEGACY OF NEARLY TWO DECADES OF WAR COUPLED WITH A FAILED  
TEN-YEAR EXPERIMENT IN SOCIALIST CENTRAL PLANNING.

--WE HOPE THAT THE RECENT FORMATION OF A NEW GOVERNMENT  
WILL PROVIDE THE POLITICAL STABILITY NEEDED FOR  
SUSTAINABLE ECONOMIC DEVELOPMENT.

--WITH CONTINUED PROGRESS TOWARDS NATIONAL RECONCILIATION  
IN CAMBODIA, THE COUNTRY WILL ALSO BE BETTER POSITIONED TO  
GROW ITS ECONOMY AND IMPROVE THE STANDARD OF LIVING OF ALL  
CAMBODIANS.

--THE GOAL OF ECONOMIC DEVELOPMENT SHOULD BE TO IMPROVE  
THE WELFARE OF THE PEOPLE. ECONOMIC DEVELOPMENT HAS BEEN  
A CENTRAL GOAL OF U.S. AID TO CAMBODIA, AND THAT OF OTHER

INTERNATIONAL DONORS. WE HAVE ALSO WORKED CLOSELY OVER THE PAST YEAR WITH MEMBERS OF THE ASEAN TROIKA, AND WITH THE FRIENDS OF CAMBODIA, TO PROMOTE PEACE, STABILITY AND DEMOCRATIC DEVELOPMENT IN CAMBODIA.

UNCLAS SECTION 02 OF 05 STATE 008014

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

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--IN THIS CONNECTION, WE SUPPORT THE WORLD BANK PLANS TO HOST A CONSULTATIVE GROUP MEETING IN FEBRUARY TO DECIDE ON STRATEGIES FOR FUTURE ASSISTANCE TO CAMBODIA. THE U.S. WILL BE A PARTICIPANT IN THESE DELIBERATIONS.

#### 4. JAPAN - NEW COALITION AND CABINET RESHUFFLE

CONTEXT: PM OBUCHI'S RULING LIBERAL DEMOCRATIC PARTY (LDP) FORMED A COALITION JANUARY 14 WITH THE LIBERAL PARTY, LED BY ONE-TIME LDP MEMBER ICHIRO OZAWA. OBUCHI ALSO CARRIED OUT A MINOR CABINET RESHUFFLE, BUT ALL KEY MINISTERS, INCLUDING FM KOURUMURA AND FINANCE MINISTER MIYAZAWA, RETAINED THEIR POSITIONS. WHILE THE COALITION WILL STRENGTHEN OBUCHI'S HAND, IT WILL STILL NOT HOLD A MAJORITY IN THE DIET'S UPPER HOUSE. THE COALITION WILL STILL NEED THE SUPPORT OF SMALLER PARTIES TO PASS KEY LAWS, INCLUDING DEFENSE GUIDELINES IMPLEMENTING LEGISLATION.

Q: WHAT IS THE U.S. GOVERNMENT'S REACTION TO THE FORMATION OF AN LDP-LIBERAL COALITION IN JAPAN AND PM OBUCHI'S CABINET RESHUFFLE?

A: THE FORMATION OF A NEW COALITION AND THE CABINET RESHUFFLE ARE INTERNAL MATTERS FOR THE GOVERNMENT OF JAPAN.

--WE LOOK FORWARD TO CONTINUING TO WORK CLOSELY WITH THE OBUCHI GOVERNMENT ON ISSUES OF MUTUAL CONCERN.

#### 5. SPRATLYS -- U.S. POLICY REGARDING A CONFERENCE

CONTEXT: U.S. DEFENSE SECRETARY COHEN MET WITH PHILIPPINE DEFENSE SECRETARY ORLANDO MERCADO ON JANUARY 7 AT THE PENTAGON. NO STATE DEPARTMENT OFFICIAL PARTICIPATED IN THE MEETING. COHEN AND MERCADO DISCUSSED THE VISITING FORCES AGREEMENT, PHILIPPINE MILITARY MODERNIZATION, AND THE DISPUTED SPRATLY ISLANDS AMONG OTHER ISSUES. ON JANUARY 13, THERE WERE FRONT PAGE ARTICLES IN THE PHILIPPINE PRESS QUOTING MERCADO TO THE EFFECT THAT THE U.S. IS WILLING TO HOST A MEETING OF THE CLAIMANTS (INCLUDING CHINA) TO THE DISPUTED SPRATLYS AND INDICATED THAT THE IDEA OF THE CONFERENCE ORIGINATED WITH SECRETARY COHEN. ACCORDING TO THE PENTAGON, THIS WAS A FUNDAMENTAL MISCHARACTERIZATION OF THE DEFENSE POSITION AS EXPRESSED

IN THE MEETINGS. WE UNDERSTAND THAT DAS FOR INTERNATIONAL SECURITY AFFAIRS KURT CAMPBELL MENTIONED ONLY THAT THE U.S. WOULD BE PREPARED TO PARTICIPATE IN WORKING-LEVEL DISCUSSIONS OF THE ISSUE WHICH INCLUDED CHINA. DOD ALSO OPPOSED MERCADO'S REQUEST TO TAKE A MORE SUPPORTIVE PUBLIC LINE ON THE ISSUE, SUGGESTING IT WAS ILL-ADVISED.

Q: DID SECRETARY COHEN OFFER TO CALL A CONFERENCE ON THE SPRATLY ISLANDS IN RECENT DISCUSSIONS WITH PHILIPPINE DEFENSE SECRETARY MERCADO?

A: NO. WE HAVE BEEN INFORMED BY THE DEPARTMENT OF DEFENSE THAT SECRETARY COHEN DID NOT OFFER TO CALL A CONFERENCE OF CLAIMANTS TO RESOLVE THE COMPETING CLAIMS TO SOVEREIGNTY OVER THE DISPUTED SPRATLYS. I WOULD REFER YOU TO THE DEPARTMENT OF DEFENSE FOR MORE DETAILS.

Q: HAS THE POSITION OF THE UNITED STATES CHANGED REGARDING THE SPRATLY ISLANDS?

UNCLAS SECTION 03 OF 05 STATE 008014

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JANUARY 14, 1999 PRESS GUIDANCES FOR THE EAP REGION

A: NO. WHILE THE U.S. TAKES NO POSITION ON THE LEGAL MERITS OF COMPETING CLAIMS TO SOVEREIGNTY IN THE AREA, MAINTAINING FREEDOM OF NAVIGATION IS A FUNDAMENTAL INTEREST OF THE UNITED STATES. WE LOOK TO THE CLAIMANTS TO RESOLVE THE CONFLICTING CLAIMS PEACEFULLY AND ARE STRONGLY OPPOSED TO THE THREAT OR USE OF FORCE. WE URGE ALL PARTIES TO REFRAIN FROM UNILATERAL ACTIONS THAT INCREASE TENSIONS IN THE AREA.

6. SAIPAN, MARIANA ISLAND: SUIT ON APPAREL SWEATSHOPS

CONTEXT: TODAY'S WASHINGTON POST (P. A14) REPORTED THAT SEVERAL CLASS ACTION LAWSUITS WERE BROUGHT AGAINST MAJOR U.S. RETAILERS FOR ENGAGING IN A RACKETEERING CONSPIRACY TO PRODUCE CLOTHING IN SWEATSHOP CONDITIONS USING INDENTURED LABOR ON A U.S. ISLAND TERRITORY. AMONG OTHER ALLEGATIONS, 22 GARMENT FACTORIES IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS ARE CHARGED WITH FAILING TO PAY OVERTIME AND IMPOSING INTOLERABLE WORK AND LIVING CONDITIONS TO THEIR EMPLOYEES.

Q: WHAT IS THE STATE DEPARTMENT'S REACTION TO THE LAWSUITS ACCUSING GARMENT/APPAREL RETAILERS OF CONSPIRING TO RUN SWEATSHOPS IN SAIPAN?

A: THE ADMINISTRATION AND THE U.S. STATE DEPARTMENT STRONGLY SUPPORT ENFORCEMENT OF INTERNATIONAL LABOR STANDARDS. INDEED, THE ADMINISTRATION LAST YEAR LAUNCHED THE APPAREL INDUSTRY PARTNERSHIP (ALP) TO ADDRESS

SPECIFICALLY PROBLEMS IN THE APPAREL AND GARMENT INDUSTRY.

--THE LAWSUITS INVOLVE GARMENT FACTORIES IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

--THE LABOR AND IMMIGRATION PROBLEMS IN THE NORTHERN MARIANAS HAVE BEEN THE SUBJECT OF SERIOUS ADMINISTRATIVE CONCERN FOR MANY YEARS. THE ADMINISTRATION HAS PRESSED, AND WILL CONTINUE TO PRESS, FOR THE EXTENSION, OVER TIME, OF THE NORMAL MINIMUM WAGE AND IMMIGRATION LAWS TO THE MARIANAS.

-. TERRORISM: RELEASE OF UBL POSTER

CONTEXT: THE DEPARTMENT IS GOING TO RELEASE THE UP TO \$5 MILLION REWARD OFFER FOR USAMA BIN LADEN TODAY. THE POSTER IS GOING TO BE PRINTED IN ENGLISH, ARABIC, FRENCH, DARI, AND BALUCHI. THIS WILL BE A WORLDWIDE CAMPAIGN, BUT WITH A PARTICULAR FOCUS IN AFRICA, THE MIDDLE EAST, AND SOUTH EAST ASIA. THE POSTERS WILL BE MAILED OUT TO OUR DIPLOMATIC MISSIONS AROUND THE WORLD ASAP. WE ARE ALSO ADVERTISING THIS REWARD ON THE INTERNET (WWW.HEROES.NET). WE ARE LOOKING AT OTHER ADVERTISING METHODS, SUCH AS MATCHBOOKS, PAID ADVERTISING, ETC., BUT HAVE MADE NO FIRM DECISIONS AS OF YET. SINCE THE ANNOUNCEMENT OF THE REWARD IN NOVEMBER, WE HAVE RECEIVED MORE THAN 70 LEADS THAT ARE CURRENTLY BEING INVESTIGATED.

Q: CAN YOU GIVE US DETAILS ON THE RELEASE OF THE USAMA BIN LADEN POSTER?

A: TODAY, THE DEPARTMENT IS RELEASING THE POSTER THAT WILL BE USED TO ADVERTISE THE UP TO \$5 MILLION REWARD FOR INFORMATION LEADING TO THE ARREST AND/OR CONVICTION OF USAMA BIN LADEN.

--THIS POSTER WILL BE PRINTED IN ENGLISH, ARABIC, FRENCH, UNCLAS SECTION 04 OF 05 STATE 008014

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: JANUARY 14, 1999 PRESS GUIDANCES FOR THE EAP REGION

DARI, AND BALUCHI, AND WILL BE SENT TO ALL OF OUR DIPLOMATIC MISSIONS.

--WE WILL VIGOROUSLY ADVERTISE THIS REWARD OFFER AROUND THE WORLD.

--WE WILL ADVERTISE THIS REWARD OVER THE INTERNET AT "WWW.HEROES.NET" WHERE WE CAN REACH OVER 100 MILLION SUBSCRIBERS IN 152 DIFFERENT COUNTRIES.

--WE ARE CONSIDERING OTHER AVENUES TO ADVERTISE THIS REWARD, INCLUDING PAID ADVERTISING AND MATCHBOOKS, BUT IT

IS PREMATURE TO DISCUSS ANY OF THEM AT THIS TIME.

Q: HAS THE REWARD OFFER GENERATED ANY LEADS?

A: THE REWARD OFFER HAS GENERATED LEADS THAT ARE BEING INVESTIGATED. I REFER YOU TO THE FBI FOR COMMENT.

Q: WHY DID IT TAKE 2 MONTHS FOR YOU TO COME UP WITH A POSTER?

A: IT TAKES TIME TO DEVELOP AN APPROPRIATE POSTER FOR USE IN AN ADVERTISING CAMPAIGN.

--THE DEPARTMENT CONSIDERED SEVERAL VERSIONS BEFORE DECIDING TO GO FORWARD WITH THIS ONE.

--THIS POSTER IS A VISIBLE REMINDER THAT USAMA BIN LADEN IS A DANGEROUS TERRORIST AND MUST BE BROUGHT TO JUSTICE FOR HIS TERRORIST CRIMES.

Q: WILL YOU ALSO RUN A POSTER FOR MOHAMMAD ATEF?

A: WE ARE CONSIDERING RUNNING A POSTER COVERING THE REMAINING INDIVIDUALS INDICTED IN THE EAST AFRICAN BOMBINGS.

Q: DO YOU ACTUALLY THINK THAT THIS CAMPAIGN WILL RESULT IN BIN LADEN'S CAPTURE?

A: THIS PROGRAM HAS BEEN IMMENSELY SUCCESSFUL OVER THE YEARS, AND HAS RESULTED IN THE CAPTURE OF NOTED TERRORISTS SUCH AS RAMZI YOUSEF AND MIR AIMAL KASI.

--WE ARE OPTIMISTIC THAT SOMEONE WILL COME FORWARD WITH INFORMATION THAT WILL LEAD TO THE CAPTURE OF BIN LADEN AND ATEF AND OTHERS ASSOCIATED WITH THE EAST AFRICAN BOMBINGS, AND ALLOW US TO BRING THEM TO JUSTICE AND STAND TRIAL FOR THE CHARGES THAT HAVE BEEN BROUGHT AGAINST THEM.

--THE UNITED STATES IS WILLING TO USE ANY AND ALL AVAILABLE MEANS TO BRING USAMA BIN LADEN TO JUSTICE.

Q: CAN YOU COMMENT ON THE CASE AGAINST UBL AND ATEF OR ANY OF THE OTHER SUSPECTS?

A: REFER TO THE FBI/JUSTICE DEPARTMENT.

Q: HAVE YOU GOTTEN ANY LEADS ON UBL, ATEF, FAZIL, OR OTHERS WANTED IN THE BOMBING?

A: WE HAVE RECEIVED A NUMBER OF LEADS. EACH AND EVERY ONE IS INVESTIGATED. THE INVESTIGATION IS CONTINUING, AND I

REFER YOU TO THE FBI FOR MORE INFORMATION REGARDING THE UNCLAS SECTION 05 OF 05 STATE 008014

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A  
TAGS: OPRC, XE, US  
SUBJECT: JANUARY 14, 1999 PRESS GUIDANCES FOR THE EAP  
REGION

SPECIFICS OF THE CASE.

Q: HOW EFFECTIVE IS THE PROGRAM?

A: THE COUNTER-TERRORISM REWARDS PROGRAM, OR HEROES PROGRAM, SAVES LIVES. PEOPLE HAVE COME FORWARD WITH INFORMATION THAT HAS HELPED US SOLVE OR PREVENT ACTS OF INTERNATIONAL TERRORISM AGAINST U.S. CITIZENS, AND PUT TERRORISTS BEHIND BARS, THEREBY SAVING THOUSANDS OF INNOCENT LIVES.

--WE HAVE PAID OVER \$6 MILLION IN ABOUT 20 CASES UNDER THIS PROGRAM.

Q: CAN YOU GIVE US SOME GENERAL INFORMATION ABOUT THE REWARDS PROGRAM?

A: THE COUNTER-TERRORISM REWARDS PROGRAM, ALSO KNOWN AS THE HEROES PROGRAM, IS ADMINISTERED BY THE DIPLOMATIC SECURITY SERVICE. UNDER THIS PROGRAM, THE SECRETARY OF STATE MAY OFFER REWARDS OF UP TO \$5 MILLION FOR INFORMATION THAT PREVENTS OR RESOLVES ACTS OF INTERNATIONAL TERRORISM AGAINST U.S. CITIZENS OR PROPERTY WORLDWIDE, OR LEADS TO THE ARREST OR CONVICTION OF TERRORISTS INVOLVED IN SUCH ACTS.

--THE COUNTER-TERRORISM REWARDS PROGRAM HAS BEEN AN EFFECTIVE TOOL IN COMBATTING TERRORISM. IN THE PAST FEW YEARS, THE U.S. GOVERNMENT HAS PAID OVER \$6 MILLION IN ABOUT 20 CASES TO PEOPLE WHO HAVE COME FORWARD WITH CREDIBLE INFORMATION THAT PUTS TERRORISTS BEHIND BARS OR PREVENTED ACTS OF TERRORISM WORLDWIDE.

--IN ADDITION, SIGNIFICANT CAMPAIGNS WERE RUN FOR RAMZI YOUSEF, WHO WAS ARRESTED IN FEBRUARY 1995, AND MIR AIMAL KASI, WHO WAS ARRESTED IN JUNE 1997.

--OVERSEAS, PEOPLE WITH INFORMATION ON PAST OR PLANNED ACTS OF TERRORISM ARE URGED TO CONTACT THE NEAREST U.S. EMBASSY OR CONSULATE OR WRITE TO THE FOLLOWING ADDRESS:

HEROES  
P.O. BOX 96781  
WASHINGTON, DC 20090-6781, USA

--DOMESTICALLY, PEOPLE SHOULD CONTACT THE FBI, WRITE THE POST OFFICE BOX ADDRESS, OR CALL THE DIPLOMATIC SECURITY SERVICE AT: 1-800-HEROES-1.

--MORE DETAILED INFORMATION ON THE COUNTER-TERRORISM REWARDS PROGRAM CAN BE OBTAINED THROUGH THE FOLLOWING INTERNET ADDRESS: WWW.HEROES.NET

Q: CAN YOU TELL US ABOUT SPECIFIC REWARDS PAYMENTS?

A: A KEY ASPECT OF THE PROGRAM IS THAT WE ENSURE COMPLETE CONFIDENTIALITY TO THOSE INDIVIDUALS WHO COME FORWARD WITH INFORMATION. THEREFORE, IN ORDER TO ENSURE THEIR SAFETY, WE DO NOT COMMENT ON SPECIFIC REWARDS PAYMENTS OR CASES IN WHICH WE HAVE PAID A REWARD.

Q: HOW MUCH HAVE YOU PAID OUT?

A: OVER \$6 MILLION IN ABOUT 20 CASES.  
ALBRIGHT

**SECT:** SECTION: 01 OF 05  
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**DIST:**  
SIT: CROWLEY HAMMER LEAVY  
SIT: NSC

# Cable

**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAEZYUW RUEHMLA0942 0220902-EEEE--RHEHAAX.  
**LINE2:** ZNY EEEEE ZZH  
**LINE3:** R 220902Z JAN 99  
**LINE4:** FM AMEMBASSY MANILA  
**OSRI:** RUEHML  
**DTG:** 220902Z JAN 99  
**ORIG:** AMEMBASSY MANILA  
**TO:** SECSATE WASHDC 6887  
**INFO:** ////  
**SUBJ:** DRAFT OF 1998 UMAN RIGHTS REPORT --  
 PHILIPPINES

TO REVIW ALL NATIONAL LABOR RELATIONS COMMISSION (NLRC CASES UNDER APPEAL BEFORE THE SUPREME COURT WILL TAKE

**TEXT:**

////////////////////////////////// INCOMPLETE MESSAGE //////////////////////////////////

UNCLAS E F T O SECTION 1 OF 22 MANILA 000942

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 SENSITIVE

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DEPARTMENT FOR DRL/CRT, EAP/PIMBS, EAP/RSP

E.O. 12958: N/A  
 TAGS: PHUM ELAB, KSEP, RP  
 SUBJECT: DRAFT OF 1998 UMAN RIGHTS REPORT --  
 PHILIPPINES

TO REVIW ALL NATIONAL LABOR RELATIONS COMMISSION (NLRC CASES UNDER APPEAL BEFORE THE SUPREME COURT WILL TAKE JURISDICTION. IN LATE 1997, THE ILO'S COMMITTEE ON FREEDOM OF ASSOCIATION EXPRESSED ONCERN THAT THE GOVERNMENT STILL HAD FAILED TO ENSURE A CERTIFICATION ELECTION AT THE MITSUMI ELECTRONICS PLANT NEAR CEBU ALTHOUGH THE WORKERS FIRST FILED A PETITION FOR CERTIFICATION FOUR YEARS PREVIOUSLY. THE GOVERNMENT RESPONDED TO EARLIER ILO INQUIRIES BY STATING THAT IT WOULD FACILITATE A NEW ELECTION TO ADDRESS THE COMPLAINT THAT THE EMPLOYER DISRUPTED THE 1994 ATTEMPT. HOWEVER, NO ELECTION TOOK PLACE DURING THE YEAR. THE MITSUMI COMPANY FILED AN APPEAL OF THE LABOR SECRETARY'S ORDER FOR A NEW ELECTION.

UNION LEADERS AND NGOS EXPRESS CONCERN THAT WORKERS

INVOLVED IN UNION ACTIVITY FACE INTIMIDATION TACTICS BY MANAGEMENT, INCLUDING PHYSICAL ASSAULTS BY SECURITY GUARDS. ACCORDING TO TFDP, SECURITY GUARDS BROKE UP THE PICKET LINE OF STRIKING BUS COMPANY WORKERS IN SEPTEMBER, INJURING 20 STRIKERS WITH BATON BLOWS. REPORTEDLY THE GUARDS FIRED GUNSHOTS TO DRIVE AWAY THE WORKERS. IN LATE 1997, THE ILO'S COMMITTEE ON FREEDOM OF ASSOCIATION EXPRESSED CONCERN OVER THE VIOLENT DISPERSAL OF PICKETERS AND THE BRIEF POLICE DETENTION OF UNION LEADERS DURING A 1995 STRIKE AT THE TELEFUNKEN SEMICONDUCTOR PLANT NEAR MANILA. THE MANAGEMENT IGNORED REPEATED THE DOLE SECRETARY'S ORDERS TO REINSTATE WORKERS FIRED FOR THEIR STRIKE DECISION. THE COMPANY HAS NOT REINSTATED THE WORKERS ALTHOUGH IT HAS BEEN THREE YEARS SINCE THE DOLE ORDER WAS ISSUED. IN MARCH, UNION MEMBERS PICKETING A LARGE PLYWOOD FACTORY OF PICOP RESOURCES IN SURIGAO DEL SUR WERE INJURED WHEN PLANT GUARDS BEAT THEM. IN SEPTEMBER, WORKERS AT THE PILIPINO TELEPHONE CORPORATION IN MANILA ALLEGED THAT COMPANY SECURITY GUARDS FIRED SHOTS INTO THE AIR TO INTIMIDATE PICKETING EMPLOYEES.

UNIONS HAVE THE RIGHT TO AFFILIATE WITH INTERNATIONAL TRADE UNION CONFEDERATIONS AND TRADE SECRETARIATS. TWO OF THE LARGEST TRADE UNION CENTRALS, THE TUCP AND THE FFW, ARE AFFILIATED WITH THE ICFTU AND THE WORLD CONFEDERATION OF LABOR (WCL) RESPECTIVELY.

#### B. THE RIGHT TO ORGANIZE AND BARGAIN COLLECTIVELY

THE CONSTITUTION PROVIDES FOR THE RIGHT TO ORGANIZE AND BARGAIN COLLECTIVELY. THE LABOR CODE PROVIDES FOR THIS RIGHT FOR PRIVATE SECTOR EMPLOYEES AND FOR EMPLOYEES OF GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, BUT CURRENT LAW LIMITS THE RIGHTS OF GOVERNMENT WORKERS.

ALTHOUGH UNIONS CLAIM TO HAVE ORGANIZED ABOUT EIGHT PERCENT OF THE TOTAL WORK FORCE OF 31.2 MILLION, FEWER THAN 500,000 WORKERS ARE COVERED BY COLLECTIVE BARGAINING AGREEMENTS. DESPITE UNION OPPOSITION, THE DOLE SECRETARY ISSUED A CHANGE IN RULES ON "LABOR ONLY" SUBCONTRACTING IN 1997, WHICH EFFECTIVELY BROADENED THE DEFINITION OF INDUSTRIES THAT LEGALLY MAY USE PART-TIME, ROTATING STAFF. UNIONS HAVE ARGUED THAT THIS PRACTICE ALLOWS UNSCRUPULOUS EMPLOYERS TO USE SUBCONTRACTORS TO EVADE OBLIGATIONS TO THEIR EMPLOYEES AND TO BREAK UNIONS. IN AUGUST THE DOLE REPORTED A 51 PERCENT INCREASE SINCE 1994 IN THE NUMBER OF FIRMS (PRIMARILY LARGE EMPLOYERS) THAT USE "CONTRACTUAL" LABOR. THE DOLE SECRETARY EXPRESSED CONCERN IN JULY ABOUT FIRMS THAT USED THE ECONOMIC CRISIS AS A PRETEXT FOR REPLACING REGULAR WORKERS WITH "CONTRACTUALS."

SOME EMPLOYERS INTIMIDATED WORKERS TRYING TO FORM A UNION WITH THREATS OF FIRING OR FACTORY CLOSURE. IN APRIL, GUARDS EMPLOYED BY THE MANAGEMENT OF A PROMINENT MANILA HOTEL SHOVED AND INTIMIDATED HOTEL WORKERS WHO PICKETED AFTER THE MANAGEMENT REFUSED TO ACCEPT THE

RESULTS OF A UNION CERTIFICATION ELECTION AND ENGAGED IN LENGTHY LEGAL DELAYS.

ALLEGATIONS OF INTIMIDATION AND DISCRIMINATION IN CONNECTION WITH UNION ACTIVITIES ARE GROUNDS FOR REVIEW AS POSSIBLE UNFAIR LABOR PRACTICES BEFORE THE NATIONAL LABOR RELATIONS COMMISSION (NLRC). BEFORE DISPUTES REACH THE TIME CONSUMING, QUASI-JUDICIAL NLRC, THE DOLE PROVIDES THE SERVICES OF THE NATIONAL CONCILIATION AND MEDIATION BOARD (NCMB). THE NCMB SETTLES MOST OF THE UNFAIR LABOR PRACTICE DISPUTES RAISED AS GROUNDS FOR STRIKES BEFORE SUCH STRIKES CAN BE DECLARED.

THE NCMB REPORTED 92 STRIKES IN 1998, COMPARED WITH 91 STRIKES LAST YEAR. THE WORKDAYS LOST TO STRIKES UNCLAS E F T O SECTION 02 OF 22 MANILA 000942

SENSITIVE

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NOFORN

DEPARTMENT FOR DRL/CRT, EAP/PIMBS, EAP/RSP

E.O. 12958: N/A

TAGS: PHUM, ELAB, KSEP, RP

SUBJECT: DRAFT OF 1998 HUMAN RIGHTS REPORT --  
PHILIPPINES

KIDNAPPING RINGS. LIKE THE SECURITY SERVICES AND PROSECUTORS, THE JUDICIARY IS POORLY PAID, INEFFICIENT, LACKS SUFFICIENT STAFF, AND SUFFERS FROM CORRUPTION. THE COURTS ARE HOBBLLED BY BACKLOGS AND LIMITED RESOURCES, AND DELAYS IN TRIALS ARE COMMON. THERE WAS A DECREASE IN THE VIOLENT DISPLACEMENT OF URBAN AREA SQUATTERS TO MAKE WAY FOR DEVELOPMENT PROJECTS, BUT EFFORTS TO REMOVE FARMERS FOR INDUSTRIAL, RESORT, OR LARGE-SCALE FARMING DEVELOPMENTS STILL LED TO DISPUTES AND HUMAN RIGHTS VIOLATIONS, INCLUDING THE KILLING OF TWO MEMBERS OF AN INDIGENOUS GROUP.

AN ESTIMATED FIVE TO SIX MILLION CITIZENS LIVING ABROAD ARE DISENFRANCHISED BECAUSE THE CONGRESS HAS NOT ENACTED AN ABSENTEE VOTING LAW, AS REQUIRED BY THE CONSTITUTION. VIOLENCE AND DISCRIMINATION AGAINST WOMEN AND ABUSE OF CHILDREN CONTINUED TO BE SERIOUS PROBLEMS. DISCRIMINATION AGAINST INDIGENOUS PEOPLE AND MUSLIMS PERSISTS ALTHOUGH THE MINDANAO PEACE PROCESS IS ADDRESSING THE LATTER PROBLEM IN MANY COMMUNITIES. THE GOVERNMENT HAS BEGUN TO IMPLEMENT 1997 LEGISLATION THAT SIGNIFICANTLY IMPROVED PROTECTION FOR THE RIGHTS OF INDIGENOUS PEOPLE TO LAND AND THEIR CULTURAL IDENTITY. RURAL POVERTY AND FAMILY DISPLACEMENT WORSENEED THE PERSISTENT CHILD LABOR PROBLEM, WHICH THE GOVERNMENT HAS ONLY PARTIALLY ADDRESSED.

THE CHR, WHOSE MISSION IS TO PROMOTE RESPECT FOR HUMAN RIGHTS, FURTHER AUGMENTED THE SYSTEM OF LOCALITY ("BARANGAY") HUMAN RIGHTS OFFICERS, EXPANDING TO OVER 8,000 SUCH OFFICERS MONITORING LOCAL AUTHORITIES AND REPORT COMPLAINTS TO REGIONAL CHR OFFICES.

COMMUNIST AND MUSLIM INSURGENT GROUPS COMMITTED ABUSES, INCLUDING EXTRAJUDICIAL KILLINGS, KIDNAPINGS, TORTURE, AND DETENTIONS.

RESPECT FOR HUMAN RIGHTS

SECTION 1. RESPECT FOR THE INTEGRITY OF THE PERSON, INCLUDING FREEDOM FROM:

A. POLITICAL AND OTHER EXTRAJUDICIAL KILLING

POLICE AND MILITARY FORCES COMMITTED EXTRAJUDICIAL KILLINGS. THE NONGOVERNMENTAL ORGANIZATION (NGO) TASK FORCE DETAINEES OF THE PHILIPPINES (TFDP) REPORTED 33 EXTRAJUDICIAL KILLINGS BY GOVERNMENT PERSONNEL IN 1998, COMPARED WITH 12 IN 1997. THE CHR, WHICH INCLUDES KILLINGS BY ANTI-GOVERNMENT INSURGENTS IN ITS TOTALS, INVESTIGATED 201 EXTRAJUDICIAL KILLINGS IN 1998, COMPARED WITH 254 IN 1997.

IN COMBATING CRIMINAL RINGS, POLICE PERSONNEL SOMETIMES RESORTED TO "SALVAGING" (SUMMARY EXECUTION OF SUSPECTS). POLICE SPOKESMEN LATER REPORTEDLY MISREPRESENTED THESE MURDERS AS THE UNAVOIDABLE RESULT OF AN ALLEGED EXCHANGE OF GUNFIRE WITH THE SUSPECTS. DURING A HOSTAGE RESCUE ATTEMPT IN MARCH, POLICE SHOT AND KILLED A PRISONER WHO WAS ASLEEP (SEE SECTION 1.C.) ACCORDING TO A PRELIMINARY POLICE INVESTIGATION, MEMBERS OF THE MANILA POLICE ARE SUSPECTED TO HAVE KILLED FOUR ROBBERY SUSPECTS UNDER CUSTODY IN OCTOBER. PROSECUTORS HAD NOT BROUGHT CHARGES AT YEAR'S END, ALTHOUGH SOME OFFICERS INVOLVED WERE TRANSFERRED. THE CHR REPORTED THAT MEMBERS OF THE PHILIPPINE NATIONAL POLICE (PNP) WERE RESPONSIBLE FOR OVER 20 PERCENT OF THE HUMAN RIGHTS VIOLATIONS INVESTIGATED IN 1998. IN THE FIRST THREE MONTHS OF 1998, 58 COMPLAINTS TO THE CHR CHARGED PNP OFFICERS WITH PHYSICAL ABUSE, FALSE ARREST AND ATTEMPTED HOMICIDE AMONG OTHER VIOLATIONS.

THE AFP CONTINUED ITS COUNTERINSURGENCY CAMPAIGN IN MINDANAO AND PARTS OF LUZON (SEE SECTION 1G). THE CHR INVESTIGATED THE MARCH KILLING OF TWO MEMBERS OF AN INDIGENOUS PEOPLE'S GROUP, THE B'LAAN, WHO OCCUPIED PART OF A POLOMOLOK, MINDANAO PINEAPPLE PLANTATION WHICH THEY CLAIMED AS THEIR ANCESTRAL DOMAIN. THE PHILIPPINE ARMY'S 601ST INFANTRY BATTALION FORCIBLY REMOVED 137 B'LAAN FAMILIES FROM THE LAND, ALLEGEDLY ON SUSPICION THAT THEY WERE

COOPERATING WITH A MUSLIM INSURGENT GROUP. AFTER  
BOMBING AND STRAFING THE AREA, THE AFP SOLDIERS  
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SENSITIVE

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DEPARTMENT FOR DRL/CRT, EAP/PIMBS, EAP/RSP

E.O. 12958: N/A  
TAGS: PHUM, ELAB, KSEP, RP  
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REPORTEDLY SINGLED OUT AND EXECUTED TWO B'LAAN  
COMMUNITY LEADERS, WHO WERE ACTIVE IN THE B'LAANS'  
LAND DISPUTE WITH THE PLANTATION OWNERS. IN  
SEPTEMBER, THE B'LAAN REQUESTED THE CHR'S HELP IN  
RETURNING TO THEIR HOMES WHICH THE NEARBY COMMUNITY  
OF POLOMOLOK IS HELPING TO REBUILD.

THE ECUMENICAL COMMISSION FOR DISPLACED FAMILIES  
AND COMMUNITIES (ECDFC), WHILE ASSISTING THE  
B'LAANS' RELOCATION, HELPED EXHUME THE BODIES OF  
THE TWO EXECUTED, JIMMY TUAN AND JONATHAN TUAN. IN  
DEFENDING THE OPERATION, AFP LEADERS ALLEGED THEY  
WERE PURSUING A MORO ISLAMIC LIBERATION FRONT  
(MILF) OFFICER, TAHIR ALONTO, WHO WAS ALLEGEDLY  
COMMANDER OF AN MILF "LOST COMMAND" (A BREAK AWAY  
UNIT) OPERATING IN A REGION REMOTE FROM THE MILF'S  
FOCUS OF OPERATIONS IN WESTERN MINDANAO.

THE CHR INVESTIGATED A REPORTED JUNE 9 SUMMARY  
EXECUTION BY AFP MEMBERS OF FOUR YOUNG PERSONS IN A  
RURAL AREA IN DINGALAN, AURORA PROVINCE. THE  
VICTIMS WERE TWO YOUNG MEN AGED 19 AND 17 AND TWO  
GIRLS AGED 14 AND 16, WHO WERE APPARENTLY RAPED  
BEFORE THEIR DEATHS. ACCORDING TO THE ECUMENICAL  
MOVEMENT FOR JUSTICE AND PEACE, THE AFP'S 56TH  
INFANTRY BATTALION SHOT THE FOUR YOUNG PERSONS AS  
SUSPECTED MEMBERS OF THE INSURGENT NEW PEOPLE'S  
ARMY (NPA), ALTHOUGH THERE WAS NO EVIDENCE THE FOUR  
WERE ARMED AT THE TIME. A FIFTH SUSPECTED NPA  
MEMBER CAPTURED WHILE FISHING IN A NEARBY STREAM  
TOLD THE CHR THERE WAS NO EXCHANGE OF FIRE AND THAT  
HE SAW SOLDIERS REMOVING THE PANTS OF THE YOUNG  
WOMEN BEFORE HIS GUARDS TOOK HIM AWAY. THE CHR  
FOUND IT SUSPICIOUS THE AFP UNIT BURNED THE YOUNG  
WOMEN'S PERSONAL EFFECTS, SHOT THEM SEVERAL TIMES  
IN THE PELVIC AREAS, AND IMMEDIATELY HAD THE BODIES  
EMBALMED WITHOUT CONTACTING NEXT OF KIN.  
INVESTIGATORS FOUND THEIR BODIES IN A LARGE  
CLEARING, RAISING QUESTIONS ABOUT THE AFP MEMBERS'  
REPORT THE SUSPECTS SOUGHT TO ENGAGE THE SOLDIERS  
IN AN EXCHANGE OF FIRE IN THAT LOCATION.

IN OCTOBER, SOLDIERS OF THE 1ST MARINE BATTALION SHOT AND KILLED ROBERTO BORNALES, AN ORGANIZER OF FISHERMEN COMMUNITY IN PALAWAN PROVINCE, CLAIMING BORNALES FIRED ON THEM IN AN INSURGENT AMBUSH. ACCORDING TO THE TFDP, BORNALES' COMPANION REJECTED THE SOLDIERS' ACCOUNT, INDICATING THEY WERE BOTH UNARMED. A FORENSIC EXAMINATION SHOWED BORNALES WAS SHOT TWICE IN THE BACK AT CLOSE RANGE.

THE CHR INVESTIGATED THE AFP'S JULY KILLING OF TWO CIVILIANS IN THE MARILOG DISTRICT OF DAVAO CITY IN MINDANAO. ACCORDING TO THE ECDFC, AFP MEMBERS OF THE 73RD INFANTRY BATTALION FIRED INTO THE VICTIMS' HOME ON SUSPICION THAT THE NPA WAS MEETING WITH LOCAL INDIGENOUS TRIBAL LEADERS THERE.

THE TFDP REPORTED TWO CIVILIAN DEATHS BY CROSSFIRE IN A MILITARY CLASH. ACCORDING TO THE ECDFC, CIVILIANS SUFFERED CASUALTIES RESULTING FROM CLASHES BETWEEN THE AFP AND THE MORO ISLAMIC LIBERATION FRONT (MILF). (SEE SECTION 1.G.).

A COURT HAS YET TO TRY THE TOP POLICE OFFICIALS SUSPECTED OF INVOLVEMENT IN THE 1995 KILLING OF 11 CRIMINAL SUSPECTS FROM THE "KURATONG BALELENG" GANG. IN MAY 1995, THE OMBUDSMAN, ANIANO DESIERTO, RECOMMENDED THE FILING OF CRIMINAL CHARGES AGAINST FIVE TOP PNP OFFICIALS. THE CASE WAS DELAYED BY THE DEFENDANTS' APPEAL TO THE SUPREME COURT TO DECIDE WHETHER THE ANTI-CORRUPTION COURT, THE SANDIGANBAYAN, HAS JURISDICTION, AND THE APPEAL WAS PENDING AT YEAR'S END. AFTER WAITING MORE THAN THREE YEARS FOR A TRIAL, FOUR OF THE FIVE KEY WITNESSES FOR THE PROSECUTION HAVE LEFT A WITNESS PROTECTION PROGRAM. IN AUGUST, A YOUNG POLICE OFFICIAL RECANTED HIS FORMER TESTIMONY AS HE TIRED OF THE RESTRICTIONS OF THE WITNESS PROGRAM WITHIN AN ARMY CAMP. DESPITE THE ACCUSATIONS AGAINST THEM, PRESIDENT ESTRADA NAMED ONE OF THE KURATONG BALELENG SUSPECTS, PNP SUPERINTENDENT PANFILO LACSON, AS HEAD OF THE PRESIDENTIAL ANTI-ORGANIZED CRIME COMMISSION IN AUGUST WHILE OTHERS HAVE BEEN PROMOTED TO MORE SENIOR RANKS. IN 1997 THE U.N. SPECIAL RAPPORTEUR ON SUMMARY AND ARBITRARY EXECUTION ASKED THE GOVERNMENT FOR A REPORT ON THE CASE, URGING IT TO ENFORCE THE FUNDAMENTAL

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SENSITIVE

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DEPARTMENT FOR DRL/CRT, EAP/PIMBS, EAP/RSP

E.O. 12958: N/A  
TAGS: PHUM, ELAB, KSEP, RP

SUBJECT: DRAFT OF 1998 HUMAN RIGHTS REPORT --  
PHILIPPINES

PRINCIPLES OF THE UNIVERSAL DECLARATION ON HUMAN RIGHTS. IN AUGUST, JUSTICE SECRETARY SERAFIN CUEVAS TOLD THE PRESS IT MIGHT BE TIME FOR THE GOVERNMENT TO DROP THE CASE. ACCORDING TO AN ATTORNEY FOR THE REMAINING WITNESS, SECURITY OFFICIALS ARE PRESSURING THIS WITNESS TO LEAVE THE WITNESS PROTECTION PROGRAM.

CIVILIAN MILITIA UNITS ALSO WERE ACCUSED OF EXTRAJUDICIAL KILLINGS. ACCORDING TO THE CHR, PARAMILITARY UNITS WERE RESPONSIBLE FOR ONE KILLING IN THE FIRST THREE MONTHS OF 1998 AND CIVILIANS AND LOCAL (NON-POLICE) OFFICIALS KILLED 13 PERSONS. OFTEN FORMED AS SECURITY GUARD UNITS FOR MINING OR PLANTATION AREAS, MEMBERS OF THESE MILITIA ARE OFTEN VETERANS OF THE CITIZEN ARMED FORCES GEOGRAPHICAL UNITS (CAFGUS). THESE MILITIA FORCE REMAINS ACTIVE IN MANY RURAL AREAS DESPITE THE AFP'S ANNOUNCEMENT IN MARCH THAT THE CAFGUS WERE DISBANDED. THE ECDFC REPORTED THAT A MILITIA UNIT MEMBER KILLED A 13 YEAR OLD BOY IN JANUARY WHEN HE THREW A GRENADE AT A HOUSE DURING AN EFFORT TO DISPERSE PERSONS FROM LAND CLAIMED BY A MINING OPERATION IN SIRAWAI, ZAMBOANGA DEL NORTE. IN SEPTEMBER, SECURITY GUARDS AT A 4,000 HECTARE ORCHARD IN NEGROS OCCIDENTAL SHOT AND KILLED THREE APPARENTLY UNARMED MEN WHO WERE LEAVING THE PROPERTY AFTER COLLECTING SPIDERS.

IN NOVEMBER, MEMBERS OF A MINDANAO VIGILANTE GROUP LINKED TO LOCAL LANDOWNERS KILLED TWO MEMBERS OF AN INDIGENOUS PEOPLE, THE MANOBO, AND DESTROYED THE HOMES OF THIRTY FAMILIES IN A MANOBO VILLAGE IN BUKIDNON PROVINCE. ACCORDING TO THE TFDP, THE LANDOWNERS HAVE SOUGHT TO DRIVE THE MANOBOS FROM THEIR LAND FOR SEVERAL YEARS.

POLICE PERSONNEL SUPPORTED SOME LANDOWNERS' EFFORTS TO RESOLVE RURAL LAND DISPUTES BY DISPLACING FARMERS. ACCORDING TO THE TFDP, THE MINDORO OCCIDENTAL POLICE ARRESTED AND HELD TEN FARMERS IN AUGUST ON A FABRICATED CHARGE OF POSSESSING ILLEGAL FIREARMS. THE LANDOWNER SOUGHT TO EVICT THESE AND OTHER FARMERS WHO WERE DUE TO OBTAIN TITLE TO THE LAND UNDER THE AGRARIAN REFORM LAW. IN JULY THE OWNERS' SECURITY GUARDS REPORTEDLY SHOT AND KILLED A FARMER AS HE SOUGHT TO ENTER THE ESTATE.

THE ASSAILANTS WHO KILLED THE HEAD OF THE CATHOLIC DIOCESE OF SULU, BISHOP BENJAMIN DE JESUS, IN 1997 HAVE NOT BEEN TRIED. THOSE PERSONS INITIALLY ARRESTED REMAIN UNDER DETENTION ALTHOUGH HUMAN RIGHTS GROUPS REPORT THAT OTHER PROMINENT SUSPECTS REMAIN AT LARGE.

DESPITE A CEASE FIRE AND PEACE TALKS IN THE FIRST HALF OF 1998, BOTH AFP AND NPA ELEMENTS VIOLATED THE ACCORD. AN AFP UNIT ATTACKED A GROUP OF 25 NPA MEMBERS IN SAMAR PROVINCE IN SEPTEMBER, KILLING FIVE OF THE INSURGENTS.

ELECTION RELATED VIOLENCE WAS WIDESPREAD IN THE CAMPAIGN PERIOD BEFORE THE MAY NATIONAL ELECTIONS, THOUGH LOW COMPARED WITH PREVIOUS ELECTIONS. IN SPITE OF GOVERNMENT EFFORTS TO ENSURE A PEACEFUL VOTE, LOCAL POLITICAL RIVALRIES RESULTED IN SHOOTINGS AND OTHER VIOLENCE. THE COMMISSION ON ELECTIONS REPORTED THAT 47 PROVINCIAL OR MAYORAL CANDIDATES, CAMPAIGNERS, OR POLLING PLACE STAFF WERE KILLED AND 97 WOUNDED. HOWEVER, RIVAL POLITICAL PARTY GROUPS WERE KNOWN TO CLAIM NPA INVOLVEMENT TO DEFLECT CHARGES AGAINST THEM. THERE WERE PERIODIC REPORTS OF INCIDENTS IN WHICH NPA MEMBERS REPORTEDLY KILLED OR WOUNDED CANDIDATES OR ELECTIONS STAFF IN THE PERIOD PRIOR TO THE MAY ELECTIONS. NPA ASSAILANTS REPORTEDLY FIRED ON THE CAR OF SURIGAO DEL SUR GOVERNOR PRIMO MURILLO IN EARLY MAY, WOUNDING MEMBERS OF HIS STAFF.

ACCORDING TO PRESS REPORTS, NPA UNITS IN LUZON AND THE VISAYAS SOMETIMES ATTACKED ARMY OR POLICE PATROLS TO OBTAIN ARMS. ABOUT 40 NPA MEMBERS ATTACKED A PNP PATROL IN NORTHERN SAMAR PROVINCE IN JULY, KILLING TWO POLICEMEN AND AN ARMY OFFICER WHO WAS PATROLLING THE AREA SEPARATELY.

#### B. DISAPPEARANCE

THE CHR CITED TEN CASES OF INVOLUNTARY  
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TAGS: PHUM, ELAB, KSEP, RP

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DISAPPEARANCE IN 1998, COMPARED WITH 15  
DISAPPEARANCES IN 1997. THE TFDP REPORTED TWO  
DISAPPEARANCES. THE FAMILIES OF VICTIMS OF  
INVOLUNTARY DISAPPEARANCE (FIND), THE INTERNATIONAL  
NGO, ALSO REPORTED FOUR CASES OF INVOLUNTARY  
DISAPPEARANCE. (FIND DEFINES DISAPPEARANCE AS  
TAKING PLACE IF THE INDIVIDUAL IS MISSING FOR 48  
HOURS; THE TFDP USES 72 HOURS AS ITS CRITERION.)  
FIND DOCUMENTED THE AFP'S ATTEMPT TO HIDE ITS  
INVOLVEMENT IN THE MARCH DEATHS OF TWO MINDANAO

INDIGENOUS GROUP MEMBERS KILLED IN THE WAKE OF A LAND DISPUTE IN POLOMOLOK NEAR GENERAL SANTOS. (SEE SECTION 1.A) ACCORDING TO FIND, THE AFP BURIED THE TWO IN A SHALLOW GRAVE AFTER EXECUTING THEM. DUE TO THE EFFORTS OF NGOS, THE NATIONAL BUREAU OF INVESTIGATION EXHUMED AND IDENTIFIED THE BODIES ONLY THREE DAYS LATER AND ESTABLISHED THAT THEY DIED OF MULTIPLE GUNSHOT WOUNDS.

THE COURTS AND THE POLICE HAVE FAILED TO ADDRESS COMPLAINTS OF VICTIMS' FAMILIES CONCERNING NUMEROUS DISAPPEARANCES IN THE 1980S. FIND PRESENTED TO THE GOVERNMENT RECORDS OF 1,635 DOCUMENTED CASES OF INDIVIDUALS CONSIDERED VICTIMS OF AN OFFICIALLY ARRANGED "DISAPPEARANCE." (ACCORDING TO AMNESTY INTERNATIONAL, THERE WERE 759 DISAPPEARANCE CASES UNDER FORMER PRESIDENT MARCOS, 830 DISAPPEARANCES UNDER FORMER PRESIDENT CORAZON AQUINO AND 46 UNDER FORMER PRESIDENT RAMOS.) ALTHOUGH PRESIDENT RAMOS APPOINTED A COMMITTEE IN 1992 TO LOOK INTO RESPONSIBILITY FOR THE MANY DISAPPEARANCES, THE COMMITTEE DISBANDED IN JULY WITHOUT EVER FUNCTIONING. FIND APPEALED FOR A RETURN VISIT BY THE UN WORKING GROUP ON ENFORCED AND INVOLUNTARY DISAPPEARANCES (UNWGEID), WHICH LAST VISITED IN 1990. AMNESTY INTERNATIONAL IN MANILA HAS PLACED A TOP PRIORITY ON SUPPORTING THE VICTIMS' FAMILIES' PLEAS FOR A COURT HEARING. COURT INACTION ON THESE CASES HELPS CREATE A CLIMATE OF IMPUNITY THAT UNDERMINES CONFIDENCE IN THE JUSTICE SYSTEM.

KIDNAPINGS OF MEMBERS OF ETHNIC COMMUNITIES REMAINED A PROBLEM. CRIMINAL SYNDICATES AND BANDIT ELEMENTS LINKED TO INSURGENT GROUPS PRIMARILY TARGETED MEMBERS OF CHINESE-FILIPINO FAMILIES ALTHOUGH THEIR VICTIMS ALSO INCLUDED FILIPINO BUSINESS PEOPLE AND SOME FOREIGN MANAGERS (AGAIN MAINLY CHINESE). ACCORDING TO THE CHINESE COMMUNITY GROUP THAT MONITORS INCIDENTS THAT VICTIMS' FAMILIES HAVE CHOSEN NOT TO REPORT TO THE POLICE, THERE WERE 66 KIDNAPINGS FOR RANSOM IN THE FIRST EIGHT MONTHS OF 1998, INVOLVING 118 VICTIMS. A TOTAL OF OVER \$2 MILLION (91.7 MILLION PESOS) WERE PAID AS RANSOM. THIRTY-FOUR OF THESE ABDUCTIONS TOOK PLACE IN MANILA AND 22 IN THE MUSLIM AREA OF MINDANAO.

IN DECEMBER 1997, THE FILIPINO-CHINESE COMMUNITY IN MANILA CLOSED SHOPS AND SCHOOLS IN A DAY PROTEST OF THE GOVERNMENT'S FAILURE TO COUNTER THE KIDNAPING MENACE. THE CHINESE-FILIPINO COMMUNITY, WHICH NUMBERS PERHAPS 1 TO 2 PERCENT OF THE POPULATION BUT WIELDS A MAJOR INFLUENCE IN THE BUSINESS SECTOR, NORMALLY REFUSES TO COOPERATE WITH THE PNP AUTHORITIES. ACCORDING TO THE CAAC, THE COMMUNITY DEEPLY DISTRUSTS PNP OFFICIALS, WHOM THEY BELIEVE COLLUDE WITH THE KIDNAP GANGS. OBSERVERS BELIEVE

THAT POLICE INVOLVEMENT IS INDICATED BY THE KIDNAPERS' FREQUENT USE OF SOPHISTICATED COMMUNICATIONS EQUIPMENT AND HIGH-POWERED WEAPONS.

ALONG WITH MANILA, THE CITY OF COTABATO IN MINDANAO WAS A FREQUENT SITE OF KIDNAPINGS. ITS PROXIMITY TO AREAS CONTROLLED BY THE INSURGENT MUSLIM FORCE, THE MILF, HAS MADE IT ESPECIALLY VULNERABLE TO LAWLESS ELEMENTS. ALTHOUGH AFP LEADERS HAVE CHARGED THE MILF WITH SEEKING RANSOM FUNDS AND USING THE KIDNAPINGS AS A "SHOW OF FORCE," OBSERVERS BELIEVED THAT MANY KIDNAPPINGS WERE CARRIED OUT BY VARIOUS GANGS, MANY OF WHICH WERE COMPOSED OF FORMER INSURGENTS AND/OR POLICE AND ARMY VETERANS.

REFLECTING THE SCOPE OF SUCH GANGS, A GERMAN BUSINESSMAN, KIDNAPPED BY A GANG IN ZAMBOANGA DEL NORTE IN SEPTEMBER, 1997 WAS HELD BY A LARGE BANDIT GROUP UNTIL LATE DECEMBER, 1997 WHEN A RANSOM WAS PAID. HE INDICATED AT LEAST 70 PEOPLE WERE INVOLVED AS HE WAS MOVED FROM PLACE TO PLACE.  
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DEPARTMENT FOR DRL/CRT, EAP/PIMBS, EAP/RSP

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PRESIDENT JOSEPH ESTRADA, WHO TOOK OFFICE ON JUNE 30, HAS GIVEN PUT TOP PRIORITY TO APPREHENDING KIDNAPPERS AS PART OF HIS EMPHASIS ON "LAW AND ORDER." IN LATE 1998, HIS PRESIDENTIAL ANTI-ORGANIZED CRIME COMMISSION ARRESTED SOME MAJOR RINGS, INCLUDING A FEW ACTIVE OR FORMER POLICE OFFICERS.

C. TORTURE AND OTHER CRUEL, INHUMAN OR DEGRADING TREATMENT OR PUNISHMENT

THE CONSTITUTION PROHIBITS TORTURE, AND EVIDENCE OBTAINED THROUGH ITS USE IS LEGALLY INADMISSIBLE IN COURT; HOWEVER, MEMBERS OF THE SECURITY FORCES AND POLICE CONTINUED TO USE TORTURE AND OTHERWISE ABUSE SUSPECTS AND DETAINEES. THE CHR AND THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG) PROVIDE THE POLICE WITH HUMAN RIGHTS TRAINING, INCLUDING PRIMERS ON THE RIGHTS OF SUSPECTS. HOWEVER, SUCH TRAINING IS VOLUNTARY AND DEPENDENT ON THE DILG'S UNCERTAIN BUDGET. POLICE AWARENESS OF THE RIGHTS OF THOSE IN CUSTODY REMAINS POOR.

THE CHR REPORTED TWO CASES OF TORTURE OF SUSPECTS WHILE UNDER OFFICIAL CUSTODY IN 1998, COMPARED WITH THREE CASES IN 1997; THE TFDP REPORTED SIX CASES FOR THE YEAR, COMPARED WITH 11 REPORTED IN 1997.

ATTORNEYS IN LEGAL REFORM AND PUBLIC DEFENDER GROUPS IDENTIFY THE MOST COMMON FORMS OF ABUSE DURING ARREST AND INTERROGATION AS MAULING, SLAPPING, HITTING WITH CLUBS, AND POKING DEFENDANTS WITH GUNS. POLICE ALSO REPORTEDLY USED ELECTRIC SHOCKS TO EXTORT CONFESSIONS.

AFP MEMBERS RAPED AND KILLED FOUR YOUTHS IN JUNE (SEE SECTION 1.A.).

PRISON CONDITIONS ARE HARSH AND LIFE-THREATENING. PROVINCIAL JAILS AND PRISONS ARE OVERCROWDED, HAVE LIMITED EXERCISE AND SANITARY FACILITIES, AND PROVIDE PRISONERS AN INADEQUATE DIET. ADMINISTRATORS REPORTEDLY BUDGET A DAILY SUBSISTENCE ALLOWANCE OF ABOUT 60 CENTS (25 PESOS). FOLLOWING A 1990-96 CHR STUDY ON 6,939 JAIL FACILITIES, THE CHR POINTED TO THE PROBLEM OF WOMEN AND CHILDREN BEING HELD IN FACILITIES NOT FULLY SEGREGATED FROM THE MALE INMATES.

GUARDS OFTEN ABUSE PRISONERS. FEMALE PRISONERS ARE AT PARTICULAR RISK OF SEXUAL ASSAULT. A CHR REPORT ON JAIL FACILITIES THROUGHOUT THE COUNTRY INDICATED THAT OF 613 JAILS VISITED, ONLY 64 HAD ADEQUATE FACILITIES AND WERE IN GOOD CONDITION. HOWEVER, SOME PROMINENT PRISONERS AND CELEBRITIES WERE TREATED FAR BETTER. A PROVINCIAL GOVERNOR HELD ON SUSPICION OF MURDER WAS ABLE TO RUN SUCCESSFULLY FOR REELECTION IN MAY FROM HIS CELL THROUGH HIS PRIVILEGED USE OF A CELLULAR PHONE AND OTHER COMMUNICATION EQUIPMENT. HE ALSO ENJOYED A SHORT FURLOUGH TO CELEBRATE HIS BIRTHDAY IN HIS HOME PROVINCE. IN MAY AN INCUMBENT CONGRESSMAN WAS REELECTED WHILE SERVING A LIFE SENTENCE FOLLOWING HIS 1997 CONVICTION FOR RAPE.

OFFICIAL CORRUPTION IS A SERIOUS PROBLEM IN THE PRISON SYSTEM. JAIL ADMINISTRATORS REPORTEDLY DELEGATE AUTHORITY TO MAINTAIN ORDER TO SENIOR INMATES. FAVORED INMATES REPORTEDLY ENJOY ACCESS TO OUTSIDE CONTACTS, ENABLING THEM TO TRADE IN PROSTITUTION AND DRUGS WITHIN THE JAIL WALLS.

CONDITIONS IN THE PROVINCIAL JAILS WERE OFTEN AS SPARTAN AND OVERCROWDED AS IN MANILA. INMATES DEPENDED ON THEIR FAMILIES FOR FOOD BECAUSE OF THE INSUFFICIENT SUBSISTENCE ALLOWANCE. ACCORDING TO THE PENAL AUTHORITIES, THERE WERE OVER 20,000 DETAINEES HELD IN REGIONAL JAILS. MANY WERE THERE AT THE DISCRETION OF LOCAL LAW ENFORCEMENT AUTHORITIES WITHOUT BENEFIT OF A TRIAL. THROUGH

THE EFFORTS OF THE CHR, 627 PRISONERS/DETAINEES WERE RELEASED FROM 1988-96 BECAUSE THEY HAD BEEN DETAINED BEYOND THE SENTENCES IMPOSED OR BECAUSE THE CHR HELPED OBTAIN THEIR PAROLES OR PARDONS. THE CHR STUDY FOUND THAT A MAJOR CAUSE FOR CONGESTION IN JAILS WAS THAT THOSE AWAITING TRIAL LACKED THE FUNDS TO POST BAIL AND REMAINED IN LENGTHY PRE-TRIAL DETENTION.  
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HARSH PRISON CONDITIONS HELPED SPARK INMATE PROTESTS AT A GOVERNMENT PENAL COLONY IN DAPECOL, DAVAO PROVINCE IN MARCH. PRISONERS PROTESTED LIVING QUARTERS AND FOOD THAT THE REGIONAL CHR DIRECTOR DESCRIBED AS BELONGING IN A "PIG-STY." ACCORDING TO THE CHR, THE PRISON DIRECTOR GAVE AUTHORITY TO SENIOR INMATES TO ADMINISTER RULES, RESULTING IN A "REIGN OF TERROR." EIGHT PRISONERS SOUGHT TO FORCE REFORMS THROUGH TAKING HOSTAGES. DESPITE PROGRESS OVER THREE DAYS OF NEGOTIATIONS, THE PRESIDENTIAL ASSISTANT FOR MINDANAO DECIDED TO HAVE POLICE ATTEMPT AN ARMED RESCUE OF THE FIVE HOSTAGES. THE EIGHT PRISONERS AND A WOMAN PRISON COUNSELOR WERE KILLED AND THE OTHER FOUR HOSTAGES WOUNDED. THE CHR REGIONAL DIRECTOR, WHO HAD ASSISTED NEGOTIATIONS, FAULTED THE POLICE METHODS AND TIMING. A NEWS PHOTOGRAPH DISCLOSED THAT ONE PRISONER WAS SHOT WHILE ASLEEP ON A COT. THE JUSTICE SECRETARY DISMISSED THE PENAL COLONY DIRECTOR. (NGOS HAD CHARGED THE SAME DIRECTOR LAST YEAR WITH CONSPIRACY IN THE 1997 MURDER OF A LAY CHURCH WORKER AT THE PENAL COLONY.)

INTERNATIONAL MONITORING GROUPS, THE INTERNATIONAL COMMITTEE OF THE RED CROSS, AND FOREIGN EMBASSY OFFICIALS ARE ALLOWED FREE ACCESS TO JAILS AND PRISONS.

D. ARBITRARY ARREST, DETENTION, OR EXILE

ALTHOUGH THE CONSTITUTION REQUIRES A JUDICIAL DETERMINATION OF PROBABLE CAUSE BEFORE ISSUANCE OF AN ARREST WARRANT AND PROHIBITS HOLDING PRISONERS INCOMMUNICADO OR IN SECRET PLACES OF DETENTION, POLICE CONTINUED ARBITRARILY TO ARREST AND DETAIN

CITIZENS, ALTHOUGH LESS FREQUENTLY THAN IN THE PREVIOUS YEAR.

DETAINEES HAVE THE RIGHT TO A JUDICIAL REVIEW OF THE LEGALITY OF THEIR DETENTION AND, EXCEPT FOR OFFENSES PUNISHABLE BY A LIFE SENTENCE OR DEATH (WHEN EVIDENCE OF GUILT IS STRONG), THE RIGHT TO BAIL. AUTHORITIES ARE REQUIRED TO FILE CHARGES WITHIN 12 TO 36 HOURS OF A WARRANTLESS ARREST, DEPENDING ON THE SERIOUSNESS OF THE CRIME FOR WHICH THE ARREST WAS MADE. THE CHR LISTED 59 CASES OF ILLEGAL ARREST AND DETENTION IN 1998, COMPARED WITH 104 IN 1997. THE TFDP FOUND THAT 50 PERSONS WERE ARRESTED ILLEGALLY IN 1998, COMPARED WITH 81 IN THE FIRST TEN MONTHS OF 1997.

THE NPA AND THE MILF WERE RESPONSIBLE FOR SOME ARBITRARY ARRESTS AND DETENTIONS, OFTEN IN CONNECTION WITH INFORMAL COURTS SET UP TO TRY CIVILIANS AND LOCAL POLITICIANS FOR "CRIMES AGAINST THE PEOPLE."

MEMBERS OF THE MILF TRIED AND EXECUTED TWO PERSONS ON CRIMINAL CHARGES IN A MUSLIM AREA OF MINDANAO IN OCTOBER. REFLECTING THE MILF'S CLAIM TO RECOGNITION AS AN INDEPENDENT STATE IN AREAS IT CONTROLS, MILF SPOKESMEN ASSERTED THEIR SELF-PROCLAIMED COURTS HAVE CRIMINAL JURISDICTION.

FORCED EXILE IS ILLEGAL AND IS NOT PRACTICED.

#### E. DENIAL OF FAIR PUBLIC TRIAL

THE CONSTITUTION PROVIDES FOR AN INDEPENDENT JUDICIARY, BUT THE JUDICIAL SYSTEM SUFFERS FROM CORRUPTION AND INEFFICIENCY. PERSONAL TIES UNDERMINE THE COMMITMENT OF SOME GOVERNMENT INSTITUTIONS TO ENSURING DUE PROCESS AND EQUAL JUSTICE, RESULTING IN IMPUNITY FOR THOSE WHO COMMIT OFFENSES BUT ARE RICH AND INFLUENTIAL.

THE NATIONAL COURT SYSTEM CONSISTS OF FOUR LEVELS: LOCAL AND REGIONAL TRIAL COURTS, A NATIONAL COURT OF APPEALS DIVIDED INTO 15 DIVISIONS, A 15-MEMBER SUPREME COURT, AND AN INFORMAL LOCAL SYSTEM FOR ARBITRATING OR MEDIATING CERTAIN PROBLEMS OUTSIDE THE FORMAL COURT SYSTEM. THE SANDIGANBAYAN, THE GOVERNMENT'S ANTI-CORRUPTION COURT, HEARS CRIMINAL CASES OF MISCONDUCT BROUGHT AGAINST OFFICIALS. THE CONSTITUTION PROVIDES THAT THOSE ACCUSED OF CRIMES BE INFORMED OF THE CHARGES AGAINST THEM, HAVE THE RIGHT TO COUNSEL, AND BE PROVIDED A SPEEDY AND PUBLIC TRIAL. DEFENDANTS ARE PRESUMED INNOCENT AND

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HAVE THE RIGHT TO CONFRONT WITNESSES AGAINST THEM, TO PRESENT EVIDENCE, AND TO APPEAL CONVICTIONS. THE AUTHORITIES GENERALLY RESPECT THE RIGHT OF DEFENDANTS TO BE REPRESENTED BY A LAWYER ALTHOUGH POVERTY OFTEN INHIBITS A DEFENDANT'S ACCESS TO ATTORNEYS. THERE IS NO JURY SYSTEM UNDER THE LAW; ALL CASES ARE HEARD BY JUDGES.

ACCORDING TO THE NGO ALTERLAW, USE OF PERSONAL CONNECTIONS, PATRONAGE, INFLUENCE PEDDLING, AND BRIBERY IS COMMON. THE JUDICIAL PROCESS IS PERCEIVED AS BIASED IN FAVOR OF THE RICH AND INFLUENTIAL, AND THERE ARE FEW INSTANCES OF THE POLICE INVESTIGATING AND THE COURTS TRYING WHITE COLLAR CRIMINALS. LEGAL EXPERTS IN AND OUTSIDE THE JUSTICE SYSTEM ALSO CRITICIZE PERSONAL AND PROFESSIONAL RELATIONSHIPS BETWEEN JUDGES AND THE INDIVIDUALS AND CORPORATIONS WHOSE CASES THEY ARE ASSIGNED. SOME LAW FIRMS, KNOWN IN THAT PROFESSION AS "CASE FIXERS", GAIN THE FAVOR OF JUDGES AND OTHER COURT OFFICIALS, AND BRIBE SOME WITNESSES. WHILE IT IS TECHNICALLY ILLEGAL TO SETTLE CRIMINAL CASES OUT OF COURT, THE PRACTICE OF REACHING AN "AMICABLE SETTLEMENT" IS ROUTINE; WITHOUT KEY VICTIMS OR WITNESSES TO TESTIFY, THE AUTHORITIES ARE FORCED TO ABANDON THEIR CASE. THE GOVERNMENT HAS BEEN UNABLE, FOR THE MOST PART, TO TAKE EFFECTIVE ACTION TO INTERVENE IN THESE SITUATIONS, AND SUCH PRACTICES APPEAR TO BE FIRMLY ENTRENCHED IN THE COUNTRY'S CULTURE.

THE PACE OF JUSTICE IS SLOW. THE COURT SYSTEM IS UNABLE TO ASSURE DETAINED PERSONS EXPEDITIOUS TRIALS. THERE IS A WIDELY RECOGNIZED NEED FOR MORE PROSECUTORS, JUDGES, AND COURTROOMS. A LEADING COURT ADMINISTRATOR INDICATED THAT 692 POSITIONS FOR JUDGES REMAINED VACANT IN 1998 FOR WANT OF QUALIFIED APPLICANTS. MANY VACANCIES WERE IN PROVINCIAL CAPITALS UNATTRACTIVE TO JURISTS. IN OTHER CASES, JUDGES' SALARIES WERE CONSIDERED TOO LOW COMPARED WITH OTHER OPPORTUNITIES. FURTHER IMPEDING JUSTICE WAS A SHORTAGE OF PROSECUTORS. A JUSTICE DEPARTMENT OFFICIAL IN CHARGE OF NATIONWIDE PROSECUTORS ACKNOWLEDGED AT A HUMAN RIGHTS SEMINAR THAT HE LACKED SUFFICIENT RESOURCES TO HIRE THE PROSECUTORS NEEDED FOR THE NATIONWIDE CASE LOAD. HE ALSO ACKNOWLEDGED THAT PROSECUTORS ARE SUSCEPTIBLE TO CORRUPTION BECAUSE OF THEIR LOW SALARIES.

ACCORDING TO THE CONSTITUTION, CASES ARE TO BE RESOLVED WITHIN SET TIME LIMITS ONCE SUBMITTED FOR DECISION: 24 MONTHS FOR THE SUPREME COURT; 12 FOR THE COURT OF APPEALS, AND 3 MONTHS FOR LOWER COURTS. THERE ARE NO TIME LIMITS FOR TRIALS. BECAUSE OF NUMEROUS TECHNICAL DELAYS AND FREQUENT FAILURES OF JUDGES AND PROSECUTORS TO APPEAR, TRIALS CAN LAST MANY MONTHS. PROSECUTORS OFTEN DECLINED TO PROSECUTE CERTAIN TYPES OF CASES. OFFICIALS IN THE LABOR AND SOCIAL WELFARE DEPARTMENTS COMPLAIN THAT PROSECUTORS GENERALLY FAIL TO FOLLOW UP ON CASES INVOLVING CHILD LABOR VIOLATIONS (SEE SECTION 6.D.).

THE CHR REPORTED IN 1997 THAT ONLY 18 PERCENT OF THE HUMAN RIGHTS CASES THAT IT REFERRED TO COURTS AND OTHER GOVERNMENT AGENCIES WERE RESOLVED, AND THAT THE COURTS DISMISSED 76 PERCENT OF THE FEW CASES THAT WENT TO TRIAL. THE CHR HAD TO SUSPEND ITS 1997 AGREEMENT FOR ADDING JUSTICE DEPARTMENT PROSECUTORS TO ITS STAFF BECAUSE OF A LACK OF BUDGET AND AVAILABLE PROSECUTORS.

AN NGO REPRESENTING OVER 400 FAMILIES OF CRIME VICTIMS (CRUSADE AGAINST VIOLENCE - CAV) REPORTED SOME SUCCESS IN PROVIDING FAMILIES WITH LEGAL ADVICE, MONITORING COURT PROCESSES AND SPURRING PROSECUTORS TO ADDRESS CASES DESPITE THE EFFORTS OF LOCAL CRIME LORDS OR OFFICIALS TO HINDER PROCEEDINGS.

ATTORNEYS INVOLVED IN PROMINENT HUMAN RIGHTS CASES EXPRESSED CONCERN OVER ATTEMPTS TO INTIMIDATE THEM. THOSE ASSISTING THE WITNESSES IN THE "KURATONG BALELENG" CASE (SEE SECTION 1.A.) INDICATE THAT BOTH THEY AND SOME PROSECUTORS IN THE OMBUDSMAN'S OFFICE FACED PRESSURES, INCLUDING SURVEILLANCE AND TELEPHONE THREATS. THE ATTORNEYS ASSISTING IN THE PREPARATION OF THE PROSECUTION OF AFP OFFICIALS  
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RECENTLY ACCUSED OF RESPONSIBILITY FOR THE MURDER OF A PROMINENT STUDENT LEADER IN THE 1980S EXPRESSED CONCERN OVER A BURGLARY OF THEIR LAW OFFICE AND TELEPHONE THREATS.

THE VICTIMS CLAIMING INDEMNIFICATION FOR ALLEGED MARCOS ERA HUMAN RIGHTS ABUSES AWAIT THE OUTCOME OF EITHER A PHILIPPINE COURT CASE OR A NEGOTIATED SETTLEMENT AMONG THE CLAIMANTS (THE GOVERNMENT, MARCOS FAMILY AND VICTIMS). THE VICTIMS' ATTORNEYS SEEK TO HAVE A LOCAL COURT ENFORCE THE FINDINGS OF FOREIGN COURTS THAT THE GOVERNMENT SHARE WITH THE VICTIMS MONEY RECOVERED FROM SWISS BANK ACCOUNTS HELD BY THE MARCOS FAMILY. THE COURT HAS NOT YET MADE A FINDING. PRESIDENT ESTRADA PROPOSED THAT THE CASE BE RESOLVED THROUGH AN AGREEMENT AMONG THE VICTIMS, THE GOVERNMENT AND THE MARCOS FAMILY TO SHARE THE OVER \$500 MILLION THAT THE SWISS SUPREME COURT ORDERED SWISS BANKS TO TRANSFER TO AN ESCROW ACCOUNT IN THE PHILIPPINES IN 1998. THE SWISS MINIMUM CONDITIONS FOR THE FUND'S RELEASE ARE EITHER A PHILIPPINE COURT JUDGMENT THAT THE MARCOS DEPOSITS IN SWITZERLAND WERE "ILL-GOTTEN WEALTH" OR A MUTUAL AGREEMENT SIMILAR TO THAT PRESIDENT ESTRADA SUGGESTED. IN BOTH CASES, THE GOVERNMENT IS OBLIGED TO SUBMIT A REPORT TO THE SWISS GOVERNMENT THAT HUMAN RIGHTS VICTIMS ARE TO BE DULY INDEMNIFIED BEFORE THE SWISS AUTHORITIES CAN RELEASE THE MONEY.

AMNESTY INTERNATIONAL (AI) QUESTIONED THE APPARENT UNFAIRNESS IN MANY OF THE COURT PROCEEDINGS THAT RESULT IN DEATH SENTENCES, SINCE THE JUDICIAL SYSTEM DOES NOT ENSURE THE RIGHTS OF DEFENDANTS TO DUE PROCESS AND LEGAL REPRESENTATION. AT TIMES, DEFENDANTS IN SUCH CASES HAD NO LAWYERS TO ASSIST THEM WHEN THEY WERE ARRESTED, INDICTED, AND BROUGHT TO TRIAL.

IN 1995 THE GOVERNMENT OFFERED AN AMNESTY TO FORMER REBELS AND MEMBERS OF GOVERNMENT SECURITY FORCES UP TO A JUNE 1, 1995 DEADLINE. IN THE CASE OF REBELS, CRIMES COVERED BY THE AMNESTY HAD TO HAVE BEEN COMMITTED IN PURSUIT OF POLITICAL BELIEFS; IN THE CASE OF MEMBERS OF GOVERNMENT FORCES, CRIMES COVERED WERE THOSE COMMITTED IN THE PERFORMANCE OF DUTY. MEMBERS OF GOVERNMENT SECURITY FORCES WHO COMMITTED SERIOUS HUMAN RIGHTS VIOLATIONS SUCH AS EXTRAJUDICIAL KILLINGS, MASSACRES, TORTURE AND RAPE WERE EXCLUDED FROM THE PROGRAM. A QUASI-JUDICIAL NATIONAL AMNESTY COMMISSION (NAC), WHOSE DECISIONS ARE SUBJECT TO REVIEW ONLY BY THE COURT OF APPEALS, WAS ESTABLISHED TO PROCESS AMNESTY APPLICATIONS. THE NAC PROCESSED AND OVERSAW THE RELEASE OF 41 POLITICAL PRISONERS IN 1995-1996. NONE HAS BEEN RELEASED SINCE THEN.

THE TFDP REPORTED THERE WERE 147 POLITICAL PRISONERS HELD AT YEAR'S END, COMPARED WITH 188 POLITICAL PRISONERS HELD IN AUGUST. THE GOVERNMENT DISPUTES THAT IT HOLDS POLITICAL PRISONERS, CONTENDING THAT THOSE HELD FOR ALLEGEDLY POLITICAL REASONS REALLY WERE IMPRISONED FOR COMMON CRIMES.

FREQUENTLY POLITICAL PRISONERS COUNTED BY THE TFDP WERE CHARGED WITH ILLEGAL POSSESSION OF FIREARMS. THE TFDP CLAIMS THAT THE AUTHORITIES DELIBERATELY "CRIMINALIZED" THE POLITICAL OFFENDER CASES IN ORDER TO STRIP POLITICAL PRISONERS OF PUBLIC SYMPATHY. IN THE FIRST HALF OF 1998, TFDP INVESTIGATIONS INDICATED THAT THERE WERE 12 NEW ILLEGAL ARRESTS FOR POLITICAL REASONS (COMPARED WITH 87 DURING THE SAME PERIOD IN 1997). DURING PEACE TALKS, THE GOVERNMENT AND THE EXILED LEADERS OF THE COMMUNIST NATIONAL DEMOCRATIC FRONT HAVE DISCUSSED THE RELEASE OF PRISONERS HELD FOR POLITICAL CRIMES ALTHOUGH THE GOVERNMENT DENIES THAT IT HOLDS PRISONERS ON THESE GROUNDS. NEVERTHELESS, ACCORDING TO THE CHR, THE GOVERNMENT FINDS SOME BASIS TO RELEASE PERIODICALLY SOME OF THE PRISONERS THAT THE TFDP CONSIDERS ARE HELD FOR POLITICAL REASONS. PRESIDENT RAMOS RELEASED 14 SUCH PERSONS IN EARLY 1998 ON HUMANITARIAN GROUNDS IN RESPONSE TO AN APPEAL FOR THOSE IN POOR HEALTH.

F. ARBITRARY INTERFERENCE WITH PRIVACY, FAMILY, HOME OR CORRESPONDENCE

THE CONSTITUTION PROVIDES THAT A JUDGE MAY ISSUE SEARCH WARRANTS ON A FINDING OF PROBABLE CAUSE.  
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DEPARTMENT FOR DRL/CRT, EAP/PIMBS, EAP/RSP

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TAGS: PHUM, ELAB, KSEP, RP  
SUBJECT: DRAFT OF 1998 HUMAN RIGHTS REPORT --  
PHILIPPINES

RESTRICTIONS ON SEARCH AND SEIZURE WITHIN PRIVATE HOMES GENERALLY ARE OBSERVED, ALTHOUGH SEARCHES WITHOUT WARRANTS DO OCCUR. JUDGES HAVE DECLARED EVIDENCE OBTAINED ILLEGALLY TO BE INADMISSIBLE.

ACCORDING TO CHR OFFICIALS, THERE WAS A DECREASE IN THE DISPLACEMENT OF FAMILIES FROM THEIR HOMES TO MAKE WAY FOR INFRASTRUCTURE AND COMMERCIAL DEVELOPMENTS. FOLLOWING CRITICAL MEDIA REPORTS AND INTERNATIONAL ATTENTION ON FORCED DEMOLITIONS OF HOMES OF URBAN "SQUATTERS" IN 1997, BOTH THE CENTRAL AND LOCAL GOVERNMENTS APPEARED TO REFRAIN FROM DISLODGING SQUATTERS WITHOUT THEIR CONSENT TO MOVE TO OTHER HOUSING. HAVING CAMPAIGNED AS THE "PRO-POOR" CANDIDATE, PRESIDENT ESTRADA SOUGHT TO AVOID CONFRONTATIONS WITH SQUATTER COMMUNITIES. HOWEVER, THE GOVERNMENT HAD DIFFICULTY IN IMPLEMENTING ITS 1992 HOUSING LAW, WHICH, PROVIDES FOR CONSULTATION, COMPENSATION AND SUBSTITUTE

HOUSING FOR THE SQUATTER FAMILIES AFFECTED BY  
REMOVAL PLANS.

THE MAJOR INCIDENTS OF FORCED REMOVALS GENERALLY INVOLVED LAND DISPUTES IN RURAL AREAS. IN MINDANAO, AFP FORCES KILLED TWO MEMBERS OF AN INDIGENOUS GROUP, AND IN MINDORO OCCIDENTAL OWNERS' SECURITY GUARDS REPORTEDLY SHOT AND KILLED A FARMER (SEE SECTION 1.A.). LANDOWNERS IN SUMILAO, BUKIDNON PROVINCE, CONTINUED TO BLOCK ENTRY OF MEMBERS OF THE INDIGENOUS HIGAONON GROUP, WHO CLAIMED 355 ACRES OF FARM LAND THAT THE LANDOWNERS SEEK TO DEVELOP. ALTHOUGH PRESIDENT RAMOS PERSONALLY BROKERED A LAND AGREEMENT BETWEEN THE TWO PARTIES IN LATE 1997 FOLLOWING THE DEATHS OF THREE HIGAONON, THE CASE REMAINS UNRESOLVED IN LENGTHY COURT APPEALS BY THE LANDOWNERS. THERE WERE PERIODIC CLASHES BETWEEN REAL ESTATE DEVELOPMENT SECURITY GUARDS AND FARMERS CLAIMING THE LAND IN HACIENDA LOOC IN BATANGAS PROVINCE SOUTH OF MANILA. 1,200 FARMERS AND FISHERMEN HAVE PROTESTED THE DEVELOPMENT OF THE LAND INTO A RESORT AREA, RESISTING HEAVY PRESSURE FROM LOCAL AUTHORITIES, POLICE AND SECURITY GUARDS TO ABANDON THEIR CLAIM TO THE LAND.

G. USE OF EXCESSIVE FORCE AND VIOLATIONS OF  
HUMANITARIAN LAW IN INTERNAL CONFLICTS

DESPITE AN HISTORIC SEPTEMBER 1996 PEACE AGREEMENT BETWEEN THE GOVERNMENT AND THE MORO NATIONAL LIBERATION FRONT (MNLF), THERE WERE PERIODIC AFP CLASHES WITH THE REMAINING ISLAMIC INSURGENT GROUP, THE MORO ISLAMIC LIBERATION FRONT (MILF). THESE MILITARY OPERATIONS CONTINUED TO INFLICT HARDSHIP ON CIVILIANS. MOST OF THE FIGHTING TOOK PLACE IN WESTERN MINDANAO PROVINCES, PARTICULARLY NORTH COTOBATO, MAGUINDANAO, ZAMBOANGA DEL NORTE, AND BASILAN.

DISPLACED FAMILIES FEAR BEING CASUALTIES IN ARTILLERY EXCHANGES OR BOMBING NEAR THEIR AREAS OF RESIDENCE. ACCORDING TO THE ECUMENICAL COMMISSION FOR DISPLACED FAMILIES AND COMMUNITIES, 19 INCIDENTS OF ARMED CLASHES IN MINDANAO AND BASILAN ISLAND DISPLACED AN ESTIMATED 7,224 FAMILIES OR ABOUT 43,000 PEOPLE IN 1998. ACCORDING TO THE TFDP, TWO CIVILIANS WERE KILLED IN 1998 AS THE RESULT OF MILITARY CROSSFIRE AND OTHERS WERE KILLED BY AFP FORCES (SEE SECTION 1.A.) THE AFP'S OPERATIONS IN THE MARILOG DISTRICT OF DAVAO CITY IN MINDANAO FORCED 400 MARILOG FAMILIES TO FLEE. (ALSO SEE ALSO SECTION 1.A).

ALTHOUGH NEITHER SIDE APPEARS TO TARGET CIVILIAN POPULATIONS OR RESTRICT RELIEF SUPPLIES, THERE WERE PERIODIC FOOD SHORTAGES ASSOCIATED WITH THE LARGE NUMBER OF DISPLACED FAMILIES IN THE ARMY'S CLASHES

WITH THE MILF.

SECTION 2 RESPECT FOR CIVIL LIBERTIES, INCLUDING:  
A. FREEDOM OF SPEECH AND PRESS

THE CONSTITUTION PROVIDES FOR FREEDOM OF SPEECH AND OF THE PRESS, AND THE GOVERNMENT GENERALLY RESPECTS THESE RIGHTS IN PRACTICE. THE PHILIPPINE PRESS INSTITUTE (PPI) IN MANILA IS ACTIVE IN HELPING INVESTIGATE CASES OF HARASSMENT OF JOURNALISTS. IT CONTINUED A CAMPAIGN TO REOPEN THE POLICE INVESTIGATION INTO THE 1997 MURDER OF MANILA  
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JOURNALIST DANNY HERNANDEZ, WHO REPORTED ON LARGE MANILA AREA DRUG RINGS.

THREE MINDANAO RADIO BROADCASTERS WERE KILLED - POSSIBLY TO SILENCE THEIR INVESTIGATIVE JOURNALISM. IN MARCH, REY BANCAIRIN, A RADIO COMMENTATOR IN ZAMBOANGA CITY, WAS SHOT AND KILLED BY TWO UNIDENTIFIED MEN INSIDE HIS BROADCASTING STUDIO. IN APRIL, NELSON CATIPAY, AN INVESTIGATIVE REPORTER FOR A COTABATO CITY STATION, WAS SHOT AND KILLED BY AN ASSAILANT WHILE RETURNING HOME FROM WORK. IN FEBRUARY, ODILON MALLARI, EMPLOYED BY A ROMAN CATHOLIC RADIO STATION IN GENERAL SANTOS CITY, WAS KILLED BY TWO ASSAILANTS. TWO NPA INSURGENTS WERE ARRESTED. HOWEVER, IN ALL THREE CASES, THE ASSOCIATION OF BROADCASTERS OF THE PHILIPPINES BELIEVES THAT THE ASSAILANTS MAY HAVE HAD MOTIVES UNRELATED TO THE BROADCASTERS' PROFESSIONAL ACTIVITIES AND, THEREFORE, DID NOT ISSUE ANY PROTESTS.

THE PPI FAVORS THE REPEAL OF LEGISLATION BANNING POLITICAL ADVERTISING IN THE MEDIA. THE PPI BELIEVES THAT THE TOTAL BAN, ENACTED IN THE INTEREST OF FAIRNESS, FAVORS INCUMBENTS AND DEPRIVES NEW CANDIDATES OF THE OPPORTUNITY TO MAKE THEIR VIEWS KNOWN.

THERE APPEARS TO BE NO INVASIVE USE OF CENSORSHIP ALTHOUGH THERE IS A GOVERNMENT-APPOINTED MOVIE AND TELEVISION REVIEW AND CLASSIFICATION BOARD (MTRCB). IN 1997, THE GOVERNMENT SUCCEEDED IN DELAYING THE

RELEASE OF A FILM DEPICTING THE HARDSHIPS AND ALLEGED RAPE OF AN OVERSEAS FILIPINO 14-YEAR OLD GIRL WORKING ILLEGALLY IN A HOUSEHOLD IN THE MIDDLE EAST. OFFICIALS PERSUADED THE FILM COMPANY TO WITHHOLD THE FILM ON THE GROUNDS THAT ITS CONTENT COULD AFFECT SENSITIVE BILATERAL RELATIONS.

MOVIE PRODUCERS FIND THAT FILMS CONTAINING SEXUALLY EXPLICIT SCENES REACH AUDIENCES DESPITE THE OSTENSIBLE MTRCB BAN ON THEM. ALTHOUGH AN OFFICIALLY SANCTIONED VERSION OF THE FILM MAY BE EDITED, FILM DISTRIBUTORS FIND THAT THEY CAN PREVAIL ON MTRCB INSPECTORS TO OVERLOOK THE SCREENING OF UNEDITED VERSIONS IN MANY CINEMAS.

THE MTRCB IMPOSES A CLASSIFICATION SYSTEM RATING VIOLENCE OR SEXUAL CONTENT ON TELEVISION BROADCASTERS, REQUIRING ENTERTAINMENT PROGRAMS TO MEET ITS CRITERIA. IT MAY REQUIRE A PROGRAMMER TO EDIT SCENES IF THEY DO NOT MEET MTRCB STANDARDS. UNDER PRESIDENT ESTRADA'S NEW ADMINISTRATION IN AUGUST, THE MTRCB SOUGHT TO EXTEND ITS CLASSIFICATION AUTHORITY OVER NEWS PROGRAMS. HOWEVER, THE ASSOCIATION OF BROADCASTERS OF THE PHILIPPINES PROTESTED THE MOVE AND THE MTRCB WAS CONSIDERING THE APPEAL AT YEAR'S END.

THE GOVERNMENT RESPECTS ACADEMIC FREEDOM.

B. FREEDOM OF PEACEFUL ASSEMBLY AND ASSOCIATION

THE CONSTITUTION PROVIDES FOR THESE RIGHTS, AND THE GOVERNMENT RESPECTS THEM IN PRACTICE.

C. FREEDOM OF RELIGION

THE CONSTITUTION PROVIDES FOR FREEDOM OF RELIGION, AND THE GOVERNMENT RESPECTS THIS RIGHT IN PRACTICE.

D. FREEDOM OF MOVEMENT WITHIN THE COUNTRY, FOREIGN TRAVEL, EMIGRATION, AND REPATRIATION

CITIZENS ENJOY THE FREEDOM TO CHANGE THEIR PLACE OF RESIDENCE AND EMPLOYMENT. TRAVEL ABROAD IS LIMITED ONLY IN RARE CIRCUMSTANCES, SUCH AS PENDING COURT CASES OR WHEN GOVERNMENT AUTHORITIES TRY TO DISCOURAGE TRAVEL BY VULNERABLE WORKERS SUCH AS YOUNG WOMEN TO AREAS WHERE THEY FACE PERSONAL RISK. THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA) SEEKS TO LIMIT DEPARTURES FOR WORK ABROAD TO ONLY THOSE WHOM THE POEA CERTIFIES AS QUALIFIED FOR THE JOBS. AN ESTIMATED FIVE TO SIX MILLION FILIPINOS WORK OVERSEAS AND REMIT MONEY HOME WHICH AMOUNTS TO NEARLY 10 PERCENT OF THE GROSS NATIONAL PRODUCT.

THERE IS NO COMPREHENSIVE LEGISLATION THAT PROVIDES FOR GRANTING REFUGEE/ASYLEE STATUS IN ACCORDANCE WITH THE UNCLAS E F T O SECTION 12 OF 22 MANILA 000942

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PROVISIONS OF THE 1951 U.N. CONVENTION RELATING TO THE STATUS OF REFUGEES WITH ITS 1967 PROTOCOL. HOWEVER, IN MARCH, THE GOVERNMENT ISSUED A REGULATION FORMING A "REFUGEE UNIT" IN THE DEPARTMENT OF JUSTICE TO DETERMINE WHICH ASYLUM-SEEKERS QUALIFY AS REFUGEES. THIS MEASURE IMPLEMENTED MANY OF THE BASIC PROVISIONS OF THE 1951 U.N. CONVENTION. THE GOVERNMENT CONTINUED TO ALLOW APPROXIMATELY 1400 ASYLUM SEEKERS FROM VIETNAM TO REMAIN IN THE PHILIPPINES AFTER THE TERMINATION OF THE COMPREHENSIVE PLAN OF ACTION (CPA) ON JUNE 30. ALL THESE ASYLUM SEEKERS WERE "SCREENED OUT" FROM REFUGEE STATUS IN ACCORDANCE WITH CPA PROVISIONS. APPROXIMATELY 350 OF THESE PERSONS REGULARLY RESIDE IN THE VIETNAMESE VILLAGE IN PALAWAN, WHILE THE REMAINDER LIVE IN MAJOR URBAN AREAS.

THE GOVERNMENT CONTINUED TO ENCOURAGE VOLUNTARY REPATRIATION OF THESE ASYLUM SEEKERS AND HAS RULED OUT FORCIBLE REPATRIATION. THERE IS SIGNIFICANT GOVERNMENT AND NON-GOVERNMENT SUPPORT (PARTICULARLY FROM THE CATHOLIC CHURCH) FOR ALLOWING THOSE ASYLUM SEEKERS WHO DO NOT WISH TO REPATRIATE AND ARE INELIGIBLE FOR RESETTLEMENT IN OTHER COUNTRIES TO REMAIN IN THE COUNTRY PERMANENTLY.

SECTION 3 RESPECT FOR POLITICAL RIGHTS: THE RIGHT OF CITIZENS TO CHANGE THEIR GOVERNMENT

THE CONSTITUTION PROVIDES CITIZENS WITH THE RIGHT TO CHANGE THEIR GOVERNMENT PEACEFULLY, AND CITIZENS EXERCISE THIS RIGHT THROUGH PERIODIC ELECTIONS. HOWEVER, CONGRESS HAS YET TO ENACT A SYSTEM FOR ABSENTEE VOTING, AS REQUIRED BY THE CONSTITUTION. THIS PROVISION AFFECTS AN ESTIMATED FIVE MILLION POTENTIAL VOTERS OR ABOUT 10 PERCENT OF THE ELECTORATE, MOST OF WHOM ARE EXPATRIATES.

AN ESTIMATED 80 PERCENT OF REGISTERED VOTERS PARTICIPATED IN THE 1998 NATIONAL AND LOCAL ELECTIONS. PRESIDENT JOSEPH ESTRADA WAS ELECTED BY A WIDE MARGIN, AND HIS PARTY WON A MAJORITY IN BOTH THE HOUSE OF REPRESENTATIVES AND THE SENATE.

THE 1998 ELECTION LARGELY REFLECTED THE STRENGTH OF PHILIPPINE DEMOCRATIC PROCESSES. DESPITE WIDESPREAD

CONCERN OVER POSSIBLE CHEATING THAT COULD HAVE DISCREDITED ELECTION VICTORS, THE 1998 ELECTIONS RESULTED IN A SMOOTH TRANSITION TO A NEW ADMINISTRATION. NEVERTHELESS, THE HAND-COUNTING OF MILLIONS OF PAPER BALLOTS DELAYS RESULTS AND OPENS OPPORTUNITIES FOR FRAUD. IN 1997, A SENATE ELECTORAL TRIBUNAL CONCLUDED THAT VOTE TAMPERING KNOWN AS "DAGDAG-BAWAS" (LITERALLY "ADDITION-SUBTRACTION") DEPRIVED A SENATE CANDIDATE OF HIS SEAT IN THE 1995 BY-ELECTION. DESPITE THIS FINDING, THE CANDIDATE WHO WON THROUGH FRAUD WAS NOT REPLACED. A SENIOR OFFICIAL OF THE COMMISSION ON ELECTIONS (COMELEC) AT THE TIME, COMMISSIONER REGALADO MAAMBONG, STATED THAT HIS COMMISSION WAS POWERLESS TO PREVENT SUCH CHEATING. HE INDICATED THAT, SINCE THE SYSTEM ALLOWS LOCAL OFFICIALS TO APPOINT OR INFLUENCE ELECTION PRECINCT ADMINISTRATORS, IT WAS IMPOSSIBLE FOR THE COMMISSION TO POLICE THE NATIONWIDE SYSTEM AND ASSURE ITS INTEGRITY.

THE MAY ELECTION BALLOTS INCLUDED FOR THE FIRST TIME A "PARTY LIST" OPTION IN AN EFFORT TO PROVIDE MORE SEATS TO MARGINAL GROUPS FROM SOCIAL SECTORS THAT DO NOT NORMALLY SEND MEMBERS TO CONGRESS. A PARTY THAT RECEIVED A SUFFICIENT PERCENTAGE OF VOTES RECEIVED A SEAT IN THE LOWER HOUSE. THE ELECTION REGULATIONS LIMITED EACH PARTY TO A MAXIMUM OF THREE SEATS. HOWEVER, WIDESPREAD VOTER CONFUSION ABOUT HOW TO USE THE "PARTY LIST" BALLOT INITIALLY RESULTED IN FEWER THAN HALF OF THE INTENDED SEATS BEING AWARDED. MOST SOCIALLY MARGINALIZED GROUPS DID NOT MEET THE PERCENTAGE THRESHOLD SET IN THE LAW. HOWEVER, IN JANUARY 1999, THE COMELEC CITED THE CONSTITUTIONAL REQUIREMENT FOR ADEQUATE REPRESENTATION FOR VARIOUS SOCIAL GROUPS AS GROUNDS FOR SETTING ASIDE THE VOTE THRESHOLD AND RULE THAT AN ADDITIONAL 36 SECTORAL PARTY CANDIDATES HAD RECEIVED ENOUGH VOTES TO ENTER CONGRESS. THIS RULING HAS BEEN CHALLENGED IN COURT, WITH MUCH OF THE OPPOSITION COMING FROM THE 14 NEW PARTY LIST REPRESENTATIVES WHO CLEARLY PASSED THE VOTE THRESHOLD. THOSE ELECTED DECLARED THEIR INTENTION TO AMEND THE "PARTY LIST" LAW IN ORDER TO FACILITATE THE ELECTION OF SECTORAL REPRESENTATIVES IN THE NEXT ELECTION.

THE GOVERNMENT SOUGHT THROUGH A PEACE PROCESS TO INCLUDE DISSIDENT GROUPS WITHIN THE POLITICAL PROCESS. IN  
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SEPTEMBER 1996 THERE WAS A SIGNIFICANT PEACE AGREEMENT WITH THE MORO NATIONAL LIBERATION FRONT (MNLF). THE MNLF LEADER, NUR MISUARI, WAS ELECTED GOVERNOR OF THE FOUR-PROVINCE AUTONOMOUS REGION OF MUSLIM MINDANAO SHORTLY AFTER THE PEACE AGREEMENT. THE GOVERNMENT IS CONTINUING TALKS WITH A SMALLER INSURGENT GROUP, THE MILF.

THE GOVERNMENT CONTINUED PERIODIC "PEACE PROCESS" TALKS WITH THE LEADERSHIP IN EXILE OF THE COMMUNIST NATIONAL DEMOCRATIC FRONT (NDF), WHICH COORDINATES WITH ITS ARMED GUERRILLA GROUP, THE NEW PEOPLE'S ARMY (NPA). IN MARCH, AFTER A TWO-YEAR IMPASSE, THE GOVERNMENT AND NDF TALKS SUCCEEDED IN REACHING AGREEMENT ON THE TEXT OF A "COMPREHENSIVE AGREEMENT ON RESPECT FOR HUMAN RIGHTS AND INTERNATIONAL HUMANITARIAN LAW," AND PRESIDENT ESTRADA'S ADMINISTRATION ENTERED TALKS ON IMPLEMENTING IT IN LATE 1998. THE AGREEMENT SETS A FRAMEWORK FOR BOTH SIDES TO ADDRESS HUMAN RIGHTS VIOLATIONS RELATED TO INSURGENT ACTIVITIES.

THE LEFTIST ARMED INSURGENCY IS DIVIDED. A FACTION REJECTING THE NDF LEADERSHIP, THE REVOLUTIONARY PEOPLE'S ARMY, HAS GAINED A STRONG Foothold IN THE ECONOMICALLY TROUBLED PROVINCE OF NEGROS OCCIDENTAL, WHERE IT SEEKS FURTHER ARMED RESISTANCE RATHER THAN INVOLVEMENT IN THE GOVERNMENT'S PEACE PROCESS.

THERE ARE NO RESTRICTIONS IN LAW OR PRACTICE ON PARTICIPATION BY WOMEN AND MINORITIES IN POLITICS. TWO WOMEN HEAD CABINET DEPARTMENTS, 4 OF 23 SENATORS ARE WOMEN, AND 25 OF 218 ELECTED MEMBERS OF THE HOUSE ARE WOMEN.

MUSLIM LEADERS APPEALED FOR A CONSTITUTIONAL CHANGE TO ELECT SENATORS BY REGION. ALONG WITH MANY OTHER CITIZENS, THEY ARGUE THAT THE CURRENT METHOD OF ELECTION FROM A NATIONWIDE LIST FAVORS THE ESTABLISHED POLITICAL FIGURES FROM THE MANILA AREA. THERE ARE NO MUSLIM SENATORS. NONE OF PRESIDENT ESTRADA'S CABINET ARE MUSLIMS. HOWEVER THE HOUSE OF REPRESENTATIVES HAS NINE MUSLIM MEMBERS.

SECTION 4 GOVERNMENTAL ATTITUDE REGARDING INTERNATIONAL AND NONGOVERNMENTAL INVESTIGATION OF ALLEGED VIOLATIONS OF HUMAN RIGHTS

A WIDE VARIETY OF HUMAN RIGHTS GROUPS OPERATED WITHOUT GOVERNMENT RESTRICTION, INVESTIGATING AND PUBLISHING THEIR FINDINGS ON HUMAN RIGHTS CASES. MANY GOVERNMENT OFFICIALS, INCLUDING THOSE OF THE CHR, ARE RESPONSIVE TO THEIR VIEWS. THE DEPARTMENT OF FOREIGN AFFAIRS ARRANGED FOR A SYMPOSIUM ON HUMAN RIGHTS WITH NGO GROUP PARTICIPATION IN THE CONTEXT OF CELEBRATING THE 50TH ANNIVERSARY OF THE UNIVERSAL DECLARATION ON HUMAN RIGHTS. HUMAN RIGHTS GROUPS ARE ABLE TO ASSEMBLE PEACEFULLY AND PROTEST HUMAN RIGHTS VIOLATIONS, FOR EXAMPLE, PROTESTING AGAINST LEADERS OF THE BURMESE

GOVERNMENT DURING THEIR OFFICIAL VISITS TO MANILA.

THE PHILIPPINE ALLIANCE OF HUMAN RIGHTS ADVOCATES (PAHRA), A LEADING NGO NETWORK, EFFECTIVELY MONITORS HUMAN RIGHTS PROBLEMS AND SEEKS REDRESS THROUGH ITS CONTACTS WITH GOVERNMENT AGENCIES, THE CONGRESS AND THE COMMISSION ON HUMAN RIGHTS. HUMAN RIGHTS ACTIVISTS CONTINUED TO ENCOUNTER MINOR HARASSMENT, WHICH APPEARS LARGELY TO BE AT THE HANDS OF LOCAL MILITARY OR POLICE.

SECTION 5 DISCRIMINATION BASED ON RACE, SEX, RELIGION, DISABILITY, LANGUAGE, OR SOCIAL STATUS

THE CONSTITUTION PROHIBITS DISCRIMINATION AGAINST WOMEN, CHILDREN, AND MEMBERS OF MINORITIES. IMPLEMENTATION OF CONSTITUTIONAL PROTECTIONS IS AT TIMES HINDERED BY LACK OF IMPLEMENTING LEGISLATION AND BY BUDGETARY CONSTRAINTS.

WOMEN

VIOLENCE AGAINST WOMEN, PARTICULARLY DOMESTIC VIOLENCE, IS A SERIOUS PROBLEM. WOMEN'S ADVOCATES CITE THE LACK OF LAWS ON DOMESTIC VIOLENCE, DOUBLE STANDARDS OF MORALITY, AND A TRADITIONAL SOCIETAL RELUCTANCE TO DISCUSS PRIVATE FAMILY AFFAIRS AS SOME OF THE REASONS FOR DOMESTIC VIOLENCE. THE ABSENCE OF DIVORCE UNDER THE LAW AND LIMITED JOB OPPORTUNITIES COMBINE TO LIMIT THE ABILITY OF BOTH POOR AND WEALTHY WOMEN TO ESCAPE DESTRUCTIVE RELATIONSHIPS.

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NONETHELESS, WOMEN'S RIGHTS ADVOCATES DESCRIBE THE GREATER WILLINGNESS OF WOMEN TO SPEAK OUT, DESPITE A SENSE OF SHAME, FEAR, AND A DESIRE TO PRESERVE "FAMILY HONOR," AS A POSITIVE MOVEMENT TOWARD GENDER EQUALITY. WORKING IN CONJUNCTION WITH NGOS, THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) ESTABLISHED TEMPORARY SHELTERS TO PROTECT FEMALE VICTIMS FROM FURTHER HARM AND HIGH RISK SITUATIONS. IN THE FIRST SIX MONTHS OF 1998, THE DSWD'S WOMEN'S BUREAU SERVED 1,801 CASES OF BATTERED/PHYSICALLY ABUSED WOMEN. BOTH THE DSWD AND THE PNP MAINTAIN A WOMEN'S HELP DESK TO PROTECT WOMEN AND ENCOURAGE THE REPORTING OF CRIMES. THEIR ROLE

WAS STRENGTHENED BY THE APPOINTMENT OF VICE-PRESIDENT GLORIA MACAPAGAL-ARROYO AS THE SECRETARY OF DSWD ON JUNE 30. SHE GAVE WOMEN'S ISSUES A HIGH PUBLIC PROFILE IN HER FIRST MONTHS IN OFFICE. PNP STATIONS INCLUDE FEMALE AS WELL AS MALE OFFICERS WHO, WITH HELP FROM NGO'S RECEIVE GENDER SENSITIVITY TRAINING FOR DEALING WITH VICTIMS OF SEXUAL CRIMES AND DOMESTIC VIOLENCE.

RAPE CONTINUES TO BE A MAJOR PROBLEM AS THE NUMBER OF RAPE CASES REPORTED TO THE POLICE HAS RISEN BY ABOUT 16 PERCENT ANNUALLY SINCE 1992. THE PNP REPORTED 2,913 CASES IN 1997 AND 1,510 CASES IN THE FIRST SIX MONTHS OF 1998. IN SEPTEMBER 1997, CONGRESS ENACTED A MAJOR REFORM OF LEGISLATION ON RAPE, CLASSIFYING RAPE AS A CRIME AGAINST A PERSON INSTEAD OF AS A CRIME AGAINST CHASTITY, WHICH HAD BEEN PUNISHABLE ONLY UNDER THE CIVIL CODE. WOMEN NO LONGER HAVE TO PROVE THAT THEY ARE EITHER VIRGINS OR NOT PROMISCUOUS IN ORDER TO CLAIM IN COURT THAT THEY WERE RAPED.

AS WITH BATTERING, GOVERNMENT OFFICIALS ATTRIBUTED THE INCREASE IN REPORTED RAPE TO CHANGING ATTITUDES. IN A WIDELY PUBLICIZED 1997 CASE, AN 11- YEAR OLD GIRL CHARGED A CONGRESSMAN WITH RAPE. INTENSE MEDIA COVERAGE COMPELLED PROSECUTION. REFLECTING GREATER SENSITIVITY TO THE CRIME AMONG OFFICIALS, A MANILA COURT CONVICTED THE CONGRESSMAN AND SENTENCED HIM TO LIFE IMPRISONMENT IN LATE DECEMBER 1997.

WOMEN'S GROUPS BELIEVE THAT THE DEATH PENALTY, WHICH WAS RESTORED IN 1993, SOMETIMES INHIBITS VICTIMS FROM PRESSING CHARGES. MEN CONVICTED FOR RAPE COMPRISE OVER HALF OF THE MORE THAN 600 WHO HAVE RECEIVED DEATH SENTENCES SINCE THE PENALTY WAS RESTORED IN 1993.

MANY WOMEN SUFFER EXPOSURE TO VIOLENCE THROUGH THEIR RECRUITMENT (OFTEN THROUGH DECEPTION) INTO PROSTITUTION. PROSTITUTION REMAINS ILLEGAL, BUT WIDESPREAD. A 1998 ILO STUDY ON THE EXTENT OF PROSTITUTION IN SOUTHEAST ASIA ESTIMATED THAT 500,000 FILIPINO WOMEN ARE ENGAGED IN PROSTITUTION. WHILE PENALTIES FOR THE OFFENSE ARE LIGHT, DETAINED PROSTITUTES ARE SUBJECTED TO ADMINISTRATIVE INDIGNITIES. WOMEN'S GROUPS CALLED IN 1997 FOR LEGAL ACTION AGAINST LOCAL OFFICIALS WHO CONDONE A CLIMATE OF IMPUNITY FOR THOSE WHO EXPLOIT PROSTITUTES -- BOTH THE "ENTERTAINMENT CLUB" EMPLOYERS AND THEIR CLIENTS. THEY WERE CRITICAL OF HIGHLY PUBLICIZED OFFICIAL CAMPAIGNS TO CLOSE CLUBS AND BROTHELS, BECAUSE SUCH TACTICS FAIL TO RESCUE YOUNG WOMEN FROM THE ABUSE. A FEW DAYS AFTER SUCH RAIDS, THE OFFENDING ESTABLISHMENTS ARE USUALLY BACK IN BUSINESS. IN AUGUST, THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) REPORTED ITS RESCUE OF 1,091 VICTIMS OF ILLICIT RECRUITMENT WHO WERE TRAPPED IN PROSTITUTION. DSWD OFFICIALS NOTED THAT THE NUMBER FAILED TO REFLECT THE "TRUE STATE OF PROSTITUTION IN THE COUNTRY" SINCE IT REFLECTED ONLY THOSE WHO OBTAINED TEMPORARY SHELTER AND COUNSELING THROUGH THE DSWD AND LOCAL GOVERNMENTS. NGOS

ARGUE THAT THE GOVERNMENT FIRST MUST ADDRESS THE ABUSES OF DISLOCATION AND HOMELESSNESS IN ORDER TO GENUINELY ADDRESS THE PROBLEM OF WOMEN'S EXPOSURE TO THE STRUCTURAL VIOLENCE INHERENT IN PROSTITUTION. HOTEL AND TRAVEL INDUSTRY LEADERS HAVE PLEDGED TO COOPERATE WITH A CODE ENDORSED BY INTERNATIONAL TOURISM GROUPS TO STOP "SEX TOURISM."

MANY WOMEN SEEK EMPLOYMENT OVERSEAS AND ARE PARTICULARLY VULNERABLE TO EXPLOITATION BY UNETHICAL RECRUITERS WHO PROMISE ATTRACTIVE JOBS OR, IN SOME CASES, ARRANGE MARRIAGES WITH FOREIGN MEN. SOME END UP WORKING AS PROSTITUTES OR SUFFERING ABUSE AT THE HANDS OF THEIR FOREIGN EMPLOYERS OR HUSBANDS. THOSE RECRUITED TO WORK AS MAIDS, ENTERTAINERS, OR MODELS MAY, WHILE OVERSEAS, BE FORCED TO PARTICIPATE IN PUBLIC SHOWS OR DANCES WHERE NUDITY AND THE PROSPECT OF SEX ARE THE PRINCIPAL ATTRACTIONS. OTHERS KNOWINGLY ACCEPT QUESTIONABLE JOBS

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TO SUPPORT PARENTS, CHILDREN, OR SIBLINGS WITH THEIR REMITTANCES. TO CURB SUCH ABUSES, THE GOVERNMENT CAMPAIGNED TO END ILLEGAL RECRUITING AND, BY RAISING AGE, EDUCATIONAL, AND PROFESSIONAL STANDARDS FOR YOUNG WOMEN SEEKING JOBS ABROAD, TRIED TO DISCOURAGE EMPLOYMENT MIGRATION. THE MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF 1995 SOUGHT TO PROVIDE THE GOVERNMENT WITH GREATER FINANCIAL RESOURCES AND IMPROVED AUTHORITY TO COMBAT THESE PROBLEMS. HOWEVER, NGOS BELIEVE THAT THESE MEASURES HAVE NOT BEEN ADEQUATE SINCE TRAFFICKERS REMAIN NUMEROUS AND EFFECTIVE IN LURING WOMEN WITH PROMISES OF LUCRATIVE OVERSEAS CONTRACTS.

SEXUAL HARASSMENT WAS ALSO A PROBLEM. A SURVEY BY THE INSTITUTE OF LABOR STUDIES FOUND WORKPLACE SEXUAL HARASSMENT TO BE WIDESPREAD YET UNDERREPORTED, DUE TO VICTIMS' RETICENCE AND FEAR OF LOSING THEIR JOBS. A CATHOLIC CHURCH STUDY OF CONDITIONS FOR WOMEN WORKERS IN ONE "SPECIAL ECONOMIC ZONE" INDICATED THAT SEXUAL HARASSMENT BY MANAGERS WAS COMMON THERE. THE WOMEN ARE OFTEN IN A VULNERABLE POSITION. MOST ARE ECONOMIC MIGRANTS WHO ARE REQUIRED TO WORK LONG HOURS AND HAVE NO INDEPENDENT WORKERS ORGANIZATION THAT COULD HELP THEM FILE COMPLAINTS.

IN LAW BUT NOT IN PRACTICE, WOMEN HAVE MOST OF THE

RIGHTS AND PROTECTIONS ACCORDED MEN. THE WOMEN IN DEVELOPMENT AND NATION BUILDING ACT OF 1992 TERMINATED PREVIOUS RESTRICTIONS ON WOMEN'S RIGHTS TO BUY AND SELL PROPERTY. THE COMMISSION ON THE ROLE OF FILIPINO WOMEN UNDER THE OFFICE OF THE PRESIDENT SEEKS TO COORDINATE PROGRAMS FOR WOMEN. THE COMMISSION WORKS CLOSELY WITH MANY NGOS, INCLUDING THE 10 MILLION MEMBER NATIONAL COUNCIL OF WOMEN IN THE PHILIPPINES. THE DEPARTMENT OF LABOR AND EMPLOYMENT UPGRADED ITS PROGRAMS IN SUPPORT OF WOMEN, HAVING FORMED A NEW BUREAU OF WOMEN AND YOUNG CHILDREN IN 1997 TO ADVOCATE MAJOR PROGRAMS. IN DECEMBER 1997, AN ASIAN DEVELOPMENT BANK STUDY FOUND THAT WOMEN HAD MADE IMPORTANT GAINS TOWARDS GENDER EQUITY. MORE WOMEN THAN MEN ENTER SECONDARY AND TERTIARY EDUCATION.

HOWEVER, THE 1998 ECONOMIC CRISIS HAD A PARTICULAR IMPACT ON WOMEN, PARTIALLY REVERSING SOME RECENT EMPLOYMENT GAINS. UNEMPLOYMENT RATES AMONG WOMEN ARE CONSISTENTLY HIGHER THAN THOSE AMONG MEN. BASED ON 1998 STATISTICS, 10.2 MILLION WOMEN WERE EMPLOYED WHILE 17.4 MILLION MEN HAD FORMAL JOBS ALTHOUGH THE NUMBER IN THE LABOR FORCE WAS ROUGHLY EQUAL FOR BOTH SEXES. A 1998 ILO STUDY CONCLUDED THAT WOMEN CONTINUE TO HAVE A SUBORDINATE POSITION IN THE HOME AND IN SOCIETY.

EXCEPT FOR GOVERNMENT SERVICE AND JOBS IN GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS, WOMEN FACED DISCRIMINATION IN EMPLOYMENT. ON AVERAGE, A WOMAN'S SALARY WAS ABOUT 47 PERCENT OF HER MALE COUNTERPART'S. JOBLESSNESS AND POVERTY MOST AFFECTED THE LOT OF WOMEN, AS REFLECTED IN THEIR UNEMPLOYMENT RATE OF ABOUT 9 PERCENT IN JANUARY, COMPARED WITH A RATE FOR MEN OF ABOUT 7 PERCENT. THE CONTINUING ECONOMIC CRISIS WAS EXPECTED TO LEAD TO A WIDENING IN THIS EMPLOYMENT GAP.

CHURCH OPPOSITION TO DIVORCE IN THIS CATHOLIC NATION IS STRONG. HOWEVER, CHANGES IN THE LEGAL CODE HAVE MADE MARRIAGE ANNULMENT FAIRLY EASY AND INCREASINGLY COMMON. THE LEGAL COST, HOWEVER, PRECLUDED THIS OPTION FOR MANY WOMEN. THE PRACTICE OF "UNOFFICIAL DIVORCE" (PERMANENT SEPARATION) WAS COMMON AMONG LOWER INCOME FAMILIES; IN THESE CASES THE WIFE WAS USUALLY LEFT WITH THE CHILDREN, AND THE HUSBAND PROVIDED LITTLE OR NO FINANCIAL SUPPORT.

#### CHILDREN

SEVERAL GOVERNMENT AGENCIES HAVE PROGRAMS DEVOTED TO THE EDUCATION, WELFARE, AND DEVELOPMENT OF CHILDREN. NEVERTHELESS, CHILDREN FACED SERIOUS PROBLEMS IN THEIR DEVELOPMENT. FAMILY POVERTY FORCES MANY SCHOOL DROPOUTS. ONLY ABOUT 65 PERCENT OF CHILDREN COMPLETE THE 6TH GRADE. AS THE GRADE LEVEL GOES UP, THE NUMBER OF CHILDREN WHO STAY CONTINUES TO DECLINE. PUBLIC PRIMARY AND SECONDARY SCHOOLS ARE FREE OF TUITION CHARGES, BUT POOR FAMILIES ARE UNABLE TO MEET NUMEROUS PERIPHERAL COSTS FOR UNIFORMS, SCHOOL SUPPLIES, SHOES AND TRANSPORTATION. IN A 1998 STUDY, THE ASIAN

DEVELOPMENT BANK NOTED CONCERN OVER AN APPARENT GROWING INEQUITY IN THE OPPORTUNITY FOR AN EDUCATION AS PUBLIC SPENDING PER PUPIL DECLINES. IN THE 1980'S, PUBLIC SPENDING COVERED 80 PERCENT OF THE COST OF ELEMENTARY EDUCATION; HOWEVER, THIS SHARE DECLINED TO ONLY 69 UNCLAS E F T O SECTION 16 OF 22 MANILA 000942

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PERCENT BY THE MID-1990S.

WIDESPREAD POVERTY FORCES MANY YOUNG CHILDREN TO WORK. THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE) WORKED WITH THE ILO AND NGOS TO ADDRESS PROBLEMS IDENTIFIED IN A LANDMARK 1996 STUDY SUPPORTED BY THE ILO THAT SHOWED WIDESPREAD CHILD LABOR. ACCORDING TO UNICEF AND ILO STUDIES, OVER TWO MILLION CHILDREN WERE EXPOSED TO HAZARDOUS WORKING ENVIRONMENTS (E.G., IN QUARRIES, MINES, AND AT DOCKSIDES) IN ORDER TO EARN THEIR LIVING.

CHILD TRAFFICKING BY ILLEGAL RECRUITERS OFTEN BROUGHT CHILDREN FROM POOR RURAL AREAS TO LOW-PAYING JOBS IN CITIES. IN AUGUST, DOLE OFFICIALS APPREHENDED A FOREIGN EMPLOYER WHO LURED CHILDREN FROM DISTANT PROVINCES TO WORK IN A "SWEATSHOP" GARMENT FACTORY IN TARLAC PROVINCE. (SEE SECTION 6.D.)

THE GOVERNMENT'S DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT REPORTED IN 1997 THAT THERE WERE OVER 50,000 STREET CHILDREN IN MANILA AND OVER 100,000 NATIONWIDE. WELFARE OFFICIALS BELIEVE THAT THE NUMBER IS INCREASING IN LIGHT OF WIDESPREAD UNEMPLOYMENT IN RURAL AREAS. REPORTEDLY MANY OF THESE ARE ABANDONED WITH NO FAMILY SUPPORT AND ENGAGE IN SCAVENGING OR BEGGING. ACCORDING TO ANOTHER STUDY, THE NUMBER OF STREET CHILDREN NATIONALLY IS GREATER IF THEY ARE DEFINED AS THOSE WHO WORK AND LIVE IN THE STREETS AND RETURN TO THEIR FAMILIES ONLY OCCASIONALLY. STREET BEGGING AND TRUANCY ARE COMMON IN MANILA AND OTHER LARGE CITIES, AND CHILDREN ARE FREQUENTLY SEEN AS STREET-VENDORS AMIDST THE TRAFFIC OF MANILA.

THE INTERCOUNTRY ADOPTION ACT OF 1995, WHICH STRENGTHENED SAFEGUARDS AGAINST THE SALE AND TRAFFICKING OF CHILDREN ABROAD, EXPANDED ON CHILDREN'S RIGHTS LEGISLATION ENACTED IN 1992 AND 1993. PRESIDENT RAMOS SIGNED LANDMARK LEGISLATION IN OCTOBER, CREATING A FAMILY COURT SYSTEM TO EXPEDITE JUVENILE AND DOMESTIC

RELATIONS CASES. THIS SEPARATE COURT HELPS ADDRESS A PROBLEM OF TRADITIONAL SOCIETAL VALUES THAT INFLUENCED LESS SPECIALIZED COURTS TO REGARD CHILDREN AS EXTENSIONS AND PROPERTY OF THE PARENTS AND TO FAVOR PARENTAL AUTHORITY OVER THE RIGHTS OF A CHILD.

GREATER PUBLIC AWARENESS ERODED TRADITIONAL RETICENCE TO REPORT ABUSES AGAINST CHILDREN. IN THE FIRST HALF OF 1998, DSWD OFFICES CARED FOR 724 CHILDREN WHO WERE THE VICTIMS OF RAPE. THE ISSUE OF FOREIGN PEDOPHILES CONTINUED TO RECEIVE SIGNIFICANT PRESS COVERAGE. THE GOVERNMENT FOLLOWED A TOUGH POLICY OF SEEKING PROSECUTION OF PEDOPHILES, INCLUDING THOSE WHO RETURNED TO THEIR HOMES ABROAD AFTER A "SEX TOURISM" VISIT. MORE THAN 50 SUSPECTED FOREIGN PEDOPHILES HAVE BEEN ARRESTED IN THE LAST THREE YEARS.

DESPITE GOVERNMENT EFFORTS AT LAW ENFORCEMENT AND EXPANDED CHILDREN'S PROGRAMS, THERE ARE AN ESTIMATED 60,000 CHILDREN INVOLVED IN THE COMMERCIAL SEX INDUSTRY ACCORDING TO A 1996 UNICEF STUDY. THIS MARKS AN INCREASE OVER THE ESTIMATED 20,000 INVOLVED IN PROSTITUTION IN A 1987 UNICEF STUDY. THE SAME STUDIES SHOWED THAT THE CHILDREN IN THE "ENTERTAINMENT INDUSTRY" WORKED LONG, ODD HOURS (10 TO 12 HOURS), STARTING IN THE EVENING UNTIL EARLY MORNING. THEY CAME FROM FAMILIES WITH UNEMPLOYED OR IRREGULARLY EMPLOYED PARENTS.

#### PEOPLE WITH DISABILITIES

A 1983 LAW PROVIDES FOR EQUAL PHYSICAL ACCESS FOR THE DISABLED TO ALL PUBLIC BUILDINGS AND ESTABLISHMENTS, AND A LAW PASSED IN 1992 PROVIDES FOR "THE REHABILITATION, SELF DEVELOPMENT, AND SELF-RELIANCE OF DISABLED PERSONS AND THEIR INTEGRATION INTO THE MAINSTREAM OF SOCIETY." ADVOCATES FOR THE RIGHTS OF THE DISABLED CONTEND THAT THESE LAWS HAVE BEEN INEFFECTIVE, AS IMPLEMENTING REGULATIONS HAVE NOT BEEN PUBLISHED, AND THAT GOVERNMENT PROGRAMS ARE PALLIATIVE RATHER THAN FOCUSED ON REINTEGRATION. SENATOR ORLANDO MERCADO, WHO AUTHORED LEGISLATION FOR THE DISABLED, ESTIMATED IN 1997 THAT ONLY ABOUT 2 PERCENT OF AN ESTIMATED 3.5 MILLION DISABLED CITIZENS RECEIVED ACCESS TO SERVICES.

#### INDIGENOUS PEOPLE

INDIGENOUS PEOPLE LIVE THROUGHOUT THE PHILIPPINES BUT PRIMARILY IN THE MOUNTAINOUS AREAS OF NORTHERN AND CENTRAL LUZON AND UNCLAS E F T O SECTION 17 OF 22 MANILA 000942

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MINDANAO. THEY ACCOUNT FOR ABOUT 18 PERCENT OF THE NATIONAL POPULATION. ALTHOUGH NO SPECIFIC LAWS DISCRIMINATE AGAINST INDIGENOUS PEOPLE, THE REMOTENESS OF THE AREAS MANY INHABIT, AND CULTURAL BIAS, PREVENT THEIR FULL INTEGRATION INTO SOCIETY. INDIGENOUS CHILDREN SUFFER FROM LACK OF BASIC SERVICES, HEALTH, AND EDUCATION. BECAUSE THEY INHABIT MOUNTAINOUS AREAS ALSO FAVORED BY GUERRILLAS, INDIGENOUS PEOPLE SUFFER DISPROPORTIONATELY FROM COUNTERINSURGENCY OPERATIONS. IN AUGUST, A HIGAONON TRIBAL LEADER IN NORTHERN MINDANAO EXPRESSED CONCERN THAT, DESPITE REPEATED PEACE PACTS, THE AFP CONDUCTS RENEWED MILITARY OPERATIONS AGAINST HIGAONON GROUPS EACH TIME THE REGIONAL COMMANDER CHANGES. HE APPEALED FOR A WITHDRAWAL OF AFP TROOPS FROM HIS REGION.

IN OCTOBER 1997, PRESIDENT RAMOS SIGNED AN INDIGENOUS PEOPLES' RIGHTS ACT, WHICH WAS INTENDED TO IMPLEMENT CONSTITUTIONAL PROVISIONS TO PROTECT INDIGENOUS PEOPLE. THE LAW ESTABLISHED A NATIONAL COMMISSION OF INDIGENOUS PEOPLE STAFFED BY TRIBAL MEMBERS EMPOWERED TO AWARD CERTIFICATES OF TITLE TO LANDS CLAIMED BY THE OVER 12 MILLION NATIVE PEOPLE IN THE PHILIPPINES. IT AWARDS "ANCESTRAL DOMAIN LANDS" ON THE BASIS OF COMMUNAL RATHER THAN INDIVIDUAL OWNERSHIP, IMPEDING SALE OF THE LANDS BY TRIBAL LEADERS. THE LAW ALSO REQUIRES A PROCESS OF "INFORMED" CONSULTATION AND WRITTEN CONSENT BY THE INDIGENOUS GROUP TO ALLOW MINING ON TRIBAL LANDS. THE LAW ALSO ASSIGNS THE INDIGENOUS GROUPS WITH A RESPONSIBILITY TO PRESERVE FOREST, WATERSHED AND BIODIVERSITY AREAS IN THEIR DOMAINS FROM INAPPROPRIATE DEVELOPMENT. HOWEVER, THE GOVERNMENT HAS BEEN SLOW TO IMPLEMENT THE LEGISLATION, AS IT FACES STRONG OPPOSITION FROM MINING AND AGRIBUSINESS INTERESTS. ATTORNEYS FOR AN INDIGENOUS PEOPLE'S ADVOCACY GROUP WARNED THAT, LIKE MUCH SOCIAL LEGISLATION, THE NEW LAW COULD BE A "DEAD LETTER" IF WEAKLY IMPLEMENTED.

OTHER MEASURES HAVE AFFECTED INDIGENOUS COMMUNITIES IN ADVERSE WAYS. FOR EXAMPLE, DEVELOPMENT OF MINERAL AND WATER RESOURCES INFRINGED ON THEIR LANDS AND RIGHTS. THE MINING ACT OF 1995 CONTINUED A LEGISLATIVE TREND PROMOTING MINING OPERATIONS, HYDROELECTRIC DAMS AND OTHER LARGE-SCALE PROJECTS THAT FORCE INDIGENOUS PEOPLE TO RELOCATE AND ABANDON FARMING AND HUNTING LAND USED FOR GENERATIONS.

THERE WERE NUMEROUS CASES IN WHICH INDIGENOUS PEOPLE FACED LEGAL THREATS TO THEIR CLAIMS TO ANCESTRAL LANDS FROM DEVELOPERS, MINING INTERESTS, AND LOCAL POLITICAL INTERESTS. THE HIGAONON PEOPLE IN MINDANAO CONTINUE TO BE DEPRIVED OF PORTIONS OF THEIR ANCESTRAL LAND BY A POWERFUL LOCAL LANDOWNING FAMILY, WHICH ENFORCED THEIR REMOVAL THROUGH A VIOLENT DEMOLITION CONDUCTED BY THE

PNP AND PRIVATE SECURITY FORCES IN 1997. (SEE ALSO SECTION 1.A) THE CATHOLIC BISHOPS CONFERENCE OF THE PHILIPPINES EXPRESSED STRONG CONCERN OVER THE EFFECTS OF CURRENT AND PLANNED LARGE-SCALE MINING ON THE LIVELIHOOD OF THE MANY INDIGENOUS PEOPLE OF MINDANAO. THE BISHOP OF PAGADIAN, ZAMBOANGA DEL SUR, CRITICIZED BOTH THE RIO TINTO ZINC COMPANY AND LOCAL OFFICIALS FOR IGNORING THE OPPOSITION OF THE SUBANEN TRIBE (250,000 MEMBERS) TO THE MINING PLANNED FOR THEIR LANDS. IN JULY THE GOVERNOR OF MOUNTAIN PROVINCE IN LUZON ASKED THE GOVERNMENT TO DENY MINING COMPANY APPLICATIONS DUE TO CONCERN ABOUT THEIR IMPACT ON THE LIVELIHOOD AND CUSTOMS OF THE INDIGENOUS PEOPLE IN THE AREA, THE KANKANAEYS, BONTOC AND KALINGA TRIBES. IN AUGUST, NPA REBELS COOPERATING WITH TRIBAL LEADERS AMBUSHED AN AFP PLATOON IN THE BONTOC REGION AND KILLED TWO SOLDIERS. LOCAL OFFICIALS WARN OF FURTHER HOSTILITIES IF THE GOVERNMENT APPROVES MINING IN THE AREA.

#### RELIGIOUS MINORITIES

ABOUT FIVE MILLION MUSLIMS, WHO CONSTITUTE SEVEN PERCENT OF THE POPULATION, RESIDE PRINCIPALLY IN MINDANAO AND NEARBY ISLANDS, AND ARE THE LARGEST SINGLE MINORITY GROUP IN THE COUNTRY. HISTORICALLY, THEY HAVE BEEN ALIENATED FROM THE DOMINANT CHRISTIAN MAJORITY, AND GOVERNMENT EFFORTS TO INTEGRATE MUSLIMS INTO THE POLITICAL AND ECONOMIC FABRIC OF THE COUNTRY MET WITH ONLY LIMITED SUCCESS. THE NATIONAL CULTURE, WITH ITS EMPHASIS ON FAMILIAL, TRIBAL, AND REGIONAL LOYALTIES, CREATES INFORMAL BARRIERS WHEREBY ACCESS TO JOBS OR RESOURCES IS PROVIDED FIRST TO THOSE OF ONE'S OWN FAMILY OR GROUP. MANY MUSLIMS CLAIMED THAT THEY CONTINUE TO BE UNDERREPRESENTED IN SENIOR CIVILIAN AND MILITARY POSITIONS. A 1998 ASIAN DEVELOPMENT BANK STUDY NOTED THAT THE MUSLIM PROVINCES IN MINDANAO LAG BEHIND THE REST OF THE ISLAND IN ALMOST ALL ASPECTS OF

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SOCIOECONOMIC DEVELOPMENT.

THERE WAS PROGRESS IN IMPROVING CHRISTIAN-MUSLIM RELATIONS FOLLOWING A SEPTEMBER 1996 GOVERNMENT AGREEMENT WITH THE INSURGENT MNLF. IN ACCORDANCE WITH THE AGREEMENT, A SOUTHERN PHILIPPINES COUNCIL ON PEACE AND DEVELOPMENT (SPCPD) WAS ESTABLISHED TO COORDINATE

ECONOMIC GROWTH IN 14 PROVINCES IN MINDANAO AND MNLF CHAIRMAN NUR MISUARI BECAME ITS CHAIR. SHORTLY LATER MISUARI ALSO WAS ELECTED GOVERNOR OF THE AUTONOMOUS REGION OF MUSLIM MINDANAO, WHICH WAS ESTABLISHED IN 1990 TO MEET THE DEMAND OF MUSLIMS FOR LOCAL AUTONOMY IN AREAS WHERE THEY ARE A MAJORITY OR A SUBSTANTIAL MINORITY. THE ACCORD ALSO PROVIDED FOR THE INTEGRATION OF MNLF FIGHTERS INTO THE ARMED FORCES AND POLICE. A PROMISED 1999 PLEBISCITE TO CREATE AUTONOMY FOR AN EXPANDED ISLAMIC REGION STILL REQUIRES ENABLING LEGISLATION.

THIS INITIATIVE EASED SUSPICIONS BETWEEN CHRISTIANS AND MUSLIMS, SETTING THE STAGE FOR COOPERATION AND ECONOMIC GROWTH. HOWEVER, PROGRESS HAS BEEN HALTING. ALTHOUGH THE AGREEMENT HAS BROUGHT SOMEWHAT MORE REGIONAL STABILITY, THE MUSLIM PROVINCES CONTINUE TO BE THE SITE OF INTERMITTENT MILITARY CLASHES WITH INSURGENT MILF FORCES, RESULTING IN FAMILY DISPLACEMENTS AND ECONOMIC PROBLEMS.

#### SECTION 6 WORKER RIGHTS

##### A. THE RIGHT OF ASSOCIATION

THE CONSTITUTION AND LAWS PROVIDE FOR THE RIGHT OF WORKERS, INCLUDING PUBLIC EMPLOYEES, TO FORM AND JOIN TRADE UNIONS. ALTHOUGH THIS RIGHT IS EXERCISED IN PRACTICE, ASPECTS OF THE PUBLIC SECTOR ORGANIZATION LAW RESTRICT AND DISCOURAGE ORGANIZING. TRADE UNIONS ARE INDEPENDENT OF THE GOVERNMENT AND GENERALLY FREE OF POLITICAL PARTY CONTROL. UNIONS HAVE THE RIGHT TO FORM OR JOIN FEDERATIONS OR OTHER LABOR GROUPS. SEVERAL TRADE UNION CONFEDERATIONS ENTERED CANDIDATES IN THE COUNTRY'S FIRST ELECTION USING A "PARTY LIST" BALLOT IN MAY, WHICH WAS MEANT TO PROVIDE CONGRESSIONAL SEATS TO A "SECTORAL" GROUP LIKE LABOR. HOWEVER, THE ENTRY OF MANY RIVAL LABOR CANDIDATES AND CONFUSION OVER THE VOTING PROCESS INITIALLY RESULTED IN ONLY TWO SEATS BEING WON BY A LABOR GROUP (A DECLINE FROM THE NUMBER OF LABOR SEATS HELD UNDER A PRESIDENTIAL APPOINTMENT SYSTEM IN THE LAST CONGRESS.) AFTER MANY GROUPS APPEALED THE RESULTS OF THE "PARTY LIST" VOTE, THE COMMISSION ON ELECTIONS DECIDED IN JANUARY 1999 TO DESIGNATE A FURTHER FOUR REPRESENTATIVES OF LABOR UNIONS AS CONGRESSMEN AS PART OF AWARDED A FURTHER 36 SEATS (SEE SECTION 3).

SUBJECT TO CERTAIN PROCEDURAL RESTRICTIONS, STRIKES IN THE PRIVATE SECTOR ARE LEGAL. HOWEVER, A 1989 LAW STIPULATES THAT ALL MEANS OF RECONCILIATION MUST BE EXHAUSTED AND THAT THE STRIKE ISSUE HAS TO BE RELEVANT TO THE LABOR CONTRACT OR THE LAW. THE LABOR SECRETARY CAN INTERVENE IN SOME LABOR DISPUTES BY "ASSUMING JURISDICTION" AND MANDATING A SETTLEMENT. HE CAN EXERCISE THIS AUTHORITY IF HE VIEWS THE INDUSTRY INVOLVED IN THE STRIKE AS "VITAL TO NATIONAL SECURITY." IN JUNE, THE LABOR SECRETARY INTERVENED ON THIS BASIS IN A STRIKE BY PHILIPPINE AIRLINES (PAL) PILOTS, ORDERING A

RETURN TO WORK IN A FEW DAYS. THE PILOTS DID NOT RETURN BY THE DEADLINE, CLAIMING THAT THEY DID NOT RECEIVE THE "RETURN TO WORK" ORDER. PAL MANAGEMENT FIRED ALL 620 PILOTS, CLAIMING THAT THEY WERE NOW ENGAGED IN AN ILLEGAL STRIKE. THE NATIONAL LABOR RELATIONS COMMISSION DISMISSED A PILOTS COMPLAINT BUT THE PILOTS' UNION APPEALED THE DISMISSAL TO THE SUPREME COURT.

IN FEBRUARY 1995, THE ILO COMMITTEE OF EXPERTS NOTED THAT CERTAIN AMENDMENTS HAVE BEEN PROPOSED TO LEGISLATION THAT THE COMMITTEE PREVIOUSLY HAD CRITICIZED FOR PLACING UNDUE RESTRICTIONS ON THE RIGHT TO STRIKE IN NONESSENTIAL SERVICES. THE COMMITTEE REMAINS CONCERNED BY THE IMPOSITION OF PENALTIES IN CASES WHERE STRIKES HAVE BEEN DEEMED ILLEGAL, BY RESTRICTIONS ON THE RIGHT OF GOVERNMENT WORKERS TO STRIKE, AND BY SOME RESTRICTIONS ON THE RIGHT TO ORGANIZE AND FORM A BARGAINING UNIT THAT ARE IN CONFLICT WITH ILO CONVENTION 87 ON FREEDOM OF ASSOCIATION.

EMPLOYERS' LENGTHY LEGAL APPEALS HAMPER WORKERS' ABILITY TO ORGANIZE TRADE UNIONS. BOTH LABOR AND EMPLOYERS GROUPS COMPLAINED THAT THE SUPREME COURT FURTHER SLOWED THE PROCESS IN SEPTEMBER BY REQUIRING A COURT OF APPEALS UNCLAS E F T O SECTION 20 OF 22 MANILA 000942

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DECREASED TO 557,000 IN 1998, COMPARED WITH 673,000 IN 1997.

LABOR LAW IS UNIFORM THROUGHOUT THE COUNTRY, INCLUDING IN THE INDUSTRIAL ZONES WHERE TAX BENEFITS ENCOURAGE THE GROWTH OF EXPORT INDUSTRIES. HOWEVER, LOCAL POLITICAL LEADERS AND OFFICIALS GOVERNING THESE "SPECIAL ECONOMIC ZONES" (SEZS) TRIED TO FRUSTRATE UNION ORGANIZING EFFORTS BY MAINTAINING "UNION FREE/STRIKE FREE" POLICIES." A CONFLICT OVER INTERPRETATION OF THE SEZ LAW'S PROVISIONS FOR LABOR INSPECTION CREATES FURTHER OBSTACLES TO ENFORCEMENT OF WORKERS' RIGHTS TO ORGANIZE. DESPITE DOLE OBJECTIONS, SEZ LOCAL DIRECTORS CLAIM AUTHORITY TO CONDUCT THEIR OWN INSPECTIONS AS PART OF THE ZONES' PRIVILEGES INTENDED BY CONGRESS. HIRING OFTEN IS TIGHTLY CONTROLLED THROUGH "SEZ LABOR CENTERS" WHERE POLITICAL TIES TO LOCAL FIGURES OFTEN PLAYED A ROLE IN GAINING JOB ELIGIBILITY. IN SPITE OF SPORADIC LABOR UNREST AND SOME ORGANIZING EFFORTS, UNION SUCCESSES IN THE SEZS HAVE BEEN FEW AND MARGINAL. SOME

MAINSTREAM UNIONS AVOID A MAJOR UNIONIZING EFFORT IN THE LOWER-WAGE SEZ INDUSTRIES (E.G., THE GARMENT INDUSTRY) AS UNPROMISING IN LIGHT OF BOTH THE ORGANIZERS' RESTRICTED ACCESS TO THE CLOSELY GUARDED GATES OF MANY ZONES AND THE RAPID TURNOVER OF THE YOUNG, FEMALE STAFF WORKING ON SHORT-TERM CONTRACTS IN THE SEZS' MANY ELECTRONICS AND GARMENT FACTORIES.

#### C. PROHIBITION OF FORCED OR COMPULSORY LABOR

FORCED LABOR IS PROHIBITED, AND THE GOVERNMENT EFFECTIVELY ENFORCES THIS PROHIBITION.

FORCED AND BONDED LABOR BY CHILDREN IS PROHIBITED; HOWEVER, THERE WERE REPORTS OF ITS USE. THE DOLE IS TARGETING FOR PROSECUTION THE EMPLOYMENT OF UNDERAGE WORKERS AS HOUSEHOLD DOMESTICS. RECRUITERS BRING GIRLS (AGE 13 TO 17) TO WORK IN MANILA OR CEBU HOMES UNDER TERMS THAT INVOLVE A "LOAN" ADVANCED TO THEIR PARENTS THAT THE CHILDREN ARE OBLIGED TO PAY THROUGH THEIR WORK. OVER 300,000 CHILDREN AGED 17 AND BELOW WORK AS FAMILY DOMESTICS IN URBAN CENTERS. NGOS REPORT THAT "PIGGERIES" IN BULACAN PROVINCE NEAR MANILA EMPLOY UNDERAGE WORKERS AND RESTRICT THEM FROM LEAVING THE BREEDING FARMS.

#### D. MINIMUM AGE FOR EMPLOYMENT OF CHILDREN

THE LAW PROHIBITS THE EMPLOYMENT OF CHILDREN BELOW AGE 15, EXCEPT UNDER THE DIRECT AND SOLE RESPONSIBILITY OF PARENTS OR GUARDIANS OR WHERE EMPLOYMENT IN CINEMA, THEATER, RADIO, OR TELEVISION IS ESSENTIAL TO THE INTEGRITY OF THE PRODUCTION. THE LABOR CODE ALLOWS EMPLOYMENT FOR THOSE BETWEEN THE AGES OF 15 AND 18 FOR SUCH HOURS AND PERIODS OF THE DAY AS ARE DETERMINED BY THE SECRETARY OF LABOR BUT FORBIDS EMPLOYMENT OF PERSONS UNDER 18 YEARS OF AGE IN HAZARDOUS OR DANGEROUS WORK. HOWEVER, A SIGNIFICANT NUMBER OF CHILDREN ARE EMPLOYED IN THE INFORMAL SECTOR OF THE URBAN ECONOMY OR AS UNPAID FAMILY WORKERS IN RURAL AREAS.

THERE ARE FEW CHILD LABOR VIOLATIONS IN THE FORMAL MANUFACTURING SECTOR. HOWEVER, CHILDREN ARE EMPLOYED ON THE DOCKS OF SOME MINDANAO AND VISAYAN PORTS BY LABOR CONTRACTORS. CREWS OF OVER 100 CHILDREN UNLOAD BULK CARGO SHIPS, BRINGING HEAVY BAGS OF CEMENT OR FERTILIZER FROM FREIGHTER HOLDS. WORKING AT A PIECE RATE, THE CHILDREN EARN FAR LESS THAN ADULTS WOULD DEMAND FOR THE SAME WORK EVEN THOUGH THEY ARE EXPOSED TO HARMFUL DUST AND CHEMICALS IN THE SHIPS' HOLDS. AN AUGUST INVESTIGATIVE REPORT DOCUMENTED THE EMPLOYMENT OF CHILDREN ABOARD PALAWAN COASTAL FISHING VESSELS AS DIVERS IN A DANGEROUS FORM OF CORAL REEF FISHING, IN WHICH THEY ARE OBLIGED TO BE SUBMERGED FOR LONG AND REPEATED PERIODS. IN MINDANAO, PLANTATIONS RAISING BANANAS FOR EXPORT FREQUENTLY USE CHILDREN AS DAY LABORERS IN TRIMMING AND FERTILIZING PLANTS AND CLEARING

IRRIGATION DITCHES.

A PRIORITY CONCERN FOR THE DOLE IS THE CONDITION OF UNDERAGE AGRICULTURAL WORKERS IN SITUATIONS IN WHICH CHILDREN JOIN THEIR PARENTS IN PIECE WORK LABOR ON SUGAR PLANTATIONS. MANY WORK IN ORDER TO HELP THEIR PARENTS REPAY LOANS MADE BY PLANTERS TO THEIR PARENTS, WHO OFTEN HAVE DIFFICULTY WITH FOOD AND SHELTER DURING THE LONG "DEAD SEASON" IN SUGAR FARMING.

THE DOLE AND OTHER AGENCIES HAVE CLOSELY WORKED WITH UNCLAS E F T O SECTION 21 OF 22 MANILA 000942

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UNICEF AND THE ILO'S INTERNATIONAL PROGRAM FOR THE ELIMINATION OF CHILD LABOR (IPEC) TO REDUCE VIOLATIONS OF CHILD LABOR LAWS. THE DOLE'S APPROACH IS TO WORK WITH LOCAL NGOS TO EDUCATE THE COMMUNITY ON THE NEGATIVE ASPECTS OF CHILD LABOR, WHILE PROVIDING COUNSELING AND OTHER OUTLETS FOR CHILDREN. IT HAS ENLISTED THE DEPARTMENT OF EDUCATION, CULTURE AND SPORT IN AN INTERAGENCY EFFORT TO PUT CHILDREN BACK IN SCHOOL. ONLY A FEW CHILD LABOR CASES HAVE RESULTED IN COURT ACTION. IN MARCH, THE DOLE'S COOPERATION WITH PROSECUTORS SUCCEEDED IN OBTAINING THE FIRST CHILD LABOR CONVICTION UNDER 1993 LEGISLATION. A MANILA AREA COURT CONVICTED A NIGHT CLUB OWNER FOR EMPLOYING UNDERAGE "ENTERTAINERS."

THE LAW PROHIBITS FORCED AND BONDED LABOR BY CHILDREN; HOWEVER, DESPITE GOVERNMENT ENFORCEMENT EFFORTS, THERE WERE REPORTS OF ITS USE. (SEE SECTION 6.C)

E. ACCEPTABLE CONDITIONS OF WORK

TRIPARTITE REGIONAL WAGE BOARDS SET MINIMUM WAGES. THE LATEST ROUND OF WAGE INCREASES OCCURRED IN LATE 1997 WITH THE HIGHEST RATES SET IN THE NATIONAL CAPITAL REGION (NCR) AND THE LOWEST IN RURAL REGIONS. THE

MINIMUM WAGE FOR NCR NONAGRICULTURAL WORKERS IS ABOUT \$5.00 (PESO L98 PER DAY). WITH THIS PAY LEVEL, AT LEAST TWO FAMILY MEMBERS WOULD HAVE TO WORK FULL-TIME TO SUPPORT A FAMILY OF SIX ABOVE LEVEL OF THE GOVERNMENT'S MINIMUM DAILY COST OF LIVING FOR THE MANILA AREA. LARGE NUMBERS OF WORKERS DO NOT RECEIVE THE MINIMUM WAGE SET FOR THEIR AREA

REGIONAL WAGE BOARD ORDERS COVER ALL PRIVATE SECTOR WORKERS EXCEPT DOMESTIC HELPERS AND THOSE EMPLOYED IN THE PERSONAL SERVICE OF ANOTHER. BOARDS OUTSIDE THE NCR EXEMPTED SOME EMPLOYERS BECAUSE OF FACTORS SUCH AS ESTABLISHMENT SIZE, INDUSTRY SECTOR, INVOLVEMENT WITH EXPORTS, FINANCIAL DISTRESS, AND LEVEL OF CAPITALIZATION. THESE EXEMPTIONS EXCLUDED SUBSTANTIAL ADDITIONAL NUMBERS OF WORKERS FROM COVERAGE UNDER THE LAW.

VIOLATION OF MINIMUM WAGE STANDARDS WAS COMMON. MANY FIRMS HIRED EMPLOYEES AT SUB-MINIMUM APPRENTICE RATES, ALTHOUGH NO APPROVED TRAINING WAS ENTAILED IN THEIR PRODUCTION LINE WORK. A STUDY OF THE LARGEST EXPORT ZONE SHOWED THAT MANY WORKERS RECEIVING LESS THAN THE MINIMUM WAGE. DOLE OFFICIALS ESTIMATE A 30 TO 40 PERCENT NON-COMPLIANCE WITH THE MINIMUM WAGE REQUIREMENT, AND ACKNOWLEDGE THAT THE SHORTAGE OF INSPECTORS MAKES THE LAW DIFFICULT TO ENFORCE. THE DOLE RELIES ON ADMINISTRATIVE PROCEDURES AND MORAL SUASION TO ENCOURAGE VOLUNTARY EMPLOYER CORRECTION OF VIOLATIONS.

THE STANDARD LEGAL WORKWEEK IS 48 HOURS FOR MOST CATEGORIES OF INDUSTRIAL WORKERS AND 40 HOURS FOR GOVERNMENT WORKERS, WITH AN 8-HOUR PER DAY LIMIT. AN OVERTIME RATE OF 125 PERCENT OF THE HOURLY RATE IS MANDATED ON ORDINARY DAYS AND 130 PERCENT ON REST DAYS AND HOLIDAYS. THE LAW MANDATES A FULL DAY OF REST WEEKLY. HOWEVER, THERE IS NO LEGAL LIMIT ON THE NUMBER OF OVERTIME HOURS AN EMPLOYER MAY REQUIRE. ENFORCEMENT OF WORKWEEK HOURS IS MANAGED THROUGH PERIODIC INSPECTIONS BY THE DOLE.

SEVERAL NGOS SEEK TO PROTECT THE RIGHTS OF THE COUNTRY'S OVER FIVE MILLION OVERSEAS WORKERS. THE GOVERNMENT USES FINANCIAL SANCTIONS AND CRIMINAL CHARGES AGAINST UNFAIR PRACTICES BY PHILIPPINE RECRUITING AGENCIES. ALTHOUGH THE PHILIPPINE OVERSEAS EMPLOYMENT AGENCY (POEA) HAS REGISTERED AND SUPERVISED DOMESTIC RECRUITERS' PRACTICES SUCCESSFULLY, THE GOVERNMENT LARGELY IS UNABLE TO ENSURE WORKERS' PROTECTIONS OQS COOPERQON FROM RECEIVING COUNTRIES AND PROPOSES MIGRANT WORKER RIGHTS CONVENTIONS IN INTERNATIONAL FORA. HOWEVER, PROBLEMS REMAIN. THE GOVERNMENT RAISES THE ISSUE IN BILATERAL CONTACTS, AND OTHERWISE PROVIDES ASSISTANCE THROUGH ITS DIPLOMATIC MISSIONS.

A COMPREHENSIVE SET OF OCCUPATIONAL SAFETY AND HEALTH STANDARDS EXISTS IN LAW. ALTHOUGH POLICY FORMULATION AND REVIEW OF THESE STANDARDS ARE THE RESPONSIBILITY OF THE DOLE, ACTUAL ENFORCEMENT OFTEN IS CARRIED OUT BY LOCAL AUTHORITIES. DOLE OFFICIALS ACKNOWLEDGE THAT THEIR 260 INSPECTORS NATIONWIDE ARE INADEQUATE FOR NUMBER OF WORK SITES NEEDING VISITS. STATISTICS ON ACTUAL WORK-RELATED ACCIDENTS AND ILLNESSES ARE INCOMPLETE, AS INCIDENTS (ESPECIALLY IN AGRICULTURE) ARE UNCLAS E F T O SECTION 22 OF 22 MANILA 000942  
QQQQ



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**DIST:**  
SIT: NSC

# Cable

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**PREC:** ROUTINE  
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**ORIG:** AMEMBASSY MANILA  
**TO:** RUEHC/SECSTATE WASHDC 7185  
RHEHAAA/WHITE HOUSE WASHDC  
**INFO:** RUEHC/DEPT OF LABOR WASHDC  
RUCPDOG/USDOC WASHDC  
RUEHGV/USMISSION GENEVA 0724  
RUEHZZ/ASEAN COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 5149  
RUEHUL/AMEMBASSY SEOUL 5587  
**SUBJ:** PHILIPPINE GARMENT INDUSTRY SEEKS TRADE  
ADVANTAGE THROUGH LABOR STANDARDS  
**TEXT:**  
UNCLAS E F T O SECTION 01 OF 03 MANILA 001458

SENSITIVE

WHITE HOUSE FOR NEC - (LAEL BRAINERD)  
STATE ALSO FOR DRL/IL, EB AND EAP  
USTR FOR OFFICE OF TEXTILES - CAROYL MILLER  
USTR ALSO FOR SEAN MURPHY  
LABOR FOR ILAB (SAMET)  
USDOC FOR CITA  
GENEVA FOR USTR

E.O. 12958: N/A  
TAGS: ELAB, ETRD, PHUM, KTEX, PGOV, RP  
SUBJECT: PHILIPPINE GARMENT INDUSTRY SEEKS TRADE  
ADVANTAGE THROUGH LABOR STANDARDS

REF: A) 98 MANILA 13910; B) MANILA 0816

SENSITIVE BUT UNCLASSIFIED. PLEASE HANDLE ACCORDINGLY.

SUMMARY

1. (SBU) PHILIPPINE GARMENT INDUSTRY LEADERS AGREED IN PRINCIPLE ON JANUARY 19 TO ADOPT A LABOR STANDARDS CODE OF CONDUCT MODELED ON THAT OF THE US APPAREL INDUSTRY PARTNERSHIP. TO MAKE THE CODE CREDIBLE TO US IMPORTERS, THE PHILIPPINE GARMENT EXPORT LEADERS WILL ESTABLISH AN INDEPENDENT MONITORING SYSTEM. CONCERNED OVER RETAINING A SHARE OF THE US APPAREL MARKET AFTER

THE PROSPECTIVE END OF THE MFA QUOTA SYSTEM IN 2005, THE GARMENT INDUSTRY HERE PLANS TO USE ITS COMMITMENT TO PROGRESSIVE LABOR STANDARDS AS A MARKETING TOOL. THE PHILIPPINES INTENDS TO ADDRESS INCREASING US AND EUROPEAN CONSUMER AND RETAILER SENSITIVITY TO THE QUALITY OF LABOR STANDARDS IN EXPORTING COUNTRIES, THUS POSSIBLY GAINING A "COMPARATIVE ADVANTAGE" OVER THOSE COUNTRIES (E.G., CHINA) WHERE FREEDOM OF ASSOCIATION OR INDEPENDENT NGO MONITORING ARE HARDLY POSSIBLE. THE US HAS MADE IMPROVED WORKERS RIGHTS IN THE TEXTILE INDUSTRY A HIGH PROFILE ISSUE. WE CAN GIVE SUBSTANCE TO OUR SUPPORT FOR BETTER WORKING CONDITIONS IN DEVELOPING COUNTRIES BY DEMONSTRATING THAT THE US CAN RESPOND POSITIVELY WHEN SIGNIFICANT PROGRESS TAKES PLACE. WE URGE WASHINGTON TO TAKE ADVANTAGE OF THE UPCOMING TALKS ON THE RULES OF ORIGIN MOU TO PROMOTE US SUPPORT FOR WORKERS RIGHTS AND RESPOND POSITIVELY TO THE PHILIPPINES ON THE MOU AND, IF POSSIBLE, ON INCREASED QUOTAS, OR, IF NOT POSSIBLE, THROUGH SOME OTHER PUBLIC GESTURE THAT RECOGNIZES THIS PIONEER INITIATIVE IN THE REGION. END SUMMARY

#### INDUSTRY CODE AS MARKETING TOOL

2. (U) LEADERS OF THE PHILIPPINE GARMENT INDUSTRY ANNOUNCED THEIR INTENTION TO ADOPT AN INDUSTRY CODE OF CONDUCT FOR LABOR PRACTICES AT A JANUARY 19 MEETING ATTENDED BY MAJOR AMERICAN IMPORTERS AND THEIR REPRESENTATIVES AND ORGANIZED BY MANILA'S AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES (AMCHAM). FOLLOWING A SERIES OF MEETINGS AT THE AMCHAM SINCE EARLY LAST YEAR, BOTH PHILIPPINE AND AMERICAN INDUSTRY REPRESENTATIVES HAVE WORKED ON WAYS TO IMPLEMENT THE APPAREL INDUSTRY PARTNERSHIP'S (AIP) CODE OF CONDUCT ON LABOR PRACTICES ANNOUNCED AT THE WHITE HOUSE IN APRIL, 1997. GRADUALLY KEY LEADERS IN THE EXPORT SECTOR, INCLUDING THOSE BELONGING TO THE PHILIPPINE EXPORT CONFEDERATION, CAME TO THE VIEW THAT THE INDUSTRY'S ADOPTION OF A CODE THAT COMPLEMENTED AIP'S WOULD STRENGTHEN PHILIPPINE FIRMS' EXPORT COMPETITIVENESS IN THE US AND EUROPEAN MARKETS. INDUSTRY LEADERS PERCEIVED A SHIFT IN CONSUMER ATTITUDES, LEADING TO RAPIDLY GROWING DEMANDS BY MAJOR NAME BRANDS AND RETAIL OUTLETS FOR ASSURANCES OF "QUALITY LABOR STANDARDS" IN GARMENTS PHILIPPINE FIRMS SOUGHT TO EXPORT.

#### A "HIGH END" STRATEGY

3. (U) SOON AFTER PRESIDENT JOSEPH ESTRADA TOOK OFFICE IN MID-1998, OFFICIALS OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN HIS NEW ADMINISTRATION TOLD US THEY BELIEVED THE LABOR STANDARDS ISSUE WAS A KEY PART OF THEIR STRATEGY FOR IMPROVING PHILIPPINE MANUFACTURERS' COMPETITIVENESS. THE NEWLY APPOINTED HEAD OF THE DTI'S GARMENT AND TEXTILE EXPORT BOARD (GTEB), FELICITAS AGONCILLO-REYES, TOLD US SHE SAW THE US AND EUROPEAN IMPORTERS' DEMAND FOR "RELIABLE LABOR STANDARDS" AS AN OPPORTUNITY FOR THE INDUSTRY.

SEARCHING FOR WAYS TO COMPETE WITH COUNTRIES WITH LOW WAGES AND LABOR STANDARDS LIKE CHINA AND INDONESIA, SHE SAID PHILIPPINE PRODUCERS HAD TO "MAKE A VIRTUE OF NECESSITY" -- I.E., USE THE REQUIREMENTS OF THEIR COUNTRY'S PROGRESSIVE LABOR CODE (THAT MANDATES FREEDOM OF ASSOCIATION) AS AN EXPORT MARKETING TOOL.  
UNCLAS E F T O SECTION 02 OF 03 MANILA 001458

SENSITIVE

WHITE HOUSE FOR NEC - (LAEL BRAINERD)  
STATE ALSO FOR DRL/IL, EB AND EAP  
USTR FOR OFFICE OF TEXTILES - CAROYL MILLER  
USTR ALSO FOR SEAN MURPHY  
LABOR FOR ILAB (SAMET)  
USDOC FOR CITA  
GENEVA FOR USTR

E.O. 12958: N/A  
TAGS: ELAB, ETRD, PHUM, KTEX, PGOV, RP  
SUBJECT: PHILIPPINE GARMENT INDUSTRY SEEKS TRADE  
ADVANTAGE THROUGH LABOR STANDARDS

(PHILIPPINE EMPLOYER GROUPS HAVE PERIODICALLY COMPLAINED THAT THE PHILIPPINE WAGES AND RELATED STANDARDS WERE TOO HIGH TO COMPETE WITH OTHER ASIAN COUNTRIES' EXPORTS.) BELIEVING THE PHILIPPINE LABOR CODE'S REQUIREMENTS GO SIGNIFICANTLY BEYOND WHAT THE AIP CODE SETS AS MINIMUM WORKER RIGHTS AND LABOR STANDARDS, AGONCILLO-REYES SEES THE LABOR STANDARDS ISSUE AS OFFERING THE PHILIPPINES A "COMPARATIVE ADVANTAGE." SHE TOLD US THAT PHILIPPINE INDUSTRY COMPLIANCE WITH ITS OWN CODE MODELED ON THE AIP'S COULD HELP ENSURE ITS PRODUCTS' APPEAL TO A NEW CONSUMER CONSCIOUSNESS IN "HIGH END" MARKETS IN THE US AND EUROPE.

4. (U) DTI OFFICIALS ALSO FELT THAT THE ADOPTION OF A CODE SIMILAR TO AIP'S WOULD APTLY RESPOND TO DTI SECRETARY JOSE PARDO'S CAMPAIGN FOR IMPROVED QUALITY STANDARDS FOR PHILIPPINE PRODUCTS. PARDO HAS PROMOTED A "SEAL OF EXCELLENCE" PROGRAM THAT MONITORS AND AWARDS FIRMS ON THE BASIS OF HIGHER QUALITY STANDARDS. ACCORDING TO AGONCILLO-REYES, MONITORING FIRMS FOR QUALITY LABOR STANDARDS WOULD BE AN APPROPRIATE NEXT STEP FOR PARDO'S PROGRAM.

AMERICAN CHAMBER: A CATALYST

5. (U) AMERICAN FIRMS BELONGING TO THE AIP HAVE HELPED SHAPE THIS PHILIPPINE PERCEPTION BY THEIR PARTICIPATION IN THE AMCHAM'S GARMENT INDUSTRY MEETINGS. SENIOR MANAGERS OF LIZ CLAIBORNE, NIKE, TOMMY HILFIGER AND OTHERS HAVE DESCRIBED TO EXPORTERS HERE THAT THE "HUMAN RIGHTS" ISSUE (I.E., LABOR STANDARDS AND WORKER RIGHTS) CURRENTLY PLAYS A ROLE IN DETERMINING THEIR CHOICE OF SUPPLIERS, EMPHASIZING IT IS A ROLE EQUAL TO THE TRADITIONAL FACTORS OF PRICE, DELIVERY TIME AND PRODUCT QUALITY. AMERICAN MANAGERS DESCRIBED THE SEVERE IMPACT

ON THEIR FIRMS IF EMBROILED IN A PUBLICIZED LABOR STANDARDS SCANDAL, POINTING ESPECIALLY TO THE DILEMMA OF FIRMS INVOLVED IN THE MEDIA'S EXPOSURE OF ABUSES IN SAIPAN FACTORIES (THE COMMONWEALTH OF THE NORTHERN MARIANAS). REPORTEDLY A VIDEO PRESENTATION OF A US TV NETWORK'S REPORT ON SAIPAN ABUSES HELPED PERSUADE A GATHERING OF PHILIPPINE GARMENT INDUSTRY MANAGERS OF THE POTENTIAL DANGER TO THEIR INDUSTRY'S MARKET IMAGE IF IT FAILS TO ADDRESS THE LABOR STANDARDS ISSUE. AT THE JANUARY 19 MEETING, US GARMENT INDUSTRY EXECUTIVES AGREED TO PROVIDE TECHNICAL ASSISTANCE TO THEIR PHILIPPINE COUNTERPARTS IN A MUTUAL EFFORT TO INTRODUCE THE AIP CODE FOR LABOR PRACTICE IN THE PHILIPPINE GARMENT INDUSTRY.

CAN THE US ENCOURAGE THIS DEVELOPMENT?

6. (SBU) A CENTERPIECE OF OUR TRADE POLICY HAS BEEN CONCERN OVER IMPROVED WORKER RIGHTS AND LIVING STANDARDS AMONG TRADING PARTNERS. THE GARMENT INDUSTRY HAS BEEN THE FOCUS OF MUCH OF OUR CONCERN. THE PHILIPPINE GARMENT INDUSTRY, SUPPORTED BY PHILIPPINE GOVERNMENT TRADE AND LABOR OFFICIALS, IS TAKING A STEP UNIQUE IN THE REGION. IMPLEMENTING AND MONITORING A PHILIPPINE GARMENT INDUSTRY CODE GUARANTEEING ILO CORE LABOR RIGHTS AND DECENT WORKING CONDITIONS WOULD REPRESENT AN IMPORTANT BREAKTHROUGH FOR US POLICY GOALS AND COULD BE A MODEL FOR THE REGION. BOTH US GARMENT FIRMS' OWN CODES AND THE PHILIPPINE INDUSTRY WOULD BE COMMITTED TO FREEDOM OF ASSOCIATION IN EXPORT ZONES AND THE FIGHT AGAINST CHILD LABOR AS PART OF THEIR PACT TO WORK TOGETHER. THE QUESTION SOME HERE HAVE ASKED IS WHETHER WE ARE PREPARED TO USE MORE THAN RHETORIC IN OUR EFFORT TO PROMOTE WORKERS RIGHTS AND IMPROVED FACTORY CONDITIONS. THEY NOTE THAT GSP REVIEWS HAVE LONG PROVIDED THE "STICK" TO U.S. POLICY AND ASK IF OUR STRATEGY ON THIS ALSO INCLUDES SOME "CARROT" THAT REWARDS COUNTRIES AND INDUSTRIES THAT MOVE ALONG THE RIGHT PATH.

ACTION REQUEST

UNCLAS E F T O SECTION 03 OF 03 MANILA 001458

SENSITIVE

WHITE HOUSE FOR NEC - (LAEL BRAINERD)  
STATE ALSO FOR DRL/IL, EB AND EAP  
USTR FOR OFFICE OF TEXTILES - CAROYL MILLER  
USTR ALSO FOR SEAN MURPHY  
LABOR FOR ILAB (SAMET)  
USDOC FOR CITA  
GENEVA FOR USTR

E.O. 12958: N/A

TAGS: ELAB, ETRD, PHUM, KTEX, PGOV, RP  
SUBJECT: PHILIPPINE GARMENT INDUSTRY SEEKS TRADE  
ADVANTAGE THROUGH LABOR STANDARDS

7. (SBU) PHILIPPINE OFFICIALS PLAN TO VISIT WASHINGTON IN LATE FEBRUARY TO DISCUSS RENEWAL OF THE BILATERAL TEXTILE RULES OF ORIGIN MOU. IN ADDITION, PHILIPPINE TRADE OFFICIALS AND SOME US IMPORTERS HAVE INQUIRED ABOUT THE POSSIBILITY OF INCREASED QUOTAS, NOTABLY IN CATEGORIES 346 AND 348. WE RECOGNIZE THAT THESE ARE BOTH SENSITIVE ISSUES FOR US TEXTILE POLICY, MADE MORE DIFFICULT BY THE RECENT PHILIPPINE DECISION TO INCREASE ITS OWN TARIFFS ON TEXTILE PRODUCTS. BUT THERE IS AN OPPORTUNITY HERE TO REINFORCE A KEY TRADE AND FOREIGN POLICY GOAL BY EXPLICITLY TYING A POSITIVE RESPONSE TO THE PHILIPPINES' REQUESTS TO THE PROGRESS PHILIPPINE INDUSTRY HAS MADE ON THE CODE OF CONDUCT. PUBLICLY ACKNOWLEDGING AND REWARDING THE PHILIPPINES' COMMITMENT TO DECENT WORKING CONDITIONS AND RESPECT FOR WORKERS RIGHTS WOULD BE A GENUINE WIN-WIN SITUATION. THE US GAINS AN ALLY IN ITS EFFORTS AND A MODEL FOR THE REGION. THE PHILIPPINES GAINS IMPROVED MARKET ACCESS AND US RECOGNITION FOR ITS EFFORTS.

8. (SBU) WE URGE WASHINGTON TO TAKE ADVANTAGE OF THE UPCOMING TALKS ON THE RULES OF ORIGIN MOU TO PROMOTE US SUPPORT FOR WORKERS RIGHTS AND RESPOND POSITIVELY TO THE PHILIPPINES ON THE MOU AND, IF POSSIBLE, ON INCREASED QUOTAS, OR, IF NOT POSSIBLE THROUGH SOME OTHER PUBLIC GESTURE THAT RECOGNIZES THIS PIONEER INITIATIVE IN THE REGION.

HUBBARD

**SECT:** SECTION: 01 OF 03

<^SECT>SECTION: 02 OF 03

<^SECT>SECTION: 03 OF 03

**SSN:** 1458

<^SSN>1458

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RUEHC/DEPT OF LABOR WASHDC  
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RUEHBL/AMCONSUL BELFAST 0820  
RUEHGV/USMISSION GENEVA 0509  
**SUBJ:** BANANAS AND WORKER RIGHTS: BRITISH TRADE-UNION  
- LEADER CORRESPONDS

**TEXT:**  
UNCLAS SECTION 01 OF 02 LONDON 000820

DEPT FOR G (FRUMIN), WHA (MUTH), DRL, EUR/ERA, AND EUR/UBI  
STATE PASS USTR FOR NOVELLI AND IVES  
GENEVA FOR USTR AND LABOR OFFICER

E.O. 12958: N/A  
TAGS: ETRD, ELAB, EAGR, PHUM, EUN, WTRO, XL, XM, UK  
SUBJECT: BANANAS AND WORKER RIGHTS: BRITISH TRADE-UNION  
- LEADER CORRESPONDS

REF: A) LONDON 205 B) EDINBURGH 001 (ALL NOTAL)

UNCLASSIFIED, BUT NOT FOR INTERNET DISTRIBUTION

1. PLEASE NOTE ACTION REQUEST PARA 4.
2. JOHN MONKS, GENERAL SECRETARY OF THE BRITISH TRADES UNION CONGRESS (TUC), FOLLOWING A MEETING EARLIER THIS WEEK WITH UNDER SECRETARY OF STATE LOY, HAS WRITTEN TO AMBASSADOR LADER TO EXPRESS CONCERN ABOUT THE NEGATIVE IMPACT THAT THE BANANA RETALIATION LIST WILL HAVE ON EMPLOYMENT IN THE UK.
3. IN ADDITION TO STANDARD ARGUMENTS (I.E., THE DEVASTATING EFFECT ON THE SCOTTISH CASHMERE INDUSTRY) WE HAVE BEEN HEARING FOR SOME TIME, MONKS RAISED THE ISSUE OF WORKER RIGHTS. TO WHIT, THE TUC GENSEC ARGUES THAT THE AFFECTED COMMONWEALTH ISLAND STATES IN THE CARIBBEAN RESPECT HUMAN/WORKER RIGHTS MORE THAN THE BANANA-PRODUCING COUNTRIES OF CENTRAL AND SOUTH AMERICA.
4. ACTION REQUEST: EMBASSY LONDON IS NOT SUFFICIENTLY

INFORMED OF THE CURRENT WORKER-RIGHTS SITUATION IN CENTRAL AND SOUTH AMERICA TO ANSWER MONKS' ASSERTIONS ABSENT GUIDANCE FROM WASHINGTON. WE KNOW, FOR EXAMPLE, THAT "THE APPAREL INDUSTRY PARTNERSHIP" IS TRANSFORMING THE WORKER-RIGHTS SITUATION IN CENTRAL AMERICA'S MANUFACTURING INDUSTRIES, BUT WE LACK CURRENT KNOWLEDGE ABOUT THE AGRICULTURAL SECTOR. PLEASE ADVISE SO THAT WE MAY RESPOND ACCORDINGLY.

5. PLEASE NOTE THAT TUC GENSEC MONKS HAS COPIED HIS LETTER TO AFL-CIO PRESIDENT JOHN SWEENEY.

BEGIN TEXT

26 JANUARY 1999

HE MR. PHILIP LADER  
AMBASSADOR OF THE UNITED STATES OF AMERICA  
AMERICAN EMBASSY  
GROSVENOR SQUARE  
LONDON W1A 1AE

DEAR PHIL

RE: BANANA REGIME DISPUTE

I WAS VERY GLAD TO HAVE THE OPPORTUNITY YESTERDAY AS A RESULT OF LABOUR COUNSELLOR GEORGE DRAGNICH'S INITIATIVE TO MEET FRANK LOY, THE UNDER SECRETARY IN THE STATE DEPARTMENT WITH RESPONSIBILITIES FOR GLOBALISATION. I WAS ALSO HAPPY - - WITH MY COLLEAGUES KEN JACKSON AND MICHAEL WALSH -- TO IDENTIFY WITH HIM LARGE AND IMPORTANT AREAS OF POLICY, IN PARTICULAR THE PROMOTION THROUGH THE WORLD TRADE ORGANISATION OF RESPECT FOR CORE LABOUR STANDARDS, REGARDING WHICH THE UNITED STATES GOVERNMENT AND THE TUC HAVE VERY SIMILAR AIMS AND ON WHICH WE WILL COOPERATE IN ATTEMPTING TO INFLUENCE THE POLICIES OF DEVELOPING COUNTRIES, THE EUROPEAN UNION AND THE BRITISH GOVERNMENT.

AT THAT STAGE I WAS NOT AWARE OF THE IMPASSE REACHED IN THE NEGOTIATIONS ABOUT THE EUROPEAN UNION BANANA REGIME AND THE INCREASED LIKELIHOOD THAT THE UNITED STATES WILL IMPOSE UNILATERALLY SANCTIONS AGAINST CERTAIN EU PRODUCTS FROM 3 MARCH. THESE MEASURES WOULD HAVE A PARTICULARLY DAMAGING AFFECT ON EMPLOYMENT IN THE UNITED KINGDOM. THE BRITISH COMPANIES WHICH WILL FEEL MOST OF THE IMPACT HAVE NOTHING TO DO WITH THE EU BANANA REGIME AND IT IS QUITE WRONG IN OUR VIEW FOR THE US TO TAKE ACTION AGAINST THEM. THE WORLD TRADE ORGANISATION HAS NOT RULED ON THE COMPATIBILITY OF THE ARRANGEMENTS WHICH CAME INTO OPERATION ON 1 JANUARY WITH WTO RULES. THE VIEW THAT THE US GOVERNMENT CANNOT REQUEST LEGITIMATELY SANCTIONS IN ADVANCE OF A WTO RULING ON COMPLIANCE SEEMS TO BE SUPPORTED BY A WIDE RANGE OF COUNTRIES ACROSS THE WORLD, INCLUDING JAPAN AND OTHER MAJOR TRADING PARTNERS.

WE ARE ALSO MOST CONCERNED THAT HUMAN RIGHTS CONSIDERATIONS

SUCH AS THE ONES WHICH WE RAISED WITH MR. LOY, AS WELL AS THE CRUCIAL INTERESTS OF THE PEOPLE OF THE SMALL BANANA-PRODUCING COUNTRIES OF THE CARIBBEAN, SHOULD NOT BE ABANDONED. THE COMMONWEALTH ISLAND STATES MOST THREATENED BY THE PRESSURE TO SCRAP THE PRESENT EU BANANA REGIME ARE MUCH MORE HEAVILY-DEPENDENT ON BANANA EXPORTS THAN ANY OF THE COUNTRIES FROM WHICH CHIQUITA AND THE OTHER MAIN UNCLAS SECTION 02 OF 02 LONDON 000820

DEPT FOR G (FRUMIN), WHA (MUTH), DRL, EUR/ERA, AND EUR/UBI STATE PASS USTR FOR NOVELLI AND IVES GENEVA FOR USTR AND LABOR OFFICER

E.O. 12958: N/A

TAGS: ETRD, ELAB, EAGR, PHUM, EUN, WTRO, XL, XM, UK

SUBJECT: BANANAS AND WORKER RIGHTS: BRITISH TRADE-UNION

- LEADER CORRESPONDS

PRODUCING COMPANIES EXPORT BANANAS. THEY ARE NATIONS WHICH UPHOLD THE RULE OF LAW AND GUARANTEE THE FREE PRACTICE OF BASIC TRADE UNION AND OTHER HUMAN RIGHTS. NEARLY ALL OF THE BANANA-PRODUCING COUNTRIES OF CENTRAL AND SOUTH AMERICA -- NOTABLY COLOMBIA AND ECUADOR -- HAVE SERIOUSLY-INFERIOR RECORDS IN RESPECT OF CORE LABOUR STANDARDS, AS THE MOST RECENT STATE DEPARTMENT REPORT ON HUMAN RIGHTS PRACTICES MAKES CLEAR. EVEN THE BEST OF THEM, COSTA RICA, PRACTISES SOLIDARISMO WHICH THE ILO HAS CONDEMNED AS INCOMPATIBLE WITH THE FREEDOM OF ASSOCIATION CONVENTIONS.

I HOPE THAT YOU WILL MAKE KNOWN TO THE ADMINISTRATION OUR CONCERNS IN THIS AREA AND OUR HOPE THAT THE ISSUES CAN BE RESOLVED FAIRLY THROUGH AGREEMENT CONSISTENT WITH THE PRINCIPLES OF JUSTICE FOR WHICH THE US STANDS. I AM COPYING THIS LETTER TO MR. SWEENEY AT THE AFL-CIO.

YOURS SINCERELY,  
JOHN MONKS  
GENERAL SECRETARY  
TRADES UNION CONGRESS

END TEXT.

LADER

**SECT:** SECTION: 01 OF 02  
<^SECT>SECTION: 02 OF 02

**SSN:** 0820  
<^SSN>0820

**TOR:** 990129173629 M3669510  
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**DIST:** SIT: ARMSTRONG AVERY BLINKEN BUTLER DAVIDSON DENNISTON DOBBINS GALLUCCI  
HAMMONDS HOLTZAPPLE LEE MILLER ORFINI  
SIT: NSC

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	re Loy's meetings (5 pages)	02/03/1999	P1/b(1)

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1999-Dec 2000 ([sweatshop ...])  
OA/Box Number: 530000

### FOLDER TITLE:

[01/12/1999 - 03/01/1999]

2018-1072-F  
kc2362

### RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHGTA0509 0391647-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 081647Z FEB 99  
**LINE4:** FM AMEMBASSY GUATEMALA  
**OSRI:** RUEHGT  
**DTG:** 081647Z FEB 99  
**ORIG:** AMEMBASSY GUATEMALA  
**TO:** RUEHC/SECSTATE WASHDC 5012  
**INFO:** RUEHC/DEPT OF LABOR WASHDC  
RUEHZA/ARA CENTRAL AMERICAN COLLECTIVE  
**SUBJ:** PHILLIPS-VAN HEUSEN UPDATE -- PLANT STILL BLOCKED BY  
PROTESTERS, CLIMATE STILL UNSETTLED

**TEXT:**

UNCLAS GUATEMALA 000509

LABOR FOR INTERNATIONAL BUREAU -- WHOLEY AND RUSSELL

SENSITIVE

E.O. 12958: N/A

TAGS: ELAB, ECON, PHUM, ETRD, GT

SUBJECT: PHILLIPS-VAN HEUSEN UPDATE -- PLANT STILL BLOCKED BY  
PROTESTERS, CLIMATE STILL UNSETTLED

REF: 98 GUATEMALA 5034

SENSITIVE BUT UNCLASSIFIED -- HANDLE ACCORDINGLY.

1. (U) SUMMARY: DESPITE RUMORS TO THE CONTRARY, THE PHILLIPS VAN-HEUSEN PLANT IN GUATEMALA CITY REMAINS CLOSED. WHILE MOST WORKERS HAVE ACCEPTED THEIR SEVERANCE PACKETS, A DELUSORY HANDFUL, ALONG WITH THEIR SUPPORTERS, CONTINUE TO BLOCK THE PLANT'S GATE. AS A RESULT, NEITHER EQUIPMENT NOR RECORDS CAN BE REMOVED. IN ADDITION, THERE IS A PUBLIC RELATIONS CAMPAIGN AFOOT TO CONVINCCE PVH EXECUTIVES IN THE U.S. TO REOPEN THE PLANT. END SUMMARY.

2. (SBU) OVER THE PAST FEW WEEKS, LABATT HAS MET WITH LABOR CONTACTS, THE FORMER GENERAL MANAGER OF CAMISAS MODERNAS, THE PHILLIPS-VAN HEUSEN (PVH) PLANT THAT CLOSED ON DECEMBER 12, AND WITH OTHER PARTIES INTERESTED IN THE SUCCESSFUL RESOLUTION OF THE CORPORATION'S DECISION TO SHUT DOWN OPERATIONS. WHILE OVER 500 OF THE 520 FORMER EMPLOYEES OF THE COMPANY HAVE COLLECTED THEIR SEVERANCE PACKAGE, ABOUT A DOZEN CONTINUE TO HOLD OUT FOR ADDITIONAL PAYMENTS THAT GO BEYOND CONTRACTUAL OBLIGATIONS. ALONG

WITH SUPPORTERS, MANY OF WHOM APPEAR NOT TO BE FORMER EMPLOYEES, THEY HAVE BEEN CAMPED OUT AROUND THE ENTRANCE TO THE PLANT, LOCATED IN ZONE 12 OF GUATEMALA CITY. THE PROTESTERS FIRST CLAIMED THAT THE CLOSURE WAS A TRICK, AND THAT PVH WOULD REOPEN IN EARLY JANUARY WITH NON-UNION WORKERS (REFTEL).

3. (SBU) EARLY JANUARY CAME AND PASSED AND THE PLANT REMAINS CLOSED. FORMER MANAGEMENT AND COMPANY REPRESENTATIVES TELL LABATT THAT PVH HAS NO PLANS TO REOPEN AND IS WAITING OUT THE PROTESTERS. AS RECENTLY AS EARLY FEBRUARY, THE COMPANY HAS NOT BEEN ALLOWED TO REMOVE RECORDS OR MACHINERY. (NOTE: THE COMPANY PLANS TO SHIP THE NEWEST OF ITS MACHINES TO PVH'S LAST TWO REMAINING COMPANY-OWNED PLANTS, ONE IN ALABAMA AND ONE IN COSTA RICA.) LABOR CONTACTS HAVE TOLD LABATT THAT INTERESTED PARTIES ARE MOUNTING A PUBLIC RELATIONS CAMPAIGN IN THE U.S. IN AN EFFORT TO FORCE PVH TO REOPEN, SINCE THE CLOSURE SHOWS "BAD FAITH" IN THE CONTEXT OF THE APPAREL INDUSTRY PARTNERSHIP (AIP). FOR THE PAST TWO YEARS PVH HAS BEEN AN ENLIGHTENED INDUSTRY LEADER IN GUATEMALA AND IS APPARENTLY A LEADING LIGHT IN THE AIP.

4. (SBU) COMMENT: AS INDICATED REFTTEL, THE PVH CLOSURE IS BAD NEWS FOR GUATEMALA'S MAQUILA INDUSTRY. IN ADDITION TO BEING THE ONLY UNIONIZED MAQUILA, OTHER OPERATIONS, EVEN VESTEX (THE MAQUILA GUILD), LOOKED TO PVH AS A TRENDSETTER. A FURTHER BIT OF BAD TIMING REINFORCES THE ILL WILL GENERATED BY THE CLOSURE. THE PVH CONTRACT STIPULATED THE REOPENING OF WAGE NEGOTIATIONS IN JUNE 1998. AT THAT TIME, THE COMPANY CONVINCED THE UNION THAT IT COULD NOT AFFORD TO INCREASE SALARIES, ALREADY HIGH BY LOCAL MAQUILA STANDARDS. THEN, SIX MONTHS LATER, THE COMPANY CLOSED ITS DOORS. WHILE WE DO NOT EXPECT THE COMPANY TO ACT FORCEFULLY TO RECOVER ITS SEQUESTERED MACHINERY AND RECORDS, WE ALSO DO NOT EXPECT THOSE CAMPED OUT AT THE PLANT ENTRANCE TO DEPART ANY TIME SOON.

PLANTY

**SECT:** SECTION: 01 OF 01

**SSN:** 0509

**TOR:** 990208162116 M3684034

**DIST:**

SIT: ARMSTRONG AVERY BABBITT BUSBY DENNISTON DOBBINS GALLUCCI GUARNIERI  
MILLER NAPLAN ORFINI SCHWARTZ VACCARO WIPPMAN  
SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHMDA1895 0551540-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 241540Z FEB 99  
**LINE4:** FM AMEMBASSY MADRID  
**OSRI:** RUEHMD  
**DTG:** 241540Z FEB 99  
**ORIG:** AMEMBASSY MADRID  
**TO:** RUEHC/SECSTATE WASHDC 3627  
**INFO:** RUEHXQ/ALL EUROPEAN UNION POST COLLECTIVE  
RUEHC/DEPT OF LABOR WASHDC  
**SUBJ:** RESPONSE TO THE DEPARTMENT OF LABOR WAGE STUDY FOR  
THE APPAREL INDUSTRY PARTNERSHIP

**TEXT:**

UNCLAS MADRID 001895

DEPT FOR DRL/IL JAKE ALLER

DOL FOR ILAB JORGE PEREZ-LOPEZ

E.O. 12958: N/A

TAGS: ELAB, EIND, ETRD, EFIN, PHUM, SOCI, SP

SUBJECT: RESPONSE TO THE DEPARTMENT OF LABOR WAGE STUDY FOR  
THE APPAREL INDUSTRY PARTNERSHIP

1. (U) IN DECEMBER OF EVERY YEAR, THE SPANISH LEGISLATURE FIXES THE MINIMUM WAGE FOR THE FOLLOWING CALENDAR YEAR. THE 1999 WAGE INCREASED 1.8 PERCENT OVER THE PREVIOUS YEAR (KEEPING SLIGHTLY AHEAD OF THE 1.4 PERCENT INFLATION RATE). WHEN FORMULATING THE MINIMUM WAGE, THE GOVERNMENT TAKES INTO ACCOUNT THE FOLLOWING FACTORS: THE CONSUMER PRICE INDEX, THE MEDIAN LEVEL OF NATIONAL PRODUCTIVITY, THE INCREASE OF LABOR'S PARTICIPATION IN THE NATIONAL INCOME, AND GENERAL ECONOMIC CONDITIONS. MAINTAINING A LOW INFLATION RATE AND PROMOTING JOB GROWTH ARE TWO IMPORTANT CONSIDERATIONS.

2. (U) FOR THE 1999 CALENDAR YEAR, THE MINIMUM WAGE IN SPAIN, WHETHER IT IS IN THE AGRICULTURAL, INDUSTRIAL, OR SERVICE SECTOR IS 2,309 PESETAS/DAY OR 69,270 PESETAS/MONTH. WITH AN EXCHANGE RATE OF 145 PESETAS TO THE DOLLAR (WHICH WAS THE AVERAGE EXCHANGE RATE FOR CALENDAR YEAR 1998), THIS TRANSLATES TO 15.92 USD/DAY OR 477.72 USD/MONTH. THE LAW STIPULATES THAT A MINIMUM AMOUNT OF ADDITIONAL MONETARY COMPENSATION (IN THE FORM OF A BONUS IN JULY AND DECEMBER, EACH EQUAL TO A MONTH'S PAY) BE INCLUDED WHEN CALCULATING THE ANNUAL MINIMUM SALARY WHICH IS 969,780 PESETAS (6,688 USD/YEAR). FOR PROFESSIONALS, THE MINIMUM DAILY SALARY IS 3,283 PESETAS (22.64 USD/DAY), AND FOR DOMESTIC OR TEMPORARY WORKERS THE HOURLY WAGE IS 538 PESETAS (3.71 USD/HOUR).

3. (U) THE MEDIAN MONTHLY WAGE FOR THE INDUSTRIAL MANUFACTURING SECTOR IN THE FIRST THREE QUARTERS OF 1998 WAS 225,808 PESETAS/MONTH (1,486 USD/MONTH OR 17,832 USD/YEAR- THE MEDIAN EXCHANGE RATE IN THIS PERIOD FROM JANUARY THROUGH SEPTEMBER 1998 WAS 152 PESETAS TO THE DOLLAR). STATISTICS ARE NOT YET AVAILABLE FOR THE FOURTH QUARTER. THE AVERAGE HOURLY WAGE IN THE MANUFACTURING SECTOR FOR THIS SAME TIME PERIOD WAS 1,551 PESETAS (10.20 USD/HOUR). MORE SPECIFICALLY, THE MEDIAN MONTHLY INCOME IN THE TEXTILE INDUSTRY FOR THE FIRST THREE QUARTERS OF 1998 WAS 232,367 PESETAS (1,529 USD/MONTH OR 18,348 USD/YEAR). (NOTE: THESE AVERAGE MONTHLY AND HOURLY WAGES INCLUDE BOTH BLUE AND WHITE COLLAR WORKERS IN THESE SECTORS.)

4. (U) THERE ARE TWO BASIC EMPLOYEE BENEFITS MANDATED BY SPANISH LAW. SPANISH FIRMS ARE REQUIRED TO PAY A PERCENTAGE OF THE SOCIAL SECURITY TAX FOR EACH EMPLOYEE. EACH EMPLOYEE MUST ALSO CONTRIBUTE A PERCENTAGE. THE OTHER GOVERNMENT MANDATED BENEFIT (WHICH IS IN THE FORM OF MONETARY COMPENSATION) IS A PAIR OF YEARLY BONUSES, EACH EQUAL TO A MONTH'S PAY. THUS WHEN CALCULATING ANNUAL INCOME, A WORKER'S ACTUAL MONTHLY PAY SHOULD BE MULTIPLIED BY FOURTEEN, NOT TWELVE. (NOTE: THE STATISTICS FOR MONTHLY INCOME IN THE PREVIOUS PARAGRAPH ALREADY DO INCORPORATE THESE BONUSES.)

5. (U) IN SPAIN THERE IS NO OFFICIAL MEASURE OF A POVERTY LINE OR ITS EQUIVALENT. THE DEFINITION OF A POVERTY LINE IS EXACERBATED BY THE WIDELY VARYING COSTS OF LIVING WITHIN SPAIN, AND A CLOSE-KNIT FAMILY STRUCTURE THAT MAKES INDIVIDUAL INCOME MEASURES AN INADEQUATE MEASURE OF POVERTY.

ROMERO

**SECT:** SECTION: 01 OF 01

**SSN:** 1895

**TOR:** 990224172323 M3711772

**DIST:**

SIT: BABBITT BANDLER BLINKEN BROWN BUSBY BUTLER DAVIDSON EBITZ GORDON  
GUARNIERI MCELDOWNEY NAPLAN SAPIRO SCHWARTZ STROMSETH VACCARO WIPPMAN  
SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHGPA0551 0570306-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 260306Z FEB 99  
**LINE4:** FM AMEMBASSY SINGAPORE  
**OSRI:** RUEHGP  
**DTG:** 260306Z FEB 99  
**ORIG:** AMEMBASSY SINGAPORE  
**TO:** RUEHC/SECSTATE WASHDC 4582  
**INFO:** RUEHXS/ASEAN COLLECTIVE  
**SUBJ:** DEPARTMENT OF LABOR WAGE STUDY FOR THE APPAREL INDUSTRY  
PARTNERSHIP

**TEXT:**  
UNCLAS SINGAPORE 000551

STATE FOR DOL/ILAB FOR JORGE PEREZ-LOPEZ AND DRL/IL FOR JAKE  
ALLER

E.O. 12958: N/A  
TAGS: ELAB, EIND, ETRD, PHUM, SOCI, SN  
SUBJECT: DEPARTMENT OF LABOR WAGE STUDY FOR THE APPAREL INDUSTRY  
PARTNERSHIP

REF: STATE 23410

1. (U) FOLLOWING ARE POST'S RESPONSES TO THE REQUESTS MADE IN  
REFTEL.

2. (U) 6.(A) DESCRIPTION OF THE MINIMUM WAGE SETTING PROCESS  
OR MECHANISM AND CURRENT INFORMATION ON THE MINIMUM WAGE AND THE  
PREVAILING WAGE IN THE FOOTWEAR AND APPAREL INDUSTRIES.

RESPONSE: THERE IS NO MINIMUM WAGE IN SINGAPORE. PREVAILING  
WAGE INFORMATION FOR THESE SPECIFIC INDUSTRIES IS NOT AVAILABLE.

3. (U) 6.(B) GOVERNMENT MANDATED NON-WAGE BENEFITS OR TAX  
CREDITS FOR WORKERS IN THE APPAREL AND FOOTWEAR INDUSTRIES.

RESPONSE: THERE ARE NO GOVERNMENT MANDATED NON-WAGE BENEFITS OR  
TAX CREDITS FOR WORKERS IN THE APPAREL AND FOOTWEAR INDUSTRIES  
OTHER THAN THAT DESCRIBED IN THE WORKMEN'S COMPENSATION ACT,  
WHICH APPLIES TO ALL INDUSTRIES.

4. (U) 6.(C) INFORMATION REGARDING THE POVERTY LINE AND HOW IT  
IS DETERMINED.

RESPONSE: THE SINGAPORE GOVERNMENT HAS NOT MADE THAT INFORMATION  
AVAILABLE.

5. QLISTING OF STUDIES ON THE ISSUE OF THE LIVING WAGE.

RESPONSE: THERE ARE NO STUDIES IN PARTICULAR ON "THE LIVING WAGE." THE CLOSEST SINGAPORE SEEMS TO COME IS AN OCCASIONAL PAPER UNDER THE TOPIC "HOUSEHOLD INCOME GROWTH AND DISTRIBUTION, 1990-1997," WHICH DESCRIBES THE INCOME EXPERIENCE OF DIFFERENT SEGMENTS OF HOUSEHOLDS FROM TWO PERSPECTIVES: HIGHLIGHTS HOUSEHOLD LIFE CYCLE STAGES AND HOUSEHOLD INCOME DECILES, THE IMPACT OF DEMOGRAPHIC AND OCCUPATION CHANGES ON INCOME TRENDS AND ANALYZES HOUSEHOLD INCOME DISTRIBUTION AND THE INCIDENCE OF RELATIVE POVERTY FOR SINGAPORE AND SELECTED COUNTRIES. GREEN.

**SECT:** SECTION: 01 OF 01

**SSN:** 0551

**TOR:** 990225221936 M3714705

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHHKA1192 0570846-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 260846Z FEB 99  
**LINE4:** FM AMCONSUL HONG KONG  
**OSRI:** RUEHHK  
**DTG:** 260846Z FEB 99  
**ORIG:** AMCONSUL HONG KONG  
**TO:** SECSTATE WASHDC 8142  
**INFO:** ////  
**SUBJ:** WAGE STUDY FOR THE APPAREL INDUSTRY: MACAU

**TEXT:**

UNCLAS HONG KONG 001192

STATE ALSO FOR DRL/IL - JAKE ALLER  
STATE PASS LABOR DEPARTMENT FOR DOL/ILAB - JORGE PEREZ-LOPEZ

E.O. 12958: N/A  
TAGS: ELAB, ETRD, PHUM, MC  
SUBJECT: WAGE STUDY FOR THE APPAREL INDUSTRY: MACAU

REF: STATE 23410

1. THIS MESSAGE RESPONDS TO REFTEL REQUEST FOR INFORMATION FOR USE IN THE DEPARTMENT OF LABOR'S WAGE STUDY FOR THE APPAREL INDUSTRY PARTNERSHIP.
2. MINIMUM WAGE: MACAU HAS NO MINIMUM WAGE REQUIREMENT. ACCORDING TO A SENIOR ECONOMIC OFFICIAL, THE LEGISLATIVE COUNCIL CONSIDERED A MINIMUM WAGE BILL IN 1998, BUT POSTPONED FINAL ACTION PENDING AN IMPROVEMENT IN THE ECONOMIC SITUATION. THE AVERAGE MONTHLY WAGE FOR WORKERS IN THE GARMENT INDUSTRY WAS 4026 PATACAS (7.74 PATACAS PER ONE USD) IN 1995, 3900 PATACAS IN 1996, 4177 PATACAS IN 1997, AND 4096 PATACAS FOR 1998 (THROUGH THE THIRD QUARTER). FOR THE FOOTWEAR INDUSTRY, DATA IS ONLY AVAILABLE FOR 1997 (3516 PATACAS) AND 1998 (3252 PATACAS).
3. GOVERNMENT-MANDATED NON-WAGE BENEFITS OR TAX CREDITS FOR WORKERS IN THE APPAREL AND FOOTWEAR INDUSTRY. AS WITH OTHER SECTORS OF THE MACAU ECONOMY, WORKERS IN THESE SECTORS RECEIVE ONLY SEVERANCE PAY (IF LAID OFF) AND FIXED ANNUAL HOLIDAYS.
4. INFORMATION REGARDING THE POVERTY LINE AND HOW IT IS DETERMINED: MACAU HAS NOT DETERMINED AN OFFICIAL POVERTY LINE, AND MAINTAINS NO DATA ON MEDIAN INCOME, HOUSEHOLD INCOME, OR THE PERCENTAGE OF HOUSEHOLDS/WORKERS THAT FALL UNDER VARIOUS INCOME CATEGORIES.
5. STUDIES ON THE ISSUE OF THE LIVING WAGE: MACAU OFFICIALS WERE

UNAWARE OF ANY STUDIES ON THE ISSUE OF THE LIVING WAGE. BOUCHER

**SECT:** SECTION: 01 OF 01

**SSN:** 1192

**TOR:** 990226035213 M3715049

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHHKA1193 0570847-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 260847Z FEB 99  
**LINE4:** FM AMCONSUL HONG KONG  
**OSRI:** RUEHHK  
**DTG:** 260847Z FEB 99  
**ORIG:** AMCONSUL HONG KONG  
**TO:** SECSTATE WASHDC 8143  
**INFO:** ////  
**SUBJ:** WAGE STUDY FOR THE APPAREL INDUSTRY: HONG KONG

**TEXT:**

UNCLAS HONG KONG 001193

STATE ALSO FOR DRL/IL - JAKE ALLER  
STATE PASS LABOR DEPARTMENT FOR DOL/ILAB - JORGE PEREZ-LOPEZ

E.O. 12958: N/A  
TAGS: ELAB, ETRD, PHUM, HK  
SUBJECT: WAGE STUDY FOR THE APPAREL INDUSTRY: HONG KONG

REF: (A) STATE 23410, (B) 98 HONG KONG 4938

1. THIS MESSAGE RESPONDS TO REF A REQUEST FOR INFORMATION FOR USE IN THE DEPARTMENT OF LABOR'S WAGE STUDY FOR THE APPAREL INDUSTRY PARTNERSHIP. REFTTEL B REPORTED ON GENERAL LABOR CONDITIONS IN THE HONG KONG APPAREL INDUSTRY.
2. BACKGROUND: DUE TO RISING COSTS, HONG KONG APPAREL AND FOOTWEAR MANUFACTURERS HAVE SHIFTED MUCH OF THEIR PRODUCTION CAPACITY TO THE MAINLAND. AS A RESULT, THE NUMBER OF HONG KONG WORKERS EMPLOYED BY THE APPAREL SECTOR HAS FALLEN FROM 128,000 IN 1993 TO 45,000 IN 1998. DURING THE SAME PERIOD, THE NUMBER OF WORKERS IN THE FOOTWEAR INDUSTRY HAS DECLINED FROM 1350 TO FEWER THAN 200.
3. MINIMUM WAGE: HONG KONG DOES NOT HAVE A MINIMUM WAGE. CONSULATE GENERAL IS POUCHING TO THE DEPARTMENT (DRL/IL) ANNUAL GOVERNMENT STATISTICS ON AVERAGE DAILY AND MONTHLY WAGES FOR WORKERS IN THE TEXTILE AND GARMENT INDUSTRIES FROM 1995 THROUGH 1998. THE CENSUS AND STATISTICS DEPARTMENT STOPPED COMPILING WAGE DATA ON THE FOOTWEAR INDUSTRY IN 1994 BECAUSE THE NUMBER OF PEOPLE EMPLOYED BY THE INDUSTRY HAD FALLEN TO SUCH A LOW LEVEL.
4. GOVERNMENT-MANDATED NON-WAGE BENEFITS OR TAX CREDITS FOR WORKERS IN THE APPAREL AND FOOTWEAR INDUSTRY: HONG KONG PROVIDES NO SUCH BENEFITS OR CREDITS SPECIFICALLY FOR APPAREL AND FOOTWEAR INDUSTRY WORKERS. LIKE OTHER WORKERS, HOWEVER, THEY ARE COVERED BY EMPLOYER-SPONSORED WORKMEN'S COMPENSATION AND RECEIVE AN END-OF-

YEAR PAYMENT EQUAL TO ONE MONTH'S SALARY, AS WELL AS 7-14 DAYS OF ANNUAL LEAVE (DEPENDING ON LENGTH OF SERVICE), SICK LEAVE, AND MATERNITY LEAVE OF 10 WEEKS.

5. INFORMATION REGARDING THE POVERTY LINE AND HOW IT IS DETERMINED: THE HONG KONG GOVERNMENT HAS NOT ESTABLISHED AN OFFICIAL POVERTY LINE. IN DISCUSSIONS WITH LEGISLATORS, GOVERNMENT OFFICIALS HAVE NOTED THAT SOME INTERNATIONAL STUDIES HAVE RECOMMENDED SETTING THE POVERTY LINE AT ONE-HALF THE MEDIAN HOUSEHOLD INCOME. IN HONG KONG, THE MEDIAN HOUSEHOLD MONTHLY INCOME IN 1998 WAS HKDOLLARS 18,000 (APPROXIMATELY USD 2300); ONE-HALF OF THAT WOULD BE HKDOLLARS 9000 (APPROXIMATELY USD 1150). GOVERNMENT OFFICIALS HAVE ALSO REPORTED THAT, IN 1998, 16.4 PERCENT OF HOUSEHOLDS HAD MONTHLY INCOMES BELOW HKDOLLARS 8000 (ROUGHLY USD 1030).

6. STUDIES ON THE ISSUE OF THE LIVING WAGE: CONSULATE GENERAL HAS BEEN UNABLE TO FIND SUCH STUDIES IN HONG KONG, BUT IS POUCHING TO THE DEPARTMENT THE TRANSCRIPTS OF SEVERAL LEGISLATIVE DEBATES ON POVERTY AND WAGES, AS WELL AS A PROPOSAL FOR ESTABLISHING A MINIMUM WAGE. BOUCHER

**SECT:** SECTION: 01 OF 01

**SSN:** 1193

**TOR:** 990226035235 M3715050

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHLMA0548 0570946-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 260946Z FEB 99  
**LINE4:** FM AMEMBASSY COLOMBO  
**OSRI:** RUEHLM  
**DTG:** 260946Z FEB 99  
**ORIG:** AMEMBASSY COLOMBO  
**TO:** SECSTATE WASHDC 4456  
**INFO:** ////  
**SUBJ:** DOL WAGE STUDY FOR THE APPAREL INDUSTRY  
PARTNERSHIP

**TEXT:**  
UNCLAS COLOMBO 000548

STATE PLEASE PASS TO DEPT OF LABOR

STATE FOR DRL/IL/JAKE ALLER  
LABOR FOR ILAB/JORGE PEREZ-LOPEZ

E.O. 12958: N/A  
TAGS: ELAB, EIND, ETRD, PHUM, SOCI, CE  
SUBJECT: DOL WAGE STUDY FOR THE APPAREL INDUSTRY  
PARTNERSHIP

REFS: A) STATE 23410; B) 98 COLOMBO 1895

1. POST'S RESPONSE IS KEYED TO REF A, PARA 6 TOPIC LISTINGS:

A) AS REPORTED IN REF B, THE WAGES BOARD ORDINANCE REGULATES WAGES AND OTHER EMOLUMENTS FOR PERSONS EMPLOYED IN 39 DIFFERENT TRADES AND SECTORS. THE CURRENT MINIMUM WAGES FOR THE GARMENT MANUFACTURING TRADE, LAST INCREASED IN APRIL 1998, ARE: RS. 2,000 PER MONTH FOR TRAINEES AND HELPERS (FOR 156 DAYS ONLY, AFTER WHICH SUCH EMPLOYEES ARE EXPECTED TO BE PROMOTED TO THE NEXT CATEGORY); RS. 2,525 PER MONTH FOR UNSKILLED WORKERS (FIRST YEAR); AND RS. 2,575 PER MONTH FOR SEWING MACHINE OPERATORS AND IRON OPERATORS (FIRST YEAR). THE MINIMUM WAGE IN THE FOOTWEAR INDUSTRY IS RS. 1,500 PER MONTH FOR TRAINEES AND RANGES BETWEEN RS. 2,000 AND RS. 2,050 PER MONTH FOR WORKERS (DEPENDING ON SKILL/SENIORITY). IN ADDITION, THE BOARD OF INVESTMENT, IN CONSULTATION WITH INDUSTRY ASSOCIATIONS, DICTATES MINIMUM WAGE LEVELS FOR FACTORIES LOCATED IN THE TWO MAJOR EXPORT PROCESSING ZONES AS FOLLOWS: RS. 2,750 PER MONTH FOR TRAINEES;

RS. 2,850 PER MONTH FOR UNSKILLED WORKERS; AND RS. 3,000 PER MONTH FOR SKILLED WORKERS. (NOTE: US\$1 EQUALS APPROXIMATELY RS. 69 IN LATE FEBRUARY 1999. END NOTE). ALTHOUGH NO RELIABLE STATISTICS ARE AVAILABLE FOR PREVAILING WAGE LEVELS, EMPLOYEES IN THE GARMENT SECTOR, PARTICULARLY THOSE WORKING IN THE ZONES, RECEIVE WAGES ABOVE THE MINIMUM WAGE LEVELS DUE TO LABOR SCARCITY.

B) THE GOVERNMENT OF SRI LANKA (GSL) REQUIRES EMPLOYERS TO CONTRIBUTE TO RETIREMENT PLANS ("EMPLOYEES' PROVIDENT FUND" AND "EMPLOYEES' TRUST FUND") AND REPORTEDLY USES THE ALLOCATION OF GARMENT QUOTAS TO HELP ENFORCE COMPLIANCE. ALSO, GARMENT FACTORIES SET UP UNDER THE "200 GARMENT FACTORIES PROGRAM" IN THE EARLY 1990S ARE REQUIRED BY THE GSL TO PROVIDE FREE BREAKFAST TO EMPLOYEES.

C) THERE IS NO OFFICIALLY ACCEPTED OR DEFINED POVERTY LINE. A WORLD BANK CONSULTANT ECONOMIST IN A RECENT STUDY ON POVERTY IN SRI LANKA USED TWO POVERTY THRESHOLDS. THE LOWER (RS. 717.09 PER PERSON PER MONTH), CALLED THE "REFERENCE POVERTY LINE," WAS USED IN CONNECTION WITH MINIMUM CONSUMPTION (OF ESSENTIAL NUTRITION, CLOTHING AND SHELTER) NEEDS. THE HIGHER POVERTY LINE (RS. 860.51 PER PERSON PER MONTH) DENOTES THE MINIMUM CONSUMPTION LEVEL NECESSARY TO HAVE A STANDARD OF LIVING THAT INCLUDES SMALL AMOUNTS OF DISCRETIONARY SPENDING FOR TRANSPORT, COMMUNICATIONS AND HEALTH SERVICES. THESE AMOUNTS ARE BASED ON CONSUMPTION DATA FROM 1995-96 (THE MOST RECENT AVAILABLE); IN RECENT YEARS, THE ANNUAL RATE OF INFLATION HAS BEEN 15.9 PERCENT (1996), 9.6 PERCENT (1997) AND 9.4 PERCENT (1998). FOR PURPOSES OF ITS "SAMURDHI" SOCIAL WELFARE SCHEME, THE GOVERNMENT OF SRI LANKA DEFINES THE QUALIFYING THRESHOLD AS RS. 1,000 PER FAMILY PER MONTH (FAMILY SIZE IS NOT DEFINED) - THE GSL PROVIDES RS. 500 TO QUALIFYING FAMILIES TO RAISE THE INCOME LEVEL TO RS. 1,500 PER MONTH.

D) POST CONTACTED THE WELL-RESPECTED INSTITUTE FOR POLICY STUDIES (IPS) AND THE AFL-CIO'S AMERICAN CENTER FOR LABOR SOLIDARITY IN COLOMBO TO INQUIRE ABOUT STUDIES ON THE ISSUE OF THE LIVING WAGE. NEITHER ORGANIZATION HAS CONDUCTED RESEARCH ON THE SUBJECT, NOR WERE THEIR REPRESENTATIVES AWARE OF ANY STUDIES AVAILABLE. AN IPS RESEARCHER SAID THE DEARTH OF SUCH STUDIES REFLECTS THE LACK OF AVAILABLE DATA.

2. COMMENT: TO DATE POST HAS NOT/NOT RECEIVED ANY REPORT RESULTING FROM INFORMATION PROVIDED IN REF B. WE WOULD APPRECIATE RECEIVING FROM DOL, IF AVAILABLE, THE REPORT ON LABOR IN THE APPAREL SECTOR, AS WELL A COPY OF THE SUBJECT WAGE STUDY.

DONNELLY

**SECT:** SECTION: 01 OF 01

**SSN:** 0548

**TOR:** 990226075409 M3715395

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHILA1697 0600729-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
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**LINE4:** FM AMEMBASSY ISLAMABAD  
**OSRI:** RUEHIL  
**DTG:** 010729Z MAR 99  
**ORIG:** AMEMBASSY ISLAMABAD  
**TO:** RUEHC/SECSTATE WASHDC 4338  
**INFO:** RUEHKP/AMCONSUL KARACHI 1136  
RUEHLH/AMCONSUL LAHORE 3711  
RUSBPW/AMCONSUL PESHAWAR 3478  
**SUBJ:** PAKISTAN: POVERTY LINE AND MINIMUM WAGE DATA FOR APPAREL  
**TEXT:**

UNCLAS SECTION 01 OF 02 ISLAMABAD 001697

DEPT FOR SA/PAB AND DRL/IL JAKE ALLER  
PLEASE PASS DOL FOR JORGE PEREZ-LOPEZ  
LAHORE PASS TO ECON

E.O. 12958: N/A  
TAGS: ELAB, ECON, PK  
SUBJECT: PAKISTAN: POVERTY LINE AND MINIMUM WAGE DATA FOR APPAREL  
INDUSTRY PARTNERSHIP

REF: A) STATE 23410; B) ISLAMABAD 01673

1. SUMMARY: THE GOP'S MINIMUM WAGE FOR UNSKILLED WORKERS IS RUPEES 1,950 PER MONTH. REQUIRED NON-WAGE BENEFITS ARE NUMEROUS, BUT COMPLIANCE AND RESOURCES FOR COMPLIANCE ARE UNCONFIRMED AND QUESTIONABLE. WORLD BANK FIGURES PLACE THE POVERTY LINE AT RUPEES 332 (USD 6.39) PER MONTH. THERE IS NOT AN AGREED-UPON METHOD FOR CALCULATING THE POVERTY LINE OR THE LIVING WAGE IN PAKISTAN. EMBASSY CONTINUES TO PURSUE INFORMATION ON PROVINCIAL MINIMUM WAGES FOR SKILLED WORKERS AND MORE SPECIFIC AND VERIFIED INFORMATION ON WAGES, BENEFITS AND POVERTY GENERALLY. END SUMMARY.

2. IN RESPONSE TO REFTEL (A), ECONOFF MET WITH LABOR MINISTRY OFFICIALS SHABIR JAMAL, CENTRAL LABOR ADVISOR, AND UMED ALI, SECTION OFFICER FOR MINIMUM WAGE. ECONOFF ALSO MET SEPARATELY WITH MUHAMMAD ASLAM KHAN, CHIEF OF THE FISCAL, MONETARY AND POVERTY ALLEVIATION SECTION AT THE PLANNING AND DEVELOPMENT DIVISION. PREVIOUS CONTACT WITH ZAHOR AWAN OF THE ALL PAKISTAN FEDERATION OF LABOR (APFOL) INDICATED DISSATISFACTION WITH THE APPLICATION OF NON-WAGE BENEFITS. ORGANIZED LABOR IS POORLY DEVELOPED IN PAKISTAN, MAKING IT DIFFICULT TO VERIFY THE GOP'S CLAIMS ABOUT LABOR POLICIES AND CONDITIONS. HOWEVER, EMBASSY HOPES TO USE FUTURE CONTACTS WITH LABOR AND INDUSTRY ORGANIZATION TO AUGMENT THE INFORMATION IN THIS CABLE.

MINIMUM WAGE AND PREVAILING WAGE  
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3. PAKISTAN HAS A FEDERAL MINIMUM WAGE FOR UNSKILLED WORKERS. AT PRESENT IT IS RUPEES 1,950 PER MONTH. THIS MINIMUM WAGE WAS RUPEES 1,500 PER MONTH WHEN FIRST INSTITUTED ON JULY 1, 1992. SINCE THEN IT HAS BEEN SUPPLEMENTED BY A YEARLY COLA. IT APPLIES ONLY TO INDUSTRIAL AND COMMERCIAL ESTABLISHMENTS EMPLOYING 50 OR MORE WORKERS. THE FEDERAL MINIMUM WAGE IS DETERMINED BY THE NATIONAL MINIMUM WAGE COMMISSION AND REQUIRES APPROVAL BY PARLIAMENT. GOP OFFICIALS DID NOT DIVULGE THEIR METHODOLOGY USED FOR ARRIVING AT THE MINIMUM WAGE FIGURE. APFOL CLAIMS THE FIGURES ARE ARBITRARY. THE MINIMUM WAGE FOR SKILLED WORKERS IS SET BY THE PROVINCES. EMBASSY MUST CONTACT THE PROVINCIAL LABOR REGULATORY BODIES DIRECTLY FOR THIS INFORMATION. CENTRAL LABOR ADVISOR SHABIR JAMAL SAYS THIS MAY REQUIRE AT LEAST 30 DAYS FOR A RESPONSE.

4. GOP CONTACTS GAVE NO INFORMATION ON PREVAILING WAGES IN THE APPAREL AND FOOTWEAR INDUSTRIES. EMBASSY CONTACTED THE PAKISTAN READY-MADE GARMENTS ASSOCIATION AND THE ASSOCIATION OF FOOTWEAR MANUFACTURERS TO REQUEST PREVAILING WAGE FIGURES.

NON-WAGE BENEFITS  
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5. ADDITIONAL BENEFITS REQUIRED BY THE FEDERAL LABOR CODE INCLUDE OFFICIAL GOVERNMENT HOLIDAYS, OVERTIME PAY, ANNUAL AND SICK LEAVES, HEALTH AND SAFETY STANDARDS IN THE WORKPLACE, HEALTH CARE, WORKERS CHILDREN EDUCATION, SOCIAL SECURITY, EMPLOYEES OLD AGE BENEFITS AND A WORKERS WELFARE FUND. THE WORKERS CHILDREN'S EDUCATION FUND, THE WORKERS WELFARE FUND, AND THE PENSION ARE DESCRIBED FURTHER IN REFTEL (B).

POVERTY LINE  
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6. PAKISTAN DOES NOT HAVE AN OFFICIAL POVERTY LINE. THERE IS NO CONSENSUS ON METHODOLOGY FOR DETERMINING THE POVERTY LINE IN PAKISTAN. FEDERAL INCOME TAXES ARE NOT LEVELED AGAINST PEOPLE EARNING LESS THAN RUPEES 60,000 PER YEAR ACCORDING TO SHABIR JAMAL. HE ALSO SAYS THE MORE WIDELY ACCEPTED FIGURE FOR PAKISTAN'S POVERTY LINE IS THE WORLD BANK 1998 DEVELOPMENT REPORT'S FIGURE OF RUPEES 332 PER MONTH.

7. OTHER ESTIMATES OF PAKISTAN'S POVERTY LINE VARY GREATLY. ACCORDING TO A REPORT OF THE PAKISTAN PLANNING COMMISSION WORKING GROUP ON POVERTY ALLEVIATION IN APRIL 1998, ABOUT 25% OF THE TOTAL POPULATION (ESTIMATED AT 130.58 MILLION AS OF MARCH 1998) IS STILL LIVING BELOW THE POVERTY LINE. MUHAMMAD ASLAM KHAN OF THE PLANNING COMMISSION SAYS ANOTHER METHOD OF APPROXIMATING THE DEGREE OF POVERTY IN PAKISTAN IS KNOWN AS CONSUMPTION POVERTY. IT BASES POVERTY ON ACCESS TO BASIC NEEDS. OVER 60% OF THE POPULATION IS DEPRIVED OF BASIC AMENITIES SUCH AS SAFE DRINKING WATER, SEWAGE FACILITIES, HEALTH AND EDUCATION. YET ANOTHER INCREASINGLY EMPLOYED METHOD OF DEFINING THE POVERTY LINE IS BASED ON MINIMUM DAILY CALORIC NEEDS. A DAILY INTAKE OF 2,550 CALORIES PER ADULT EQUIVALENT HAS BEEN USED TO DETERMINE THE POVERTY LINE IN RURAL AREAS AND OF 2,230 CALORIES FOR URBAN AREAS. IN PAKISTAN TODAY

MORE THAN 29 MILLION PERSONS ARE UNABLE TO MEET THE MINIMUM NUTRITIONAL NORM ACCORDING TO THE PLANNING COMMISSION.

LIVING WAGE STUDIES

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UNCLAS SECTION 02 OF 02 ISLAMABAD 001697

DEPT FOR SA/PAB AND DRL/IL JAKE ALLER  
PLEASE PASS DOL FOR JORGE PEREZ-LOPEZ  
LAHORE PASS TO ECON

E.O. 12958: N/A  
TAGS: ELAB, ECON, PK  
SUBJECT: PAKISTAN: POVERTY LINE AND MINIMUM WAGE DATA FOR APPAREL  
INDUSTRY PARTNERSHIP

8. AVAILABLE STUDIES ON LABOR POLICY AND POVERTY ALLEVIATION WILL BE POUCHED SEPARATELY TO JORGE PEREZ-LOPEZ AT DOL. THEY INCLUDE:

- DRAFT CHAPTER ON POVERTY ALLEVIATION FOR THE NINTH FIVE YEAR PLAN (1998-2003). GOVERNMENT OF PAKISTAN PLANNING COMMISSION. DECEMBER 1998.
- NINTH FIVE YEAR PLAN (1998-2003) REPORT OF THE WORKING GROUP ON POVERTY ALLEVIATION. GOVERNMENT OF PAKISTAN PLANNING COMMISSION. APRIL 1998.
- OVERCOMING POVERTY: REPORT OF THE TASK FORCE OF POVERTY ERADICATION. MAY 1997.
- PAKISTAN POVERTY ASSESSMENT: REPORT NO. 14397-PAK. WORLD BANK COUNTRY OPERATION DIVISION, COUNTRY DEPARTMENT I, SOUTH ASIA REGION. SEPTEMBER 25, 1995.

MILAM

**SECT:** SECTION: 01 OF 02  
<^SECT>SECTION: 02 OF 02  
**SSN:** 1697  
<^SSN>1697  
**TOR:** 990301023354 M3718435  
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**DIST:** SIT: GREER HAMMONDS HOLTZAPPLE LEE  
SIT: NSC

# Cable

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**LINE4:** FM AMEMBASSY OTTAWA  
**OSRI:** RUEHOT  
**DTG:** 011301Z MAR 99  
**ORIG:** AMEMBASSY OTTAWA  
**TO:** RUEHC/SECSTATE WASHDC 7476  
RUEHC/DEPT OF LABOR WASHDC  
**INFO:** RUEHME/AMEMBASSY MEXICO 0056  
RUEHSJ/AMEMBASSY SAN JOSE 0097  
RUEHDG/AMEMBASSY SANTO DOMINGO 0320  
RUEHSN/AMEMBASSY SAN SALVADOR 0805  
RUEHGT/AMEMBASSY GUATEMALA 0007  
RUEHTG/AMEMBASSY TEGUCIGALPA 0033  
RUEHKG/AMEMBASSY KINGSTON 0823  
RUEHBR/AMEMBASSY BRASILIA 0071  
RUEHBO/AMEMBASSY BOGOTA 0843  
RUEHPE/AMEMBASSY LIMA 0491  
RUEHMD/AMEMBASSY MADRID 1833  
RUEHAK/AMEMBASSY ANKARA 0012  
RUEHLO/AMEMBASSY LONDON 0261  
RUEHEG/AMEMBASSY CAIRO 0536  
RUEHTV/AMEMBASSY TEL AVIV 1287  
RUEHAD/AMEMBASSY ABU DHABI 0040  
RUEHKA/AMEMBASSY DHAKA 0017  
RUEHBJ/AMEMBASSY BEIJING 1495  
RUEHHK/AMCONSUL HONG KONG 1105  
RUEHNE/AMEMBASSY NEW DELHI 0070  
RUEHJA/AMEMBASSY JAKARTA 0147  
RUEHLI/AMEMBASSY LISBON 0115  
RUEHKL/AMEMBASSY KUALA LUMPUR 0043  
RUEHIL/AMEMBASSY ISLAMABAD 0524  
RUEHML/AMEMBASSY MANILA 0160  
RUEHGP/AMEMBASSY SINGAPORE 0630  
RUEHUL/AMEMBASSY SEOUL 1060  
RUEHLM/AMEMBASSY COLOMBO 0217  
RUEHBK/AMEMBASSY BANGKOK 1216  
RUEHIN/AIT TAIPEI 0092  
**SUBJ:** CANADA DATA FOR DEPARTMENT OF LABOR STUDY FOR THE  
APPAREL INDUSTRY PARTNERSHIP  
**TEXT:**  
UNCLAS SECTION 01 OF 02 OTTAWA 000693  
  
DEPT FOR DRL - JAKE ALLER  
  
DEPT ALSO FOR WHA/CAN



THOSE OF OTHER WORKERS IN MANUFACTURING. THESE BENEFITS MAY VARY SOMEWHAT FROM PROVINCE TO PROVINCE SINCE WORKERS IN THESE INDUSTRIES ARE COVERED BY PROVINCIAL LABOR LAW AND UNCLAS SECTION 02 OF 02 OTTAWA 000693

DEPT FOR DRL - JAKE ALLER

DEPT ALSO FOR WHA/CAN

DEPARTMENT PLEASE PASS TO DOL-ILAB - JORGE PEREZ-LOPEZ

E.O. 12958: N/A

TAGS: ELAB, EIND, ETRD, PHUM, SOCI, CA

SUBJECT: CANADA DATA FOR DEPARTMENT OF LABOR STUDY FOR THE APPAREL INDUSTRY PARTNERSHIP

SOCIAL PROGRAMS. WORKERS ARE ELIGIBLE AS TAXPAYERS FOR GOVERNMENT-PROVIDED HEALTH CARE, AND THEY CONTRIBUTE TO EMPLOYMENT INSURANCE AND PENSION FUNDS OVERSEEN BY THE FEDERAL GOVERNMENT. THEY ARE ALSO ENTITLED TO PAID HOLIDAYS AND VACATIONS.

5. STATISTICS CANADA DOES NOT AT PRESENT CALCULATE A POVERTY LINE PER SE, BASED ON A MARKET BASKET APPROACH. INSTEAD, FOR PURPOSES OF EVALUATING SOCIAL PROGRAMS, CANADA USES SOMETHING CALLED A "LOW INCOME CUTOFF" (LICO). THIS IS BASED ON THE PERCENTAGE OF INCOME USED BY THE AVERAGE FAMILY FOR FOOD, SHELTER AND CLOTHING AND IS CONVERTED USING A COMPLEX FORMULA THAT ACCOUNTS FOR FAMILY AND COMMUNITY SIZE, AMONG OTHER THINGS. DISCUSSION WITH PROVINCIAL GOVERNMENTS ON ADOPTING AN AGREED MARKET-BASKET APPROACH IS UNDERWAY BUT REMAINS CONTROVERSIAL.

6. WE CONTINUE EFFORTS TO TRACK DOWN STUDIES ON A LIVING WAGE OR, RATHER, ITS CANADIAN TRANSLATION: A "MINIMUM VIABLE INCOME."

GIFFIN

**SECT:** SECTION: 01 OF 02  
<^SECT>SECTION: 02 OF 02

**SSN:** 0693  
<^SSN>0693

**TOR:** 990301080810 M3718851  
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**DIST:**  
SIT: BROWN HAMMONDS HOLTZAPPLE LEE  
SIT: NSC

# Cable

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**CLASS:** UNCLASSIFIED  
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**LINE4:** FM AMEMBASSY SAN JOSE  
**OSRI:** RUEHSJ  
**DTG:** 011729Z MAR 99  
**ORIG:** AMEMBASSY SAN JOSE  
**TO:** RUEHC/SECSTATE WASHDC 4534  
RUEHC/DEPTLABOR WASHDC  
**INFO:** RUEHZA/ALCA COLLECTIVE  
**SUBJ:** DEPARTMENT OF LABOR WAGE SUTDY FOR THE APPAREL  
INDUSTRY PARTNERSHIP

**TEXT:**

UNCLAS SAN JOSE 000517

DEPARTMENT FOR DRL/IL JAKE ALLER

DOL/ILAB FOR JORGE PEREZ-LOPEZ

E.O. 12958: N/A

TAGS: ELAB, EIND, ETRD, PHUM, SOCI, CS

SUBJECT: DEPARTMENT OF LABOR WAGE SUTDY FOR THE APPAREL  
INDUSTRY PARTNERSHIP

REF: STATE 23410

1. INFORMATION REQUESTED IN REFTEL FOLLOWS:

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THE MINIMUM WAGE  
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2. MINIMUM WAGES ARE NORMALLY SET TWICE A YEAR BY A TRIPARTITE COMMISSION COMPOSED OF REPRESENTATIVES FROM LABOR, EMPLOYERS AND THE GOVERNMENT. UNDER EXCEPTIONAL CIRCUMSTANCES, E.G., CONCERTED PRESSURE FROM ORGANIZED LABOR, WAGES CAN BE ADJUSTED MORE FREQUENTLY. THE WAGES COMMISSION IS A LEGAL ENTITY ESTABLISHED BY LAW; ITS FINDINGS ARE BINDING ON THE PRIVATE SECTOR. THE MINIMUM WAGE PER OCCUPATION THAT COMPANIES ARE OBLIGED TO PAY IS PUBLISHED IN THE OFFICIAL GAZETTE. THE MINISTRY OF LABOR SUPERVISES COMPLIANCE. CURRENTLY PREVAILING MINIMUM WAGES ARE EFFECTIVE FROM JANUARY 1 TO JUNE 30, 1999. THE MINIMUM SALARY PAID TO A WORKER IN THE FOOTWEAR AND APPAREL INDUSTRY IS 73,258 COLONES (APPROX. \$266) PER MONTH BASED UPON A 40 HOUR WORKWEEK. THE PREVAILING WAGE IS APPROXIMATELY 85,258 COLONES (APPROX. \$310) PER MONTH. OVERTIME IS PAID AT 1.5 TIMES THESE

RATES. THE AVERAGE LABOR INCOME IN COSTA RICA IS APPROXIMATELY \$200 PER MONTH. THE POVERTY LEVEL USED TO ENUMERATE POVERTY STATISTICS IS APPROXIMATELY \$100 PER MONTH PER FAMILY OF FIVE.

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GOVERNMENT MANDATED NON-WAGE BENEFITS  
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3. GOVERNMENT MANDATED NON-WAGE BENEFITS FOR WORKERS IN THE APPAREL AND FOOTWEAR INDUSTRIES, PAID BY THE EMPLOYER, ARE AS FOLLOWS (AS PERCENTAGE OF THE WAGES PAID TO THE EMPLOYEE):

- (1) HEALTH AND MATERNITY BENEFITS 9.25 PCT.
- (2) DISABILITY, OLD AGE AND DEATH BENEFITS 4.75 PCT.
- (3) FAMILY ALLOWANCES (WELFARE) BENEFITS 5.00 PCT.
- (4) VOCATIONAL SCHOOL TAX (INA) 2.00 PCT.
- (5) WORKERS' SAVINGS BANK 0.50 PCT.
- (6) SOCIAL ASSISTANCE TAX (IMAS) 0.50 PCT.
- (7) OCCUPATIONAL HAZARD INSURANCE (INS) 3.75 PCT.
- (8) CHRISTMAS BONUS (13TH MONTH PAY) 8.33 PCT.
- (9) PAID VACATIONS 4.17 PCT.
- (10) OFFICIAL HOLIDAYS 4.17 PCT.
- (11) RESERVE FOR TERMINATION AND SEVERANCE 8.33 PCT.

TOTAL MANDATORY BENEFITS  
PLUS RESERVES 74.41 PCT.  
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EMPLOYEES CONTRIBUTE A TOTAL OF 9 PCT. OF THEIR WAGES TO THEIR BENEFITS PLAN VIA PAYROLL DEDUCTIONS.

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POVERTY LEVEL AND LIVING WAGE  
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4. AVAILABLE PUBLICATIONS ON THE ISSUE OF LIVING WAGE INCLUDE:

"ESTADO DE LA NACION EN DESARROLLO HUMANO SOSTENIBLE"  
(FINANCED BY UNDP), PROYECTO ESTADO DE AL NACION,  
(WWW.ESTADONACION.OR.CR)

HUMAN DEVELOPMENT REPORT, 1998, UNDP, ISBN 968-7462-05-1

"ENCUESTA DE HOGARES," MINISTERIO DE ECONOMIA Y INDUSTRIA

DODD

**SECT:** SECTION: 01 OF 01

**SSN:** 0517

**TOR:** 990301125757 M3719538

**DIST:**

SIT: ARMSTRONG AVERY DENNISTON GALLUCCI HAMMONDS HOLTZAPPLE LEE MILLER  
ORFINI  
SIT: NSC