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Folder Title:
Sweatshop Initiative

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SWEATSHOP INITIATIVE

SWEATSHOP INITIATIVE

Working Draft
July 22, 1996 (6:07pm)

Contact List Possibilities

Notes:

- "Trendsetters" are retailers and manufacturers which have taken extra steps to eradicate sweatshops (i.e., monitor working conditions through inspections). Currently, there are 36 organizations on DOL's *Trendsetter* list.
- DOL = DOL staff to contact.

Companies/Business Leaders

1. Liz Claiborne Inc. (DOL)
Trendsetter
CEO-level contact: Paul Charron
212/354-4900
Company staff person contact and number: Roberta Karp
DOL staff contact: Andrew Samet
Status:
2. Nicole Miller (DOL)
Trendsetter
CEO-level contact: Bud Konheim, CEO
Company staff person contact and number: Bud Konheim
DOL staff contact: Suzanne Seiden
Status:
3. Marvin Traub, retired CEO of Bloomingdales (DOL)
4. Stanley Marcus, retired CEO of Neiman Marcus
5. Kmart
CEO-level contact: Floyd Hall
810/643-1000
Company staff person contact and number:
DOL staff contact:
Status:

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6. **WAL-MART**
CEO-level contact: David Glass
501/273-4000
Company staff person contact and number:
DOL staff contact:
Status:
7. **J.C. Penney**
CEO-level contact: J.B. Oesterreicher, Vice Chair of Board and CEO
214/431-1000
Company staff person contact and number:
DOL staff contact:
Status:
8. **Nordstrom's**
Trendsetter
CEO-level contact: Ray Johnson, Co-Chairman of the Board
206/628-2111
Company staff person contact and number:
DOL staff contact:
Status:
9. **Nike**
CEO-level contact: Phil Knight
503/671-6453
Company staff person contact and number:
DOL staff contact:
Status:
10. **The Walt Disney Company**
CEO-level contact: Michael Eisner
Company staff person contact and number:
DOL staff contact:
Status:

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11. **NFL Properties (DOL)**
Trendsetter
CEO-level contact: Sarah Levinson
212/838-0660
Company staff person contact and number:
DOL staff contact:
Status:

12. **Patagonia (DOL)**
Trendsetter
CEO-level contact: Mike Olson
Company staff person contact and number:
DOL staff contact:
Status:

13. **Levi Strauss and Company**
Trendsetter
CEO-level contact: Bob Haas
415/544-6000
Company staff person contact and number:
DOL staff contact:
Status:

14. **The Gap, Inc.**
Trendsetter
CEO-level contact: Don Fisher or Michael Dixon (check)
415/952-4400
Company staff person contact and number:
DOL staff contact:
Status:

15. **Gerber Baby Products**
CEO-level contact: Dave Jones
Phone #:
Company staff person contact and number:
DOL staff contact:
Status:

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16. **The Limited**
Trendsetter
CEO-level contact: Les Wexner
614/479-7000
Company staff person contact and number:
DOL staff contact:
Status:
17. **Maidenform**
CEO-level contact: Elizabeth Coleman
Phone #:
Company staff person contact and number:
DOL staff contact:
Status:
18. **Philips-Van Heusen (DOL)**
CEO-level contact: Bruce J. Klatsky, Chairman and CEO
212/541-5200
Company staff person contact and number:
DOL staff contact:
Status:
19. **Sara Lee Corporation**
CEO-level contact: John H. Bryan, Chairman and CEO
312/726-2600
Company staff person contact and number:
DOL staff contact:
Status:
20. **Osh Kosh B'Gosh (DOL)**
CEO-level contact:
Company staff person contact and number:
DOL staff contact:
Status:

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- 21. Eddie Bauer, Inc. (owned by Spiegel, Inc.)
 Contacts: John J. Shea, Vice Chairman, President, and CEO of Spiegel and Chairman
 of Eddie Bauer
 708/769-2281
 Richard T. Fersch, President, Eddie Bauer, Inc.
 206/882-6100 or 708/769-2281

Company staff person contact and number:
DOL staff contact:
Status:

- 22. Reebok
 CEO-level contact: Paul Fireman
 617/341-5000
 Company staff person contact and number:
 DOL staff contact:
 Status:

- 23. Depeche Mode (DOL)
 CEO-level contact:
 Company staff person contact and number:
 DOL staff contact:
 Status:

- 24. Fritzi (DOL)
 CEO-level contact: Bob Tandler
 Company staff person contact and number:
 DOL staff contact:
 Status:

- 25. Timberland
 Company staff person contact and number:
 DOL staff contact:
 Status:

- 26. L.L. Bean
 Company staff person contact and number:
 DOL staff contact:
 Status:

Working Draft
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27. Land's End (DOL)
Trendsetter List
CEO-level contact: Michael J. Smith, President and CEO
608/935-9341
Company staff person contact and number:
DOL staff contact:
Status:

28. Jones Apparel Ware (Jones New York) (DOL)
CEO-level contact:
Company staff person contact and number:
DOL staff contact:
Status:

29. Sears, Roebuck and Co.
CEO-level contact: Arthur C. Martinez, Chairman and CEO
847/286-2500
Company staff person contact and number:
DOL staff contact:
Status:

30. Tommy Hilfinger (DOL)
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

31. The May Company (DOL)
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

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- 32. **VF Corporation (DOL)**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

- 33. **Fruit of the Loom (DOL)**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status: Hold for now

- 34. **Warnaco (DOL)**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

- 35. **Russell (DOL)**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

- 36. **Gymboree**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

- 37. **Dynasty**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

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38. Warner Brothers
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

39. Kellwood
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

40. John Moret (sp??)
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

Sports contacts

41. Major League Baseball Players Association
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

42. NBA Players Association
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

Working Draft
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- 43. **Tennis -- players association (??)**
CEO-level contact:
Phone:
Company staff person contact and number:
DOL staff contact:
Status:

- 44. **USGA or PGA (?)**
Company staff person contact and number:
DOL staff contact:
Status:

MEMBERS OF THE APPAREL INDUSTRY PARTNERSHIP**Liz Claiborne, Inc.**

Paul Charron, Chairman and CEO
[co-chair]

National Consumers League

Linda Golodner, President
[co-chair]

Interfaith Center on Corporate Responsibility

David Schilling, Director

International Labor Rights Fund

Pharis Harvey, Executive Director

Kathie Lee Gifford**Lawyers Committee for Human Rights**

Michael Posner, Executive Director

LL Bean, Inc.

Tom Harden, Senior Vice President

NIKE, Inc.

Philip Knight, Chairman of the Board and CEO

Patagonia

David Olsen, CEO

Phillips-Van Heusen



Bruce Klatsky, CEO

Reebok International, Ltd.

Paul Fireman, CEO

Retail Wholesale Department Store Union, AFL-CIO

Lenore Miller, President

Robert F. Kennedy Memorial Center for Human Rights

Sandra Cuneo, Executive Director

Tweeds, Inc.

Martin Brill, President

Union of Needletrades, Industrial and Textile Employees (UNITE)

Jay Mazur



Unable to Attend

Business for Social Responsibility

Robert Dunn, President and CEO

Karen Kane, Inc.

Lonnie Kane, CEO and President

Nicole Miller, Inc.

Bud Konheim, CEO



Ms. Phyllis Bonanno
Staff Vice President, International Trade
Development
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Weekawken, NJ 07087

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National Consumers' League
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Washington, DC 20006

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1345 Avenue of the Americas, 30th Floor
New York, NY 10105

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New York, NY 10018

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525 7th Avenue
New York, NY 10018

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UNITED
1710 Broadway
New York, NY 10019

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Nicole Miller Inc.
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New York, NY 10018

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New York, NY 10115

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Nike
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Washington, DC 20002

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Lawyers Committee for Human Rights
330 7th Avenue
10th Floor
New York, NY 10001

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Vice President
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259 W. Santa Clara Street
Ventura, CA 93002

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Greenburg, Glusker, Fields, Claman & Machtinger
1900 Avenue of the Stars
Suite 2100
Los Angeles, CA 90067

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Global Corporate Accountability Programs
Interfaith Center for Corporate Responsibility
475 Riverside Drive
New York, NY 10115

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President
Retail, Wholesale, Department Store Union
30 E. 28th Street
New York, NY 10016

Tom Harden
Senior Vice President
L.L. Bean

Margaret Trester
Operations Manager
Karen Kane Inc.

Bruce Klatsky
President and CEO
Phillips-Van Heusen Corporation
1290 Avenue of the Americas
New York, NY 10104

Philip Knight
Chairman and CEO
NIKE
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Beaverton, OR 97005

Clinton Presidential Records Digital Records Marker

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**Proposals * Fact Sheets *
Talking Pts * Side-By-Sides**

Divider Title: _____

PRESIDENT CLINTON ANNOUNCES APPAREL INDUSTRY PARTNERSHIP AGREEMENT

April 14, 1997

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

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

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

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

- ✓ **A Strong Workplace Code of Conduct** that companies will voluntarily adopt and require their contractors to adopt, which, among other things, includes:
 - Prohibitions against child labor, worker abuse or harassment, and discrimination;
 - The recognition of workers' rights of freedom of association and collective bargaining;
 - A minimum or prevailing industry wage, a maximum 60-hour workweek, and a cap on mandatory overtime; and
 - A safe and healthy working environment.
- ✓ **Independent External Monitors** to conduct reviews of company policies and practices and to verify that the company is in compliance with its obligations and commitments under the Code of Conduct. Companies will also maintain an internal monitoring system that outlines the obligations each company will undertake to ensure that the Code is enforced in its facilities and its contractors' facilities both domestically and internationally.
- ✓ **Commitment to Form an Association Over the Next Six Months** that will (1) recruit

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

CHRONOLOGY ON CLINTON ADMINISTRATION'S "NO SWEAT" INITIATIVE

- Summer 1993** Secretary Reich launches initiative to fight sweatshops.
- Spring 1994** National Conference on Garment Workers in NYC.
- Fall 1994** Labor Department hosts Retailer Roundtable in Washington, DC.
- August 2, 1995** El Monte, CA sweatshop busted for "slavery." Sec. Reich steps up fight against sweatshops.
- September 1995** Retailer Summit in NYC on how to improve industry compliance with workplace standards.
- December 1995** Secretary Reich announces Trendsetter List -- retailers and manufacturers working to end sweatshops in the US.
- May 1996** First Quarterly Enforcement Report Released by the Labor Department.
- May 1996** DOL investigation reveals that Kathy Lee Gifford's clothing line being made in sweatshops. Gifford and Sec. Reich join forces to fight abuse.
- July 1996** Sec. Reich hosts Fashion Industry Forum. Kathy Lee Gifford, Cheryl Tiegs and 300 fashion industry representatives -- including retailers, manufacturers, designers, workers, labor and consumer advocates -- participate.
- Summer 1996** Legislation introduced on Capitol Hill to hold manufacturers and retailers liable for the conditions under which their contractors operate.
- August 2, 1996** President Clinton brings a diverse group of industry, labor, and human rights leaders to the White House to discuss industry conditions. The Apparel Industry

Partnership is formed, and challenged by the President to take steps to assure that company products are made in compliance with acceptable labor standards, and to inform consumers that the products they buy are not made under exploitative conditions. The group agrees to report back in six months.

Fall 1996 Monitoring Workshops for manufacturers and retailers in New York, Chicago, and Los Angeles.

Sept 1996-April 1997The Apparel Industry Partnership meets regularly with technical assistance from the Administration.

October 1996 Release of Volume 3 of the international child labor report, "By the Sweat and Toil of Children" on the impact of Codes of Conduct on child labor conditions in the apparel industry.

December 1996 Department of Labor's "No Sweat" Initiative receives Innovations in American Government Award from the Ford Foundation and John F. Kennedy School of Government.

January 1997 Clinton Administration has collected more than \$10.4 million in back wages for minimum wage and overtime violations for more than 34,000 garment workers across the country.

February 1997 Labor Department pledges funding to International Labor Organizations' initiative against child labor in the Pakistani soccer ball industry.

March 25, 1997 Three companies added to the Trendsetter List, bringing the total to 34 companies representing over 125 apparel lines and tens of thousands of retail stores.

April 14, 1997 Apparel Industry Partnership presents its agreement and plan of action to end sweatshops to President Clinton at the White House.

TALKING POINTS FOR CALLS TO CEO'S
PRESIDENTIAL LABELING ANNOUNCEMENT

- o I called to talk to you about the President's plan to announce in the next 10 to 15 days with leaders in the garment industry a voluntary, non-governmental effort to develop a consumer label indicating that clothes were made in compliance with labor standards -- domestically and internationally.
- o As you may know, the Administration has been working with industry and labor over the past three years to eradicate sweatshops in the garment industry.
- o The problem has gained an enormous amount of attention in recent weeks with the revelation that some of the items for talk show host Kathie Lee Gifford's clothing line were made in a NY City sweatshop and in a Honduras plant under unacceptable conditions.

NOTE: This followed last summer's discovery in Los Angeles of a virtual "slave labor" camp, at which dozens of workers were held behind barbed wire and forced to sew clothing.

- o Just this past week, Labor Secretary Reich held a Forum in the Washington D.C. area where representatives from all aspects of the fashion industry participated in a day long discussion of the challenges embodied in eradicating sweatshops and the importance of taking tangible steps quickly.
- o We have received a lot of feedback from the industry, acknowledging the seriousness of the problem and the need to join together to identify solutions, especially strategies that mean something to consumers.
- o A recent survey indicated that sweatshops are an issue about which Americans care deeply. According to the survey, more than three-fourths of Americans would avoid shopping at stores if they were aware that the stores sold goods made in sweatshops. 81% said they would be willing to pay more for a garment if it were guaranteed to be made in a legitimate shop.

NOTE: The survey was conducted by Marymount University in November, 1995.

- o Consumers want to act responsibly, but they have virtually no information.
- o A label installed in a shirt, pair of pants, skirt, tie, dress, etc. would send a clear message to consumers and allow companies that don't use sweatshops to get credit.
- o In the next 10 to 15 days at the White House, the President will launch with leaders in the fashion industry a non-governmental, industry-driven effort to develop a voluntary

DETAILS ON THE APPAREL INDUSTRY PARTNERSHIP AGREEMENT

The Apparel Industry Partnership agreement contains the following:

- ✓ **A Strong Workplace Code of Conduct** that individual companies will voluntarily adopt and require their contractors to adopt, which includes:
 - The prohibition of employing any persons under the age of 15 (unless permitted by the country of manufacture to be 14);
 - Prohibitions against any worker abuse or harassment and discrimination;
 - The recognition and respect for workers' rights of freedom of association and collective bargaining;
 - The requirement that employers pay at least the minimum or prevailing industry wage, whichever is higher, and provide mandated benefits;
 - The requirement that workers be provided with a safe and healthy working environment;
 - A cap on mandatory overtime to 12 hours per week and the regular work week of the country (or 48 hours, whichever is less); and requiring a day off in every seven day period; and
 - The requirement that overtime be compensated for at the premium rate required in the country or at least equal to their regular hourly compensation.

- ✓ **Independent External Monitors** who will conduct independent reviews of participating company policies and practices; provide company employees and contractors' employees with secure communication channels to report concerns of noncompliance; audit production records and practices to ensure compliance; conduct employee interviews and site visits; and verify that the company is in compliance with its obligations and commitments under the Code of Conduct.

- ✓ **An Internal Monitoring System** that outlines the obligations each company will undertake to ensure that the Code of Conduct is enforced in its facilities and its contractors' facilities both domestically and internationally.

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

NO SWEAT... NO SWEAT INITIATIVE

Fact Sheet

Background

Sweatshops conjure up a vision of dangerous turn-of-the-century garment factories, of rooms crowded with immigrant women and children hunched over sewing machines for a few dollars a day.

But, they still exist today.

Sweatshops are an ugly stain on American fashion, and it is up to all of us to remove it.

America's garment industry today grosses \$45 billion a year and employs more than one million workers.

Retailers dictate to manufacturers what, where, and when garments are produced. Manufacturers, in turn, purchase material and contract work among some 22,000 sewing contractors. Many of these contractors violate labor laws.

Independent surveys as well as federal and state compliance data show minimum wage and overtime violations of the Fair Labor Standards Act occurring in 40 percent to 60 percent of investigated establishments. Additionally, thousands of these shops have serious safety violations that threaten the health — and lives — of their workers.

Many companies in the American apparel industry provide good jobs, decent wages, and fine clothing, and they deserve our support.

But the firms that utilize and tolerate sweatshop labor make it harder for honest, law-abiding shops to compete in the marketplace. Both industry and labor have an interest in making sure that companies do not mistreat their employees.

For more information about the "No Sweat" sweatshop eradication initiative, contact the U.S. Department of Labor, Wage and Hour Division at (202) 219-8305 or the Office of Public Affairs at (202) 219-8211.

DOL's Garment Industry Strategy

The Department of Labor (DOL) has fewer than 800 investigators to protect the rights of one million garment workers and the other 110 million employees in 6.5 million workplaces. Enforcement, alone, cannot begin to address problems rampant in the garment industry.

To bring about change, DOL is relying on a three-pronged strategy of enforcement, recognition, and education:

Enforcement

DOL's Wage and Hour Division conducts targeted enforcement sweeps in major garment centers and notifies manufacturers of the "hot goods" provision of the Fair Labor Standards Act, which prohibits the shipment of goods made in violation of U.S. wage laws.

Recognition

In December 1995, DOL issued its first *Trendsetter* list, highlighting retailers and manufacturers that have assumed responsibility for monitoring the labor practices of contractors that make their garments. Firms that are monitored have significantly fewer violations of labor laws.

Education

DOL is spearheading a garment public service announcement initiative, which includes print and radio public service announcements and a new Internet World Wide Web site, to provide information to consumers interested in helping to combat sweatshops. No Sweat "Clues for Consumers" have been distributed to more than 50 million supporters of the sweatshop eradication initiative.

NO SWEAT.

Fashion Trendsetters

March 25, 1996

U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210

The retailers and manufacturers listed below have all pledged to help eradicate sweatshops in America and to try to ensure that their shelves are stocked with only "NO SWEAT" garments.*

Abercrombie and Fitch
 Baby Superstore
 Banana Republic
 Bath & Body Works
 Bergner's
 Boston Stores
 Brylane
 Cacique
 Carson Pirie Scott
 Dana Buchman
 Elisabeth
 Express
 Galyans Trading
 GapKids
 Gerber Childrenswear
 Guess Inc.

Henri Bendel
 Jessica McClintock
 Lands End
 Lane Bryant
 Lerner New York
 Levi Strauss and Company
 Limited Too
 Liz Claiborne Inc.
 Mast Industries
 NFL Properties
 Nicole Miller
 Nordstrom
 Old Navy Clothing Store
 Patagonia
 Penhaligon's
 Structure

Superior Surgical Mfg
 The Limited
 The Gap
 Victoria's Secret Catalogue and Stores

* This list is based on the voluntary efforts of the listed companies. They have agreed to: demonstrate a commitment to labor laws; cooperate with law enforcement agencies when violations of the law are found; and monitor working conditions, for example by contracting with suppliers who monitor contractors or by conducting site visits of suppliers. (Companies not on this list may also follow these practices.)

The Trendsetters List is still open. Any company interested in joining the list may contact the U.S. Department of Labor at Trendsetters, 200 Constitution Ave., NW, Washington, DC 20210. The Trendsetters List is not a "Where To Shop" list. A company's inclusion in the list does not constitute an endorsement by the U.S. Department of Labor.

**NO
SWEAT.**

Garment Initiative Timeline

June 1995 - August 1996

1 9 9 5

JUNE	JULY	AUGUST	SEPTEMBER
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June 21

The Los Angeles Compliance Alliance, a government-industry association was founded requiring its members to monitor contractor compliance and assume responsibility for paying back wages and civil money penalties if contractors found in violation.

August 2

DOL raids sweatshop in El Monte (CA) and finds 72 garment workers working in virtual slavery for as little as \$.70 per hour.

August 17

DOL files a civil suit in U.S. District Court in Los Angeles seeking to recover \$5 million in back wages for the El Monte sweatshop workers.

August 23

DOL conducts joint raids with INS in Los Angeles.

September 12

Secretary Reich, at Retail Summit in New York, issues call to nation's retailers to join efforts to eradicate sweatshops.

September 13

Secretary Reich speaks to fashion and ethics students at Marymount University and restates invitation to retailing community to join in sweatshop eradication effort.

September 14

DOL raids 50 garment shops in Los Angeles area finding 46 shops in violation, owing \$568,000 to 600 workers.

**NO
SWEAT.**SM

Garment Initiative Timeline

June 1995 - August 1996

1 9 9 5

OCTOBER

October 17

Secretary Reich invites manufacturers to join national effort at a meeting of the American Apparel Manufacturers Association. Also announces manufacturers who have signed compliance monitoring agreements.

October 30

DOL conducts week-long garment shop raids in New York and finds more than \$200,000 due to nearly 500 workers.

November 3

Secretary Reich urges major retailers and manufacturers to submit information about programs and systems adopted to help their contractors and suppliers comply with labor laws.

November 6

DOL announces New York City enforcement action recovering \$30,000 in back wages in record time for 40 employees who produced goods destined for one of the nation's largest retailers.

November 6

DOL conducts week-long garment raids in Los Angeles.

NOVEMBER

November 7

Secretary Reich orders issuance of a subpoena against Karman, Inc., a Denver manufacturer, to obtain information about the destination of "hot goods" made in violation. Days before, DOL obtained a temporary restraining order against the manufacturer to prevent the shipment of "hot goods" in interstate commerce.

November 17

Marymount University releases poll showing more than 69 percent of consumers polled say they would not shop at retail establishments that sell sweatshop produced goods.

November 20

DOL begins to receive the first wave of more than 20,000 calls and letters from customers of Working Assets. The firm asked its credit card and long distance customers to contact the department to encourage efforts to end garment worker exploitation.

November 21

Consumers' coalition announces nationwide education initiative to inform the public about sweatshops.

November 30

U.S. District Court in Knoxville, TN, grants temporary restraining order against garment contractor, Hall Manufacturing, Inc., and Haas Outdoors, Inc., to prevent the shipment of goods.

**NO
SWEAT.**

Garment Initiative Timeline

June 1995 - August 1996

1 9 9 5

1 9 9 6

DECEMBER

December 5

DOL announces *Trendsetter List*, a list of retailers and manufacturers which have all pledged to help eradicate sweatshops in America and to try to ensure that their shelves are stocked with only "NO SWEAT" garments.

December 20

DOL announces that GAP, Banana Republic, Old Navy, and GapKids are added to the *Trendsetter List*.

JANUARY

January 11

DOL announces that 37 employees of the Hall Manufacturing, Inc. have received \$11,500 in back wages from Haas as a result of DOL "hot goods" Temporary Restraining Order (TRO).

January 25

DOL announces that NFL Properties is added to *Trendsetter List*.

FEBRUARY

February 16

Secretary Reich announces garment worker lock-in and other worker abuses found in enforcement sweeps in Dallas, New York City and Southern California.

February 28

Administrator Echaveste met with a number of worker advocate organizations in Los Angeles to discuss strategies for identifying violations in garment shops.

MARCH

March 11

Administrator Echaveste participates in a forum sponsored by Congresswoman Nydia Velazquez to discuss conditions in the garment industry.

March 18

Secretary Reich announces the signing of the agreement between Jessica McClintock, Inc., and the Asian Immigrant Women Advocates, ending a 3-year-old dispute.

March 25

On the 95th anniversary of the Triangle Shirtwaist Company fire, Secretary Reich unveiled public service announcements to raise awareness of the plight of sweatshop workers in the U.S.

**NO
SWEAT.**SM

Garment Initiative Timeline

June 1995 - August 1996

1 9 9 6

APRIL

April 12
Secretary Reich participates in the official opening in San Francisco of the Garment 2000 Teaching Factory. Garment 2000, a consortium of contractors, manufacturers, labor, education and city government officials, was established to train workers and shop owners in new technology and business skills.

May 2
The Department announces that more than 50 manufacturers have signed monitoring agreements with the Department of Labor.

May 3
The Department releases its first ever national report on garment worker abuse. The Department conducted 472 investigations that revealed 222 violations and resulted in the collection of more than \$1.3 million for about 3,600 garment workers.

May 8
The Department announces the results of a garment industry compliance survey in the Los Angeles area. The survey found that monitoring programs in the garment business significantly reduced minimum wage and overtime violations.

MAY

May 9
The Department announces the results of a recently completed survey of garment shops in Southern California, which found that 48% of the shops investigated were monitored by manufacturers. Monitored shops were found to have less than half the violations found in shops not monitored for compliance.

May 10
The Department conducts week-long garment raids in Orange and Riverside Counties, CA.

May 20
The Department announces that some of the nation's largest retailers received goods produced at three garment factories that have repeatedly violated the Federal minimum wage and overtime laws. J.C. Penney, Talbot's, Macy's East, Specialty Retailers, Charlotte Russe, and Claire's Boutiques were

named. Three garment contractors underpaid 294 workers more than \$245,000.

May 23
Upon learning that the firm had failed to pay its workers for several weeks, the Department immediately initiated an investigation of Seo Fashions in New York City. The shop was producing goods under the "Kathie Lee" label sold exclusively by WAL-MART.

May 31
The Secretary and Kathie Lee Gifford announce a Fashion Industry Forum in July to bring together some of the biggest names in fashion and entertainment to expand the crusade against sweatshops. The previous week, a garment shop in New York City producing goods with Kathie Lee Gifford's label was found to owe its workers more than \$47,000 in back wages.

**NO
SWEAT.**

Garment Initiative Timeline

June 1995 - August 1996

1 9 9 6

JUNE

June 11

Secretary Reich announces that the Department is exploring an international label that would assure consumers that goods they purchase have not been made with child, forced, or exploited labor.

June 17

Secretary Reich announces that Talbot's and J.C. Penney instituted new compliance programs that will require their vendors to adopt monitoring procedures that will detect and prevent sweatshop abuses. K-MART was also recognized for expanding its policy to cover not only the compliance of vendors contracted directly by the company, but to expressly obligate its vendors to be responsible for their subcontractors as well.

June 28

Secretary Reich announces that the Fashion Industry Forum will be held on July 16th for representatives from all aspects of the industry to discuss strategies to ensure that all garments are made in conditions that are fair and in compliance with labor laws.

JULY

July 16

More than 300 fashion industry representatives – including retailers, manufacturers, designers, workers, labor, consumer advocates, and celebrity endorsers – participate in a Forum to discuss the challenges embodied in eradicating sweatshops and the importance of working together to identify and implement solutions.

AUGUST

August 2

Apparel and footwear industry leaders commit to the President of the United States to participate in a voluntary, non-governmental partnership to develop options to assure consumers that the items they purchase are produced under acceptable labor conditions.

Apparel Industry Partnership Announcement At the White House

FACT SHEET

All segments of the industry recognize the importance of producing goods consistent with acceptable labor standards and the need to empower consumers so that they can make responsible decisions.

Leaders from the footwear and apparel industries, joined by representatives from unions and non-governmental organizations have come together in partnership to develop options on how companies can:

- Assure that their products** are made in compliance with acceptable labor standards; and
- Signal to consumers** that the products offered for sale are produced without exploitative labor.

Participants include leaders from companies such as Nike, Liz Claiborne, Warnaco, Phillips Van Heusen, LL Bean, Tweeds, Patagonia, Timberland, Nicole Miller, Karen Kane, and Lucky Brands, as well as Kathie Lee Gifford, labor leaders, and non-governmental organizations.

The industry group will report back to the President of the United States in six months.

NO SWEAT... NO SWEAT INITIATIVE

Fact Sheet

Background

Sweatshops conjure up a vision of dangerous turn-of-the-century garment factories, of rooms crowded with immigrant women and children hunched over sewing machines for a few dollars a day.

But, they still exist today.

Sweatshops are an ugly stain on American fashion, and it is up to all of us to remove it.

America's garment industry today grosses \$45 billion a year and employs more than one million workers.

Retailers dictate to manufacturers what, where, and when garments are produced. Manufacturers, in turn, purchase material and contract work among some 22,000 sewing contractors. Many of these contractors violate labor laws.

Independent surveys as well as federal and state compliance data show minimum wage and overtime violations of the Fair Labor Standards Act occurring in 40 percent to 60 percent of investigated establishments. Additionally, thousands of these shops have serious safety violations that threaten the health -- and lives -- of their workers.

Many companies in the American apparel industry provide good jobs, decent wages, and fine clothing, and they deserve our support.

But the firms that utilize and tolerate sweatshop labor make it harder for honest, law-abiding shops to compete in the marketplace. Both industry and labor have an interest in making sure that companies do not mistreat their employees.

For more information about the "No Sweat" sweatshop eradication initiative, contact the U.S. Department of Labor, Wage and Hour Division at (202) 219-8305 or the Office of Public Affairs at (202) 219-8211.

DOL/OPA 96

DOL's Garment Industry Strategy

The Department of Labor (DOL) has fewer than 800 investigators to protect the rights of one million garment workers and the other 110 million employees in 8.6 million workplaces. Enforcement, alone, cannot begin to address problems rampant in the garment industry.

To bring about change, DOL is relying on a three-pronged strategy of enforcement, recognition, and education:

Enforcement

DOL's Wage and Hour Division conducts targeted enforcement sweeps in major garment centers and notifies manufacturers of the "hot goods" provision of the Fair Labor Standards Act, which prohibits the shipment of goods made in violation of U.S. wage laws.

Recognition

In December 1995, DOL issued its first *Trendsetter* list, highlighting retailers and manufacturers that have assumed responsibility for monitoring the labor practices of contractors that make their garments. Firms that are monitored have significantly fewer violations of labor laws.

Education

DOL is spearheading a garment public service announcement initiative, which includes print and radio public service announcements and a new Internet World Wide Web site, to provide information to consumers interested in helping to combat sweatshops. No Sweat "Clues for Consumers" have been distributed to more than 50 million supporters of the sweatshop eradication initiative.

FACT SHEET: PRESIDENTIAL LABELING EVENT

WHO: A group representing all segments of the garment industry: chief executive officers from several well-known garment retail and manufacturing firms, designers, union officials and representatives of consumer groups and other non-governmental organizations.

WHAT: The group would join the President at a White House gathering, at which he would challenge them to work together to develop a label within 6 months. The label would indicate to consumers that the garment—whether produced in the U.S. or abroad—was made in accordance with acceptable labor standards. The label would be wholly independent of government. The President would urge the group to adopt standards for the label at least equal to those already found in the strongest codes of conduct (governing domestic and overseas production) adopted by some of the nation's leading apparel manufacturers and retailers. The President would also indicate that only a label backed up by a serious inspection mechanism (again, independent of government) would meet his challenge.

The members of the group would pledge to develop a label within 6 months--this would entail, for example, arriving at applicable labor standards and designing an effective inspection mechanism. Business representatives would also pledge to put the label (once developed) in garments manufactured by their firms (retailers would pledge to use the label in their own lines).

WHEN: The event would be held between July 30 and August 5.

HOW: The group assembled at the White House would subsequently determine the process for developing the label (i.e., how the relevant decisions would be made). The Secretary of Labor would be available to act as a facilitator if requested. In any event, the Secretary would be in regular contact with the key participants in the process to remain updated on their progress. The Department of Labor would offer to provide ongoing advice and technical assistance.

Working Draft
July 22, 1996 (6:02pm)

Designers

1. Marie St. John
2. Joan Vass
3. Donna Karan

Working Draft
July 22, 1996 (6:02pm)

Celebrities with Companies

1. Delta Burke (actress)
2. Ronnie Lott (football player, former San Francisco 49er)
3. Paul Warfield (football Hall of Famer)

Other Celebrities

1. Kathie Lee Gifford
2. Cheryl Tiegs

Industry Associations

1. Business for Social Responsibility
Contact: Bob Dunn
2. National Retailers' Federation
3. AAMA
4. Richard Reinis

Labor

1. UNITE
Contact: Jay Mazur
212/265-7000
2. International Textile Garment and Labor Workers Union
Contact: Neil Kearney, President
3. AFL/CIO
Contact: John Sweeney or Rich Trumka

Working Draft
July 22, 1996 (6:02pm)

Consumers

1. National Consumers League
Contact: Linda Golodner, CEO
202/835-3323

Moral Voice*

*These groups have supported the minimum wage increase.

1. United States Catholic Conference
Contact: Rev. Brian Hehir
202/541-3000
2. Evangelical Lutheran Church
3. American Friends Service
4. National Jewish Community Relations Advisory Council
5. Jewish Labor Committee
6. Church of the Brethren
7. U.S. Bishops' Conference
8. International Labor Rights Fund
Contact: Pharis Harvey
202/544-7198
9. International Human Rights Law Group
Contact: Gay McDougal
202/232-8500
10. Oberlin College
Contact: Don Pease
216/775-8823
11. AAFLI (??)
Contact: Terry Collingsworth

Working Draft
July 22, 1996 (6:02pm)

202/778-4500

12. Interfaith Center on Corporate Responsibility
Contact: Timothy Smith or David Schilling
212/870-2295
13. LBJ School of Public Policy
Contact: Ray Marshall
512/471-6242
14. National Council of Churches
Contact: Rev. Joan Campbell, General Secretary
202/544-2350
15. Mennonite Central Committee
Contact: ??? (environmental person?)
16. Charlayne Hunter-Gault (journalist)

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Issues

Divider Title: _____

GARMENT INITIATIVE OPTIONS

July 18, 1996

Background

America's garment industry today grosses more than \$45 billion annually and employs over one million workers. Retailers tell manufacturers what, where and when garments are to be produced. Manufacturers, in turn, purchase material from and contract work among some 22,000 sewing contractors in the United States, and thousands more in dozens of foreign countries--about half of all garments sold in the U.S. are imported. Many of the domestic contractors fail to pay the minimum wage or overtime as required by the Fair Labor Standards Act (FLSA); violations of basic labor standards are also common in overseas production. Unfortunately, too few manufacturers and retailers take responsibility for the practices of their contractors.

The Department of Labor has been working for the last three years to eradicate sweatshops. The Department's Wage and Hour Administration has fewer than 800 investigators to protect the rights of not only the one million garment workers, but also 110 million other employees in 6.5 million workplaces outside the garment industry. Recognizing that enforcement efforts alone cannot end the abuses in the apparel industry, we have adopted a three-pronged strategy to address the problem domestically.

1. *Enforcement.* Major sweeps of garment centers by Wage and Hour investigators; notifying manufacturers about the "hot goods" provision of the FLSA, which prohibits the shipment of goods made in violation of the Act.
2. *Recognition.* Praising retailers and manufacturers that monitor their contractors, while also publicizing those found to be manufacturing/selling goods made under sweatshop conditions.
3. *Education.* A garment public service announcement campaign to provide information to consumers interested in helping to combat sweatshops. "Clues for Consumers" has been distributed to more than 50 million supporters of DOL's sweatshop eradication initiative. As part of the education effort, the Labor Department hosted a Fashion Industry Forum on Tuesday, July 16, at which representatives from all aspects of the industry discussed strategies to ensure that garments are made in compliance with labor laws.

At the same time, the Administration has been seeking wider implementation of basic labor standards internationally through the International Labor Organization and the World Trade Organization. In addition, the Administration supports nongovernmental initiatives to improve labor standards, including labeling campaigns and other consumer efforts. For example, a voluntary labeling program, "Rugmark," has been established in India--the label certifies that child labor was not employed and wages were paid in the production of the rug. Rugmark is now being established in Nepal, and Pakistan may follow suit.

These efforts are meeting with considerable success, as we approach the first anniversary of the discovery of the particularly dreadful sweatshop in El Monte, California, last August 2. The

involvement of Kathie Lee Gifford (who served as a panelist at the Forum as well as testifying before Congress) has attracted considerable press and public attention to the sweatshop problem. A sizeable number of the retailers and manufacturers attending the Forum acknowledged the extent of the problem and the need for action. With respect to the international arena, we have begun to build a consensus around our position that respect for core labor standards is not dependent on the level of economic development, and private initiatives such as Rugmark are having an impact.

The following are two options for building on the progress made thus far.

OPTION ONE: Consumer Information Label

- The President could call on all segments of the garment industry--business, labor, consumer groups and nongovernmental organizations (NGOs)--to work together to establish a label. This label would serve to assure consumers that the garment was made in accordance with acceptable labor standards; there would be a serious inspection mechanism (independent of government) behind the label.

The labeling initiative would not be government-directed; manufacturer/retailer participation would be voluntary. The President would invite executives from several well-known garment retail and manufacturing firms, labor and consumer group/NGO representatives to a gathering at the White House and challenge the group to develop a (nongovernmental) labeling proposal within 6 months; garments made in the U.S. or abroad should be eligible for the label.

The President could urge the group to set standards for the label comparable to those already found in the strongest codes of conduct (governing domestic and overseas production) already adopted by some of the nation's leading apparel manufacturers and retailers. The following are among the requirements for contractors commonly found in the codes:

- 1) No child labor (under the greater of 14 or the compulsory school age)
- 2) No prison/forced labor
- 3) Compliance with applicable national wage law (or payment of prevailing industry wage)
- 4) Safe and healthy workplace
- 5) Non-discrimination in employment

The codes of conduct adopted by other retailers and manufacturers (e.g., the Gap, Reebok) call for freedom of association and collective bargaining, in addition to the above standards.

To guard against business domination of the label development process, the "Label Leaders" invited to the White House would, as noted above, include representatives of all segments of the garment industry. For example, the group could be composed as follows:

Chief executive officers from several well-known garment retail and manufacturing firms
Designers
Union officials
Consumer group representatives
Non-governmental organization representatives

This group would decide on the process for developing the label. The Secretary of Labor would be in regular contact with the key participants in the process to remain updated on their progress; DOL would offer to provide ongoing advice and assistance.

The President would not be pledging Administration support *ex ante* (at the meeting); instead, he would indicate that only a labeling proposal developed with extensive labor and consumer group/NGO participation and including an effective monitoring procedure would meet his challenge.

PRO:

1. A label which was accompanied by serious monitoring could be an effective weapon against sweatshops; as government shrinks it makes sense to encourage greater private sector efforts in areas such as sweatshop eradication.
2. Capitalizes on existing interest among some retailers/manufacturers in developing a label; not vulnerable to charges of heavy-handed government intervention.
3. Work on developing the label could begin immediately.
4. Responds to consumer interest.
5. A voluntary labeling initiative, as opposed to a government-controlled effort, would avoid Federal Advisory Committee Act (FACA) issues. [Alternately, the Administration could establish an official advisory group to devise a labeling proposal. It would then be necessary to comply with all the FACA requirements.]

CON:

1. If the monitoring process proves to be weak, the Administration could be perceived as having given its blessing to a meaningless label.
2. Devising labor standards applicable to both domestic and foreign production could prove challenging.
3. The labeling group may be unable to come up with a proposal.

OPTION TWO: "Apparel Responsibility Act "

In addition to calling for the nongovernmental consumer information label, the President could propose or endorse an "Apparel Responsibility Act."

- The "Apparel Responsibility Act" would extend liability to garment manufacturers and retailers for violations of the Fair Labor Standards Act by their garment contractors, while offering a "safe harbor" (i.e., exemption) from the extended liability for firms that have in place monitoring programs meeting DOL regulations. The safe harbor would be separate from the consumer information label, i.e., having the label would not in itself qualify a retailer or manufacturer for the safe harbor--it would still need to have a DOL-approved monitoring program.

UNITE (Union of Needletrades, Industrial and Textile Employees, AFL-CIO) has been working on legislation similar to this proposal for several months with Representative Bill Clay and, more recently, Senator Ted Kennedy. The Labor Department has been consulting with the union regarding development of the legislation. The President could do either of the following:

- (1) Introduce an Administration legislative proposal along these lines (the announcement could be made at the meeting on the consumer information label, or separately); or
- (2) Express support for the Clay/Kennedy bills but not introduce Administration legislation.

PRO:

1. Would allow DOL's Wage and Hour Administration to hold retailers and manufacturers responsible for selling clothes made in violation of the FLSA, without having to trace particular items back to the offending contractors (which is necessary for use of the "hot goods" provision described above).
2. The safe harbor would effectively reward firms that implement their own monitoring programs.
3. Coupling the announcement of the label initiative with proposal/endorsement of the apparel legislation would insulate the Administration against charges that nongovernmental monitoring would have no impact on the sweatshop problem.

CON:

1. Could face strong opposition from retailers and manufacturers (the safe harbor *might* mitigate this opposition to some degree); endorsement/proposal of legislation along these lines could alienate firms which currently support the principle of labeling
2. Unlikely to be enacted.
3. Could leave the Administration open to charges of ultimately favoring big government solutions (despite supporting the labeling initiative).

NOTE:

Both Senator Tom Harkin and Representative George Miller intend in the next several weeks to introduce legislation to establish labeling programs. Harkin's bill would establish a label attesting garments were made without child labor. Miller's labeling proposal is broader; it will probably cover both domestic and overseas production, and a full range of labor standards.

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Votes / Analysis

Divider Title: _____

ATTENDEES:

POTUS
VPOTUS
Industry (15)
Labor and NGO (4)
Reich
Kantor
Tyson
Sen. Tom Harkin
Rep. George Miller

INDUSTRY REPS:

Phillip Knight, Nike
Tweeds
Patagonia
Liz Claiborne
L.L. Bean
Phillip Van Heusen
Jeffery Schwartz, Timberland
Nicole Miller
Warneco
Barry Perelman, Lucky Brands
Jay Mazur, UNITE
Mike Smith, Land's End
Kathie Lee Gifford
Frank Gifford

Lisa

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Bill / Language

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JAMES O'SHEA, Deputy Managing Editor/News GENEVIEVE KERR, Deputy Managing Editor/Features
R. BRUCE DODD, Deputy Editorial Page Editor K. RICHARD CICCONE, Associate Editor

12 Section 1

Wednesday, July 17, 1995

An impertinent message to Michael

So Michael Jordan has his new deal: \$25 million for one year! Or is that \$30 million?

Whatever, it's a staggering amount of money—more than all but a few of us will make in a lifetime. And to the extent any such salary can be considered "deserved," Jordan's is.

He has put up the numbers; he wears the rings. In an era when the mantra of American business is pay-for-performance, he has a stronger argument for his megabucks than anybody else we can think of. Jordan has earned his.

That said, Jordan's big payday brings another thought to mind. It's captured in an old biblical saying: "Of him to whom much is given much shall be expected."

Jordan needs no lectures from us or anyone else about charity or civic responsibility. He was too well-raised for that. But the fact is that Michael Jordan is a leader, and the challenge of our age is to find leaders who will not just take the money and run but will inspire all of us, by word and deed, to be better and do better, morally, spiritually and every other way. Jordan owes us.

He could begin by having a serious talk with the folks at Nike, whose sneakers he has made famous, about its efforts to police the subcontractors who make its shoes in places like Indonesia. Jordan gave a response worthy of Pontius Pilate when he was asked during the playoffs about allegations of sweatshop conditions in Nike factories. Ignorance is not an acceptable excuse for inaction.

But it shouldn't stop there. Jordan and all the other sports superstars owe us leadership—with youth, who idolize them and their gargantuan salaries and pant after their shoes and their jerseys. They owe it to us in all departments of our national life—because they are citizens of this nation (and especially blessed citizens at that), because most of them have or will have children who must grow up in this society.

Another old biblical admonition says that almsgiving and good works ought to be done quietly, without calling attention to themselves. In Jordan's case, we think, an exception is in order.

Use your leadership, Michael. Challenge us all, including some of those high-paid corporate executives, to follow you. Remember, you owe us.

JUL 17 1996

Celebs grapple with sweatshop solutions

ARLINGTON, Va. —

Richard Simmons traded jogging togs for a suit, asked good questions and zipped out.

Cheryl Tiegs lamented the bumper crop of celebs now endorsing clothes, leaving stars little bargaining room to demand that vendors don't use sweatshops.

Delta Burke sent regrets, Kathy Ireland was a no-show and Kathie Lee Gifford nearly cried.

"The day that I stop crying is the day I die," Gifford told Tuesday's Fashion Industry Forum at Marymount University in an impassioned homily.

"I was raised in a great country by two great people," she began, addressing garment industry execs gathered to discuss the sweatshop dilemma.

"I remember the first time I held a crack baby in one arm and my own healthy baby in the other. It changed my life," Gifford said, describing reasons she chose to endorse a clothing line: to benefit charity. But "I never said it all went to charity."

Empowered by surviving her own sweatshop scandal, Gifford said, "maybe we can change the world."

Execs from well-known stores and brand-name gear outlined solutions to the problems.

Levi Strauss and Guess? laid out monitoring programs that are working for them. Kmart announced a new vice president in Hong Kong to oversee international production. Wal-Mart declared it has inspected



An eyelid Richard Simmons greets model and fellow clothes endorser Cheryl Tiegs Tuesday.

all factories that made Gifford's line and all private lines in its stores.

Nicole Miller's Bud Konheim unveiled a new silk print to "honor this day," he said. Around Thanksgiving, look for ties, boxers and scarves covered with sewing needles, bobbins and threads. "Maybe we'll give (a bathrobe) to Frank Gifford."

By Karen Thomas

Labels may be remedy for sweatshops

By Karen Thomas

USA TODAY D /

ARLINGTON, Va. — Could a new labeling system be an antidote to sweatshops in the garment industry?

At Tuesday's first Fashion Industry Forum, manufacturers, retailers and consumer groups agreed that a special label on clothes made in law-abiding factories could be an industry-wide step to stamp out child labor and inhumane working conditions.

The U.S. Department of Labor will focus on a plan for labeling "in the next weeks," Secretary of Labor Robert Reich concluded at the day-long summit, which drew about 300.

Suggestions centered on using a nongovernmental, third-party group to monitor factories in the USA and around the world. Some wanted human rights organizations to do it. Most agreed inspectors should not be paid by retailers.

Jeans with a special black label could cost \$24, suggested Bud Konheim, CEO of Nicole Miller Ltd. No black label: \$23. "The problems I have are with the customer, to do the right thing," he said. The extra cost would cover inspections.

"We would not be sitting here if the public weren't concerned," Reich countered.

There was a white anti-sweatshop label that was discontinued in 1918, said Linda Goldner, CEO of the National Consumers League. Today, "perhaps the easiest answer for consumers is labeling."

Women's Wear Daily

July 17, 1996

Reich Sees Summit As the 'Turning Point' In Sweatshop Wars

By Joanna Ramoey

WASHINGTON — Labor Secretary Robert Reich, who's been dogging an often-reluctant fashion industry for more than a year to actively combat garment sweatshops, had a captive audience Tuesday.

About 300 officials — many from leading apparel retailers and manufacturers — showed up for a Labor Department-sponsored anti-sweatshop rap session where Reich held court, calling the meeting a "turning point" in his crusade.

No conclusions were reached as to how to wipe out sewing shops

that underpay or otherwise maltreat their workers, but many company officials spoke to a growing trend within the industry to grapple with the problem.

Some of the responses outlined during three panel discussions moderated by Reich included:

- Kmart Corp.'s plans to train its quality control inspectors worldwide to even more effectively detect workplace abuses. The company has also created an executive post to oversee the effort, which includes meeting with all vendors to discuss their factory conditions and that of their contractors.

- Wal-Mart's move, since the discovery in May that some of its Kathie Lee Gifford apparel was being produced in a New York City sweatshop, to launch an independent inspection program of sewing contractors producing the retail giant's private label apparel. It has also met with The Gap to discuss the retailer's pilot independent monitoring program of a contractor in El Salvador.

- Levi Strauss & Co., with a company-wide inspection program in place for several years, recently met with J.C. Penney Co. executives to share its anti-sweatshop strategies. The meeting was part of Levi's emphasis on forging strong partnerships with stores, as well as contractors that produce its apparel, in order to increase control of its business.

Dubbed the Fashion Industry Forum, the gathering, held at Marymount University in suburban Virginia, was intended as a sweatshop brainstorming session for all aspects of the industry. The meeting reflected the clout Reich has gained since he took on the issue aggressively almost a year ago after the discovery of a sewing shop in El Monte, Calif., where illegal Thai workers were being held in peonage to sew brand-name label garments.

The emphasis of Reich's campaign has been to pressure retailers and manufacturers to deal only in garments produced in sewing shops monitored for labor law compliance. He has gotten a lot of resistance, particularly from retailers. To ratchet up the pressure, his agency has hit national chains and big manufacturers with bad publicity when sweatshop-made garments have been traced to their companies.

Reich, in addressing the executives he's been pushing to change, reiterated his call for industry to help police garment contractors.

"For the last year and a half I've been saying government can't do it all," Reich said. "I don't expect major headlines to

come out of this today. What I do expect is renewed commitment."

If the attendance at Tuesday's meeting was any measure, the industry's attention is now widely fixed on the issue of sweatshops, both domestic and foreign. Among the companies with officials in attendance were Federated Department Stores, May Department Stores Co., J.C. Penney, Neiman Marcus, Nordstrom, Tweeds, Liz Claiborne, Kellwood Co., Leslie Fay, Playtex Apparel, Sara Lee Knit Products and Fruit of the Loom. Celebrity endorsers at-



"I don't expect major headlines to come out of this today. What I do expect is renewed commitment."

— Labor Secretary
Robert Reich

tending included Cheryl Tiegs, Kathy Ireland, Richard Simmons and, of course, Kathie Lee Gifford, who has become a leading figure in the anti-sweatshop drive since the revelations of worker abuse in connection with her line.

If there was any consensus at all to come out of forum, it was that the fashion industry has just started to scratch the surface in finding ways to keep better tabs on their production.

"There is no recipe to follow in this area," said Roberta Karp, Claiborne's general counsel. "It's groundbreaking."

"As an industry we have to decide if we want to make [sweatshops] an acceptable labor practice," said John Ermatinger, vice president of sourcing for Levi's in the U.S., in an interview. Ermatinger also spoke during the meeting. "I believe that 90 percent of the industry hasn't looked at their business practices."

Continued

Anti-Sweatshop Session Draws 300

Ermatinger said another way Levi's is keeping track of contractor conditions worldwide is by narrowing the number of suppliers it uses. This practice of streamlining to gain greater efficiency and control can also translate into keeping better tabs on working conditions. It's a strategy that Warren Flick, Kmart's president of merchandising said is also being employed at the mass merchant chain.

"We are concentrating on our national brands and our brands," Flick said. "We are looking for the right vendor partnerships, where we can have a strategic meeting of the minds on what we need."

Flick said the reduction of suppliers and the number of countries where it sources, in combination with greater scrutiny of its vendors, will reduce the likelihood of buying sweatshop-made apparel. Kmart's apparel production, both private and branded labels, is split about evenly between the U.S. and abroad.

"We are a big, powerful customer, and therefore we can have influence," Flick said. "We're going to take this issue to a new level of assurance that the workers who make goods for us are properly taken care of."

Lee Scott, executive vice president for merchandising at Wal-Mart, which has done its share of streamlining, questioned the virtue of excluding all small vendors, however.

"One of the problems is that as you move to the largest and best vendors (you have to make sure) you're not squeezing out the small and innovative vendors that are on their way up," he said.

While the effectiveness of monitoring contractors was not in dispute, what role retailers have in demanding or conducting the monitoring was debated among panel participants.

Gale Cottle, executive vice



“We also heard today there isn't one quick fix. What we've come to is the collective conclusion we need a partnership.”

— Tracy Mullin, NRF

president of women's apparel at Nordstrom, described how the specialty chain's quality control staff is trained to look for labor abuses at contractors that produce the chain's private label apparel.

But when it comes to buying brand-name merchandise, buyers have no clue as to the apparel's origin, she said.

"It is the vendor's responsibility to ensure their contractors are in compliance," she said. "A buyer can't identify a sweatshop item based on price in a showroom."

Richard Reinis, who is the head of a cooperative contractor-monitoring group of Los Angeles manufacturers, said retailers should require manufactur-

ers to monitor their contractors.

"You can't do it without retail involvement," Reinis said. "[Retailers] sit in a monolithic position, and (they) have the power to cause real reform."

Tracy Mullin, president, National Retail Federation, said retailers are very eager to help stop sweatshop abuses but reiterated the need for a fashion-industry-wide approach to solving the problem. The NRF is opposed to requiring retailers to participate in monitoring but is willing to educate vendors about the need for following labor laws and discontinuing suppliers that violate laws.

"One thing is very clear: No one wants to sell a product made in a sweatshop. Mullin said. "We also heard today there isn't one quick fix. What we've come to is the collective conclusion we need a partnership."

The cost of insuring that the estimated 22,000 garment sewing shops in the country operate legitimately was also on the mind of panelists.

Cheryl Tieg, whose apparel, accessory and shoe line sold at Sears from 1980 to 1990, said price-conscious retailers may have to pay more for apparel that's guaranteed to be sweatshop-free.

"They may have to accept the responsibility that they'll have to pay more than the rock-bottom prices," she said. "In other words, they can't have their cake and eat it too."

Tieg also reflected on how the concentration of retailing among fewer players may be playing a role in perpetuating sweatshops as stores look to keep prices down and stay competitive.

"When I started in 1980, the big discount operations weren't as powerful as they are today," she said. "Consumers are getting spoiled. The reason is because there are sweatshops. I think it's gotten much worse."

Jay Allen, Wal-Mart's vice president for corporate affairs, said he doesn't anticipate increase of apparel prices, arguing that manufacturers are finding increased efficiencies by dealing only with legitimate contractors.

"Too many are proving it can be done," Allen said. "We're not convinced higher prices are necessary. Our customers have grown to expect everyday low prices at Wal-Mart."

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A FAX FROM

CONGRESSMAN GEORGE MILLER

(D-CALIFORNIA)

TO: Andy Blocker

FR: Danny Weiss

TOTAL NUMBER OF PAGES (INCLUDING THIS ONE): 5

DATE: 9/18 TIME: 1:55

MESSAGE: This is per my voice mail message.

U.S. Rep. George Miller, 2205 Rayburn Bldg., Washington, DC 20515 (202)225-2095

<http://www.house.gov/georgemiller/welcome.html>

GEORGE MILLER
 7TH DISTRICT, CALIFORNIA
 2305 RAYBURN HOUSE OFFICE BUILDING
 WASHINGTON, DC 20515-0507
 (202) 225-2095
 DANIEL WEISS
 ADMINISTRATIVE ASSISTANT
 COMMITTEE ON RESOURCES
 COMMITTEE ON ECONOMIC AND
 EDUCATIONAL OPPORTUNITIES
 VICE CHAIR
 DEMOCRATIC POLICY COMMITTEE

2nd Notice!
Congress of the United States
House of Representatives
 Washington, DC 20515-0507

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September 16, 1996

PROMOTE VOLUNTARY EFFORTS TO END CHILD, SWEATSHOP LABOR
Look for the Child Labor Free Label

Dear Colleague:

American consumers face a troubling paradox: a majority say they would boycott stores that sell products made in sweatshops or by child labor but they have no way of knowing which products to avoid. The reality is that the use of sweatshops and child labor remains prevalent despite growing public concern over the issue.

I invite you to be an original co-sponsor of legislation I will introduce with Sen. Tom Harkin to give consumers a tool to support companies that guarantee their products are free of child labor.

With the single exception of the **Rugmark** label now found on some imported rugs, no product label informs our constituents that their imported rugs, clothing, baseballs, or sneakers were not made by children. Products may be labeled "Hand Made", but nothing on that label tells us *whose* hands made it. Our bill, the **Child Labor Free Consumer Information Act**, is an effort to change that.

Over 100 million children under the age of 14 are at work in developing nations worldwide. Many are forced into bonded labor, working in slave-like conditions in hazardous industries and frequently subjected to physical and sexual abuse.

Our **Child Labor Free Consumer Information Act** establishes a **labeling standard** for retailers, manufacturers, and celebrities who *voluntarily* choose to alert consumers that their products were not made by children. American consumers will be able to make informed purchasing decisions on apparel and sporting goods by purchasing products with a **Child Labor Free label**.

The legislation would:

- * define that any article of sporting goods or apparel made by individuals of less than 15 years old was made with "child labor";
- * authorize a commission consisting of government, labor, human rights, and industry representatives to assist the Department of Labor in enforcing the claims of companies who choose to use the "Child Labor Free" label;
- * establish penalties for falsely labeling sporting goods or apparel as "Child Labor Free"; and
- * encourage the development of a voluntary labeling standard for sweatshop labor.

American consumers want to shop wisely. Let's help them do so, by encouraging businesses to visibly guarantee their products are free of child labor. Please contact me or my staff, Jill Erbland, at 5-2095 [redacted] if you want to be an original cosponsor of the **Child Labor Free Consumer Information Act**.

Sincerely,

immediately!

George Miller
 GEORGE MILLER
 Member Of Congress, 7th District

SECTION BY SECTION ANALYSIS OF THE "CHILD LABOR FREE CONSUMER INFORMATION ACT"

The purpose of the bill is to inform and empower consumers in the United States through a voluntary labeling system for wearing apparel and sporting goods made without abusive and exploitative labor.

SECTION 1. SHORT TITLE.

This section identifies the short title of the bill as the "Child Labor Free Consumer Information Act of 1996."

SECTION 2. FINDINGS.

The findings note that the Secretary of Labor has conducted studies which determine that abusive and exploitative child labor exists worldwide, that the International Labor Organization estimates that hundreds of millions of children are full-time workers, and that high adult unemployment rates also exist in countries in which child labor is found.

Also included is a finding stating that American consumers spend billions of dollars each year on wearing apparel and sporting goods made by abusive and exploitative child labor, and that consumers have a right to know whether the products they purchase are made under these conditions.

Finally, the findings section notes that it is important to recognize U.S. businesses which do not use exploitative or abusive child labor.

TITLE 1. CHILD LABOR FREE LABELING STANDARDS.

SECTION 101. LABELING STANDARDS.

This section requires the Secretary of Labor, in consultation with the Child Labor Commission established under this Act, to issue regulations within 180 days of enactment governing the use of product labels such as "Child Labor Free" or "Not Made With Child Labor" on wearing apparel or sporting goods. The Secretary is also encouraged to develop an easily identifiable symbol for consumers.

Businesses intending to use the label must notify the Child Labor Commission of their intention no later than 60 days after the product bearing the label becomes available for sale. No response from the Commission is required for use of the label; however the Commission is required to review the notification and may charge an administrative fee for that review.

Section 101 also establishes that it is a violation of the Federal Trade Commission Act to falsely claim that a product was made without child labor. Knowing and willful first-time violators will be subject to fines in the amount of \$200,000 or two times the retail value of the article in question, whichever is greater. Subsequent violations double these fines. Penalties are deposited into a special "Free the Children Fund" to be created in the U.S. Treasury, the proceeds of which are available to the Secretary of Labor for education and other programs aimed at eliminating child labor.

SECTION 102. REVIEW OF PETITIONS BY THE CHILD LABOR FREE COMMISSION.

This section establishes a process by which the Child Labor Commission reviews petitions submitted by any interested person alleging that a labeling violation has occurred. Petitions must be reviewed, to the maximum extent practicable, within 90 days, and then forwarded to the Federal Trade Commission if there appears to be a violation of the labeling standard.

SECTION 103. COOPERATION BY THE SECRETARY OF COMMERCE.

This section requires the Secretary of Commerce to work cooperatively with the Secretary of Labor on potential violations of the Act.

TITLE II. CHILD LABOR FREE COMMISSION.

SECTION 201. ESTABLISHMENT OF COMMISSION.

Section 201 establishes that the Commission shall consist of 17 members: the Secretaries of Commerce, Treasury, and Labor or their designees; the U.S. Trade Representative or his designee; three representatives each (total of nine) from non-governmental organizations working to eradicate child labor, labor organizations, the wearing apparel industry, and the sporting goods industry; and one additional member appointed by the Secretary of Labor. Terms for non-governmental members are four years.

SECTION 202. DUTIES OF THE COMMISSION.

This section establishes the Commission's duties, including: assisting the Secretary of Labor in establishing the labeling standards; developing a system to assure compliance; reviewing petitions; and publishing lists of businesses using the Child Labor Free label.

The Commission is also required to begin, within one year of enactment, the development of a voluntary labeling standard to ensure consumers that wearing apparel or sporting goods were not made with sweatshop labor.

SECTION 203. POWERS OF THE COMMISSION.

This section establishes that the Commission may hold hearings, take testimony, request information from Federal agencies, use the mail in the same manner as other government agencies, and accept gifts or donations of service or property.

SECTION 204. COMMISSION PERSONNEL MATTERS.

Section 204 prohibits non-governmental members of the Commission from receiving compensation.

SECTION 205. ADMINISTRATIVE AND SUPPORT SERVICES.

This section authorizes the Secretary of Labor to provide administrative and other support services to the Commission.

TITLE III. RECOGNITION OF EXEMPLARY CORPORATE EFFORTS.

SECTION 301. ANNUAL REPORT.

This section requires the Secretary of Labor to issue an annual report on companies making progress in ensuring that their products are not made with abusive and exploitative child labor.

SECTION 302. ADDITIONAL METHODS.

Section 302 requires the Secretary to develop other methods of recognizing companies which are not using child labor.

TITLE IV. DEFINITIONS.

SECTION 401. DEFINITIONS.

This section defines "child" to mean an individual who is less than 15 years old. An exception is made for those countries whose laws define "child" as an individual less than 14 years old.

The section defines an article as "made with child labor" if the article was fabricated, assembled, or processed in whole or in part, or contains any part that was fabricated, assembled, or processed in whole or in part, by a child.

Section 401 also defines the terms "commission", "label", "sporting good", and "wearing apparel".

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