

# Withdrawal/Redaction Sheet

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                             | DATE       | RESTRICTION |
|--------------------------|---|------------|-------------|
| 001. cable               | re conversation summaries (10 pages)      | 06/04/1997 | P1/b(1)     |
| 002. cable               | re labor abuse complaints (3 pages)       | 06/13/1997 | P1/b(1)     |
| 003. cable               | re new Transatlantic Agenda (7 pages)     | 07/14/1997 | P1/b(1)     |
| 004. cable               | re Luxembourg deliverables (6 pages)      | 07/24/1997 | P1/b(1)     |
| 005. cable               | re pregnancy testing of workers (3 pages) | 08/01/1997 | P1/b(1)     |

**COLLECTION:**

Clinton Presidential Records  
 NSC Cables  
 Jan 1997-Dec 1998 ([sweatshop ...])  
 OA/Box Number: 520000

**FOLDER TITLE:**

[06/02/1997-08/06/1997]

2018-1072-F

kc2336

**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 RUEHBKA1389 1530851-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 020851Z JUN 97  
**LINE4:** FM AMEMBASSY BANGKOK  
**OSRI:** RUEHBK  
**DTG:** 020851Z JUN 97  
**ORIG:** AMEMBASSY BANGKOK  
**TO:** RUEHC/SECSTATE WASHDC 8842  
**INFO:** RUCNCLC/CHILD LABOR COLLECTIVE  
RUDKIA/AMCONSUL CHIANG MAI 9159  
**SUBJ:** CHILD LABOR STUDY: THAILAND

**TEXT:**  
UNCLAS SECTION 01 OF 02 BANGKOK 011389

DOL/ILAB FOR SONIA ROSEN

DRL/IL FOR JAMES EHRMAN

E.O. 12958: N/A  
TAGS: ELAB, ETRD, EIND, ECON, SOCI, TH  
SUBJECT: CHILD LABOR STUDY: THAILAND

REF: STATE 76197

1. SUMMARY: ALTHOUGH THE INCIDENCE OF CHILD LABOR IN THAILAND HAS SEEN A SIGNIFICANT DECLINE IN RECENT YEARS, THE PRACTICE IS STILL WIDESPREAD. CONCENTRATED IN THE AGRICULTURAL AND SERVICE INDUSTRIES, CHILD WORKERS ARE RARELY FOUND IN THAILAND'S EXPORT INDUSTRY OR AT MULTINATIONAL CORPORATIONS OPERATING IN THAILAND. CONSEQUENTLY, THE ROYAL THAI GOVERNMENT (RTG) HAS NOT PREVIOUSLY CONSIDERED INDUSTRY CODES OF CONDUCT OR LABELING POLICIES IN ITS FIGHT AGAINST CHILD LABOR. THE GOVERNMENT HAS ADOPTED A FIVE YEAR PLAN TO ADDRESS THE CHILD LABOR PROBLEM, CONCENTRATING ON EXPANDING EDUCATIONAL OPPORTUNITIES FOR CHILDREN AND EDUCATING EMPLOYERS. END SUMMARY.

2. CHILD LABOR CONTINUES TO BE A PROBLEM IN THAILAND, THOUGH THE NUMBER OF CHILDREN WORKING IN THE MOST DANGEROUS AND POTENTIALLY HARMFUL CIRCUMSTANCES HAS DECLINED CONSIDERABLY OVER THE LAST FEW YEARS ACCORDING TO NGOS. IN THE VIEW OF ACADEMICS AND NGOS, THE CONTINUING USE OF CHILD LABOR IN THIS DEVELOPED ECONOMY IS MAINLY A RESULT THAILAND'S HIGHLY SKEWED INCOME DISTRIBUTION. SIXTY PERCENT OF THAIS LIVE IN RURAL POVERTY. THE TOP 20 PERCENT OF THE POPULATION NOW EARNS 63 PERCENT OF THE NATIONAL INCOME, WHILE THE POOREST

FIFTH OF THE POPULATION EARNS ONLY 3.4 PERCENT OF THE NATIONAL INCOME. THE WIDENING INCOME GAP IS PUSHING THE RURAL POPULATION INTO THE URBAN INDUSTRIAL SECTOR. THE NORTHEAST REGION, WITH 34.6 PERCENT OF THAILAND'S POPULATION, HAS ONLY 11.6 PERCENT OF THE NATIONAL INCOME, WHILE BANGKOK, WITH 9.6 PERCENT OF THE POPULATION, HAS 39 PERCENT OF THE NATIONAL INCOME. THOUGH POVERTY IS THE DRIVING FORCE BEHIND THE CONTINUING CHILD LABOR PROBLEM, THE INADEQUACY OF COMPULSORY EDUCATION, PARENTAL ATTITUDES AND INADEQUATE ENFORCEMENT OF LABOR LAWS ALL CONTRIBUTE.

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CHILD LABOR LAW AND INDUSTRY OVERVIEW  
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3. THAI LAW PROHIBITS EMPLOYMENT OF CHILDREN UNDER THE AGE OF 13, BUT ALLOWS CHILDREN AGES 13 TO 15 TO DO LIGHT WORK WHICH IS NOT HAZARDOUS TO THE CHILD'S HEALTH, PSYCHOLOGY AND MORAL DEVELOPMENT. MOST RESEARCHERS AGREE THAT THERE IS LITTLE EMPLOYMENT OF CHILD LABOR IN LARGE-SCALE ENTERPRISES, FOREIGN OWNED BUSINESSES OR IN EXPORT INDUSTRIES. NGOS SAY THAT MOST CHILDREN EMPLOYED IN MANUFACTURING WORK IN SMALL-SCALE SHOPHOUSES PRODUCING GOODS FOR DOMESTIC CONSUMPTION.

4. THE AGRICULTURE SECTOR EMPLOYS 85 PERCENT OF ALL CHILD WORKERS. OUTSIDE OF AGRICULTURE, MOST CHILD LABOR TAKES PLACE IN THE INFORMAL SECTOR AND SERVICE INDUSTRY. MOST CHILD LABORERS ARE FOUND IN SMALL UNREGULATED SHOPHOUSES THAT SUPPLY PARTS AND ASSEMBLIES TO LARGER FACTORIES. INDUSTRIES SUCH AS GARMENTS, GEM POLISHING, GLASS, LEATHER GOODS, PAPER CUPS ALL EMPLOY CHILD LABOR TO SOME EXTENT. CHILDREN ARE UBIQUITOUS IN GAS STATIONS, RESTAURANTS, FOOD STALLS AND SELLING GARLANDS AND NEWSPAPERS ON THE STREET. NGO SURVEYS SHOW THAT BOYS AND GIRLS WORK IN ABOUT EQUAL NUMBER, HOWEVER THOSE STATISTICS DO NOT SEEM TO TAKE INTO CONSIDERATION THE MUCH GREATER NUMBER OF GIRLS INVOLVED IN PROSTITUTION.

5. IN THE PAST FEW YEARS, THERE HAVE BEEN SEVERAL NEWSPAPER EXPOSES OF CHILDREN FOUND WORKING IN SQUALID AND DANGEROUS CIRCUMSTANCES. HOWEVER, THE INCIDENCES AND REPORTING OF THIS ABUSE HAS DECLINED OVER THE LAST YEAR. NGOS SAY THEY ARE HAVING A MUCH MORE DIFFICULT TIME FERRETING OUT THE SHOPHOUSES WHERE THESE CONDITIONS PREVAIL. IN THE LAST YEAR, NEWSPAPERS HAVE HIGHLIGHTED SEVERAL CASES BROUGHT TO THE ATTENTION OF THE POLICE BY THE NGO FOUNDATION FOR THE PROTECTION OF HUMAN RIGHTS. IN THOSE CASES GIRLS, AGED 13 AND 14, WORKING IN A SWEATSHOP MAKING GLOVES WERE BURNED BY HOT IRONS. ANOTHER CASE HIGHLIGHTED IN THE PRESS IN 1996 INVOLVED SEVERAL TEENAGERS LURED TO FISHING BOAT AND FORCED TO WORK ON THE DEEP SEA TRAWLER. NOTWITHSTANDING THESE REPORTED CASES, NGOS HAVE REORIENTED THEIR EFFORTS AWAY FROM FERRETING OUT THE MOST EGREGIOUS FORMS OF EXPLOITATION TO ENSURING THAT CHILDREN WORKING LEGALLY OR IN THE INDIRECT ECONOMY ARE PROVIDED WITH SUITABLE WORKING CONDITIONS, ARE

EARNING THE MINIMUM WAGE AND ARE NOT BEING EXPOSED TO HAZARDOUS CONDITIONS.

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NO RELIABLE FIGURES FOR NUMBERS OF CHILD WORKERS  
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UNCLAS SECTION 02 OF 02 BANGKOK 011389

DOL/ILAB FOR SONIA ROSEN

DRL/IL FOR JAMES EHRMAN

E.O. 12958: N/A

TAGS: ELAB, ETRD, EIND, ECON, SOCI, TH

SUBJECT: CHILD LABOR STUDY: THAILAND

6. THE EXACT NUMBER OF CHILDREN WORKING IN THAILAND IS IN DISPUTE AND TO DATE NO COMPREHENSIVE STATISTICAL STUDY HAS BEEN COMPLETED BY THE GOVERNMENT OR THE NGOS. ACCORDING TO MINISTRY OF LABOR STATISTICS, 120,000 CHILDREN BETWEEN THE AGES OF 13 AND 15 YEARS OLD ARE REGISTERED AS LEGALLY EMPLOYED IN THE INDUSTRIAL SECTOR. NGO'S HAVE CALCULATED THE NUMBER OF CHILDREN IN THE LABOR FORCE BY SUBTRACTING THE NUMBER OF STUDENTS FINISHING GRADE 6 FROM THOSE CONTINUING WITH THEIR STUDIES TO GRADE 7. THEY CLAIM THAT THE TOTAL NUMBER OF CHILDREN EMPLOYED COUNTRYWIDE, THOSE 13 TO 18 YEARS OLD, IS 4.5 MILLION. THIS NUMBER HAS BEEN QUESTIONED IN RECENT RESEARCH PAPERS ON THE SUBJECT WHICH CRITICIZE THE BOTH THE GOVERNMENT AND NGO METHODOLOGIES. WORKING FROM GOVERNMENT STATISTICS ON THE NUMBER OF STUDENTS ENROLLED AND CORRELATING THESE FIGURES WITH STUDIES TAKEN FROM CENSUS DATA AND LABOR FORCE SURVEYS DONE BY THAI ACADEMICS AT CHULALONGKORN UNIVERSITY THESE RESEARCHERS POSIT THAT THE TOTAL FIGURE OF CHILD LABOR IN THAILAND WAS CLOSER TO 2 MILLION DURING 1995. ALL PARTIES AGREE THAT A DECLINE IN NUMBER OF CHILD WORKERS HAS TAKEN PLACE OVER THE LAST FEW YEARS DUE MAINLY TO INCREASED EDUCATIONAL OPPORTUNITIES.

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NO PLANS FOR LABELING PROGRAMS OR CODES OF CONDUCT  
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7. SINCE THE MAJOR MULTINATIONAL AND LARGE-SCALE EXPORT INDUSTRY FACILITIES ARE COMPLYING WITH THAI LAW AND ARE ACKNOWLEDGED TO HAVE FEW CHILD WORKERS THE RTG HAS NOT CONSIDERED IMPLEMENTING LABELING PROGRAMS OR INITIATING PRIVATE SECTOR CODES OF CONDUCT. UPON REVIEW OF MATERIALS ON THE RECENT CODE OF CONDUCT AGREEMENT IN THE U.S., MINISTRY OF LABOR OFFICIALS TOLD LABATT THAT THEY WOULD SOON CONVENE A COMMITTEE TO CONSIDER WHETHER THESE MEASURES COULD HELP THE RTG'S FIGHT AGAINST ILLEGAL EXPLOITATION OF CHILD WORKERS.

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GOVERNMENT RESPONSE TARGETS EDUCATIONAL OPPORTUNITIES  
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8. IN 1997, THE RTG ADOPTED A FIVE-YEAR NATIONAL PLAN OF ACTION TO ATTACK THE CHILD LABOR PROBLEM. THE PLAN INCLUDES A \$360 MILLION FUND FOR EDUCATIONAL LOANS IN 1997 TO HELP KEEP CHILDREN IN SCHOOL, EXPANDED VOCATIONAL PROGRAMS, EDUCATION AND TRAINING PROGRAMS AND COUNSELING. THE MINISTRY OF LABOR IS POISED TO PUSH FOR LEGISLATION MANDATING A MINIMUM WORKING AGE OF 15, UP FROM THE PRESENT 13 YEARS OLD. THIS LEGISLATION IS NOW BEING CONSIDERED BY A COMMITTEE IN THE PARLIAMENT AND IS EXPECTED TO BE PASSED WITHIN THE YEAR. UNDER THE ACTION PLAN THE RTG IS ALSO COMMITTED TO LEGISLATION TO RAISE THE LEVEL OF COMPULSORY EDUCATION, CURRENTLY AT THE SIXTH GRADE, TO THE NINTH GRADE. HOWEVER, THIS BILL FACES CONSIDERABLE OPPOSITION DUE TO WORRIES ABOUT THE COSTS OF EXPANDING THE BUDGET FOR EDUCATION AND THE CONCERN AMONG THE POOR WHO RELY ON CHILD LABOR IN FAMILY BUSINESSES AND FARMS TO MAKE ENDS MEET.

9. RECENTLY, THE MINISTRY OF LABOR HAS PUSHED TO INCREASE ENFORCEMENT OF THE LABOR LAW AND INITIATE AN EDUCATIONAL OUTREACH PROGRAM. IT IS HOPED THAT THIS PROGRAM WILL ADDRESS THE WIDESPREAD DEARTH OF INSPECTIONS AND ENFORCEMENT OF THE LABOR LAW. DURING A RECENT VISIT TO THE NORTHEASTERN CITY OF KHON KAEN THE LOCAL LABOR MINISTRY REPRESENTATIVE TOLD LABATT THAT HE HAD ONLY FOUR INSPECTORS TO COVER 2000 LOCATIONS. HIS OFFICE INVESTIGATES ONLY CASES REPORTED DIRECTLY TO THE OFFICE OR CASES REPORTED IN NEWSPAPERS. ACCORDING TO NGO FIGURES, THE MINISTRY OF LABOR RECEIVES ONLY ONE PERCENT OF THE NATIONAL BUDGET. NATIONWIDE, ITS 400 INSPECTORS ARE RESPONSIBLE FOR INSPECTING 20,000 FACTORIES. IN AN INNOVATIVE ATTEMPT TO DEAL WITH THE INSPECTION PROBLEM THE MINISTRY HAS BEGUN A PILOT PROGRAM IN BANGKOK. THE PROGRAM TEAMS LOCAL POLICE, WHO WERE PREVIOUSLY RELUCTANT TO GET INVOLVED IN INSPECTIONS, WITH LABOR INSPECTORS TO JOINTLY INSPECT FACTORIES AND SMALL BUSINESSES, DISTRICT BY DISTRICT. THE TEAMS CAN INITIATE PROSECUTIONS ON THE SPOT. THE MINISTRY HAS ALSO BEGUN AN EDUCATIONAL OUTREACH PROGRAM SPECIFICALLY FOCUSED ON RESTAURANT AND GAS STATION EMPLOYERS TO TEACH THEM THE LABOR CODE.  
BOYCE

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

**SSN:** 1389  
<^SSN>1389

**TOR:** 970602045637 M2783620  
<^TOR>970602045722 M2783621

**DIST:**  
SIT: NSC

# Cable

**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHLOA6402 1531321-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** O 021321Z JUN 97  
**LINE4:** FM AMEMBASSY LONDON  
**OSRI:** RUEHLO  
**DTG:** 021321Z JUN 97  
**ORIG:** AMEMBASSY LONDON  
**TO:** RUEHC/SECSTATE WASHDC IMMEDIATE 5762  
**INFO:** RUCNCLC/CHILD LABOR COLLECTIVE  
**SUBJ:** DEPARTMENT OF LABOR CHILD LABOR STUDY

**TEXT:**  
 UNCLAS SECTION 01 OF 05 LONDON 006402

DOL/ILAB FOR SONIA ROSEN

DRL/IL FOR JAMES EHRMAN

E.O. 12958: N/A  
 TAGS: ELAB, EIND, ETRD, PHUM, SOCI, UK  
 SUBJECT: DEPARTMENT OF LABOR CHILD LABOR STUDY

REF:    A). STATE 76197                    B). BONN 04013  
           C). STOCKHOLM 01660            D). THE HAGUE 01031  
           E). NEW DELHI 03876            F). STATE 50088

1. SUMMARY. BRITAIN LIKE SOME OTHER COUNTRIES HAS HAD A GROWING AWARENESS AMONG ITS CONSUMERS OF THE IMPORTANCE THAT PRODUCTS BE CHILD LABOR-FREE. THIS AWARENESS HAS RESULTED IN THE ESTABLISHMENT OF THE FAIRTRADE FOUNDATION (FF) IN 1992, A NGO WHICH SEEKS TO COMBAT CHILD LABOR WITH THE USE OF VOLUNTARY COMPANY CODES OF CONDUCT AND SOCIAL LABELS ON PRODUCTS LIKE COFFEE, TEA, CHOCOLATE AND OTHER ITEMS. THE OPERATION OF FF IS SIMILAR TO THE DOZEN OTHER FAIRTRADE

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 ORGANIZATIONS WHICH HAVE SPRUNG UP THROUGHOUT THE WORLD, MOSTLY IN EUROPE, SINCE THE LATE 1980S.

2. FF CONTINUES TO PUSH PRODUCT LABELING BUT ON A SELECTIVE BASIS REALIZING THE HIGH COSTS ASSOCIATED WITH RETENTION OF AN OUTSIDE MONITOR AND VERIFIER. ON THE WHOLE, IT SEES SOCIAL UTILITY FOR IMPROVED WORKING CONDITIONS AT THE PRODUCTION SITE OF THE THIRD WORLD SUPPLIER WHEN THE BRITISH IMPORTER/RETAILER ADOPTS CODES OF ETHICAL CONDUCT ON AN INDIVIDUAL BASIS AND EVEN MORE WHEN IT DOES SO ON AN INDUSTRY-WIDE BASIS. FF DOES NOT SEE THE NEED FOR AN OUTSIDE MONITOR TO VERIFY COMPLIANCE WITH THE CODE WHERE THE COMPANY AND SUPPLIER HAVE A LONG-STANDING BUSINESS RELATIONSHIP. BRITAIN'S LEADING SUPERMARKET (TESCO) SEEMINGLY SUPPORTS THIS IDEA AND HAS TOLD

THE EMBASSY OF ITS INTEREST IN ADOPTING AN INDIVIDUAL CODE OF CONDUCT FOR ITS THIRD WORLD SUPPLIERS AND IN WORKING WITH OTHERS FOR AN INDUSTRY AGREEMENT AMONG MAJOR BRITISH SUPERMARKETS, ESPECIALLY IF NUDGED IN THAT DIRECTION BY THE NEW LABOUR GOVERNMENT ACTING AS A "HONEST BROKER". END SUMMARY.

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LABEL INITIATIVE: NOT THE ONLY ANSWER  
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3. THE FAIRTRADE FOUNDATION (FF) WAS ESTABLISHED IN 1992 BY CHRISTIAN AID AND FIVE OTHER BRITISH CHARITABLE ORGANIZATIONS. FF'S OVERALL PURPOSE HAS BEEN TO TACKLE THIRD WORLD LABOR EXPLOITATION BY OFFERING BRITISH CONSUMERS THE OPPORTUNITY TO BUY PRODUCTS THAT GUARANTEE A BETTER DEAL TO THE PRODUCERS AND THEIR WORKERS. IT SEEKS TO DO THIS PRIMARILY THROUGH UK COMPANIES WHO DO BUSINESS WITH THESE SUPPLIERS. BY ENCOURAGING THESE BRITISH COMPANIES TO ESTABLISH INDEPENDENT ETHICAL CRITERIA FOR STANDARDS OF EMPLOYMENT AND TERMS OF TRADE ("CODES OF CONDUCT"), FF HOPES TO ERADICATE EXPLOITATIVE WORKING CONDITIONS AT THESE SUPPLIERS.

4. PRODUCTS MANUFACTURED OR PROCESSED IN ACCORDANCE WITH THIS CRITERIA, UPON APPLICATION BY A PRODUCER OR RETAILER SINCE 1993, HAVE BEEN ELIGIBLE FOR A FAIRTRADE MARK - A "PEOPLE FRIENDLY" STAMP OF APPROVAL BY FF. IF GRANTED, AFTER INDEPENDENT LOCAL VERIFICATION, SUCH PRODUCTS ARE THEN LICENSED TO CARRY THE FAIRTRADE MARK LABEL ON THE PACKAGED PRODUCT. (FF, IN ADDITION TO CHARITABLE GRANTS, RECEIVES A CONSULTANCY FEE FROM THE COMPANY IN EXCHANGE FOR ITS TECHNICAL SERVICES.) GROWING CONSUMER AWARENESS GIVES THE LICENSEE RETAILER, FOR EXAMPLE, A COMPETITIVE ADVANTAGE ON THE MARKET SINCE IT IS SEEN AS BEING IN THE VANGUARD OF ETHICAL RETAIL PRACTICES. FF INITIALLY HOPED THE GRANT OF THE MARK LABEL ON A PARTICULAR PRODUCT TO ONE RETAILER WOULD INDUCE ITS MAINSTREAM DISTRIBUTOR COMPETITORS TO FOLLOW SUIT BY SELLING THE SAME PRODUCT.

5. THE FF PRODUCT LABELING SCHEME IS A RECENT ADDITION TO THE EUROPEAN FAIR TRADE FAMILY AND WAS MODELED LARGELY AFTER THE MAX HAVELAAR "FAIRLY TRADED" COFFEE FOUNDATION IN THE NETHERLANDS (1989). SIMILAR FAIR TRADE SCHEMES HAVE SPRUNG UP IN ABOUT 10 OTHER COUNTRIES IN THE 1990S, MOSTLY IN EUROPE (I.E., THE TRANSFAIR-GERMANY FOUNDATION IN 1991 (REF B)).

ALL OF THESE ETHICAL-BASED FOUNDATIONS, IN ADDITION TO SEEKING A BETTER DEAL FOR THIRD WORLD PRODUCERS, HAVE THE COMMON SOCIAL AGENDA OF ELIMINATING EXPLOITATIVE INTERMEDIARIES SUCH AS CHILD LABOR, FOR EXAMPLE, FROM THE TRADING CHAIN (REF B). A FEW EXAMPLES OF FF'S MAJOR MARKED PRODUCTS ARE AS FOLLOWS:

--MAYA GOLD ORGANIC CHOCOLATE (1994). THIS WAS AN INSTANT MARKETING SUCCESS AMONG THE "BIG THREE" SUPERMARKETS IN UK (SAINSBURY, TESCO AND SAFEWAY), EXCEEDING EVEN THE MOST OPTIMISTIC FORECASTS.

--CAFEDIRECT ROAST/GROUND AND PREMIUM FREEZE DRIED COFFEE

(1994). THIS WAS AVAILABLE IN ALL MAJOR SUPERMARKET CHAINS, GAINING A 2.8 MARKET SHARE.

--CLIPPER FAIRTRADE MARKED TEAS AND SEYTE TEAS (1994);

--TOP QUALITY TEAS (1995); AND

--PERCOL NICARAGUA (COFFEE) (1996).  
UNCLAS SECTION 02 OF 05 LONDON 006402

DOL/ILAB FOR SONIA ROSEN

DRL/IL FOR JAMES EHRMAN

E.O. 12958: N/A

TAGS: ELAB, EIND, ETRD, PHUM, SOCI, UK  
SUBJECT: DEPARTMENT OF LABOR CHILD LABOR STUDY

FF APPARENTLY HAS UNDERGONE A "RETHINK" ON THE PUSH FOR FAIR TRADE LABELS DUE TO THE RELUCTANCE OF COMPANIES TO GO THAT ROUTE WITH ITS HIGH OUTSIDE MONITORING/VERIFICATION COSTS WHEN COMPARED TO THE RELATIVELY CHEAPER COSTS ASSOCIATED WITH AN INSIDE MONITOR "QUALITY CONTROL" APPROACH (SEE PARA. 11 BELOW). THIS COUPLED WITH A LIMITED FF STAFFING (THREE PERMANENT; THREE PART-TIME AND SOME VOLUNTEERS) HAS RESULTED IN COMPARATIVELY FEW GRANTS OF FAIRTRADE MARKS TO DATE (APPROXIMATELY 15).

6. THE COMMON DILEMMA FACING THESE FOUNDATIONS IS HOW TO HELP THE ETHICAL CORPORATE RETAILER OR SUPPLIER DEVELOP A COST-EFFECTIVE SYSTEM WHICH CAN ADEQUATELY MONITOR AND VERIFY COMPLIANCE WITH THE PROMISED CODE OF PRACTICES. CONVENTIONAL WISDOM, LIKE IN THE CASE OF THE RUGMARK FAIR LABEL SYSTEM, SUGGESTS THE PRACTICAL NEED FOR AN INDEPENDENT MONITORING/VERIFICATION SYSTEM WHICH MAKES GOOD USE OF LOCAL NGOS, TRADE UNIONS AND OTHERS (SEE EXAMPLE IN REF E). HOWEVER, THERE ARE SOME VOICES IN BRITAIN WHO WOULD ARGUE AGAINST AN OUTSIDE MONITOR IN EVERY CASE, ESPECIALLY NOT AT THE OUTSET (SEE PARAS. 7-11 BELOW).

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FF'S VIEW: INDEPENDENT MONITORING/VERIFICATION NOT NEEDED  
UNTIL THERE IS INDUSTRY AGREEMENT ON ETHICAL RETAIL PRACTICES  
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7. FF'S DIRECTOR PHIL WELLS--A PERSON WITH WIDE PRACTICAL EXPERIENCE ON "FAIR TRADE" ISSUES BETWEEN BRITISH RETAILERS AND THIRD WORLD SUPPLIERS--SUGGESTS A DIFFERENT PATH FOR GETTING THE SUPPLIERS TO IMPROVE WORKING CONDITIONS AND ULTIMATELY THE STANDARD OF LIVING FOR THEIR WORKERS. HE ARGUES FOR UK RETAILERS TO ESTABLISH LONG TERM BUSINESS RELATIONS WITH THE SUPPLIER. WHERE BUILT UP AND ASSURED, THE SUPPLIER, ACCORDING TO WELLS, IS MORE LIKELY TO BE WILLING TO INVEST, FOR EXAMPLE, IN IMPROVED WORKING CONDITIONS LIKE PAY AND TRAINING FOR ITS WORKERS. HE CONCLUDES THAT WITH IMPROVED JOB SECURITY, THESE THIRD WORLD WORKERS ARE LESS LIKELY TO USE THEIR CHILDREN AS A BUFFER MECHANISM AGAINST

POVERTY.

8. A 1997 REPORT BY ANTI-SLAVERY INTERNATIONAL IN UK ON HOW TO HELP BUSINESS TO HELP STOP CHILD LABOR (IN WHICH WELLS WAS A PRIMARY CONTRIBUTOR) WOULD APPEAR TO SANCTION THE FF'S ATTITUDE TOWARD EFFECTIVE INSIDE MONITORING OF INDIVIDUAL COMPANY'S CODES OF CONDUCT. POST WILL SEND A COPY OF THIS REPORT TO THE DEPARTMENT BY SEPARATE COVER.

9. WELLS ADDED THAT FF WAS NOT ENTHUSED BY THE "CHERRY PICKING" APPROACH ADOPTED BY MANY OF THE MAJOR UK TEA IMPORTERS. RATHER THAN BEING "ENGAGED" WITH THEIR TEA SUPPLIERS, THESE IMPORTERS SIMPLY PURCHASE FROM CERTIFIED SUPPLIERS--THOSE WHO HAVE MINIMUM EMPLOYMENT STANDARDS--WHICH ARE REGISTERED WITH LLOYDS OF LONDON WHILE IGNORING PLIGHT OF THE WORKERS IN THE OTHERS.

10. WELLS DOES NOT SEE NEED FOR AN EXTERNAL MONITORING SYSTEM TO ASSURE COMPLIANCE WITH MINIMAL EMPLOYMENT STANDARDS UNDER EVERY CORPORATE CODE OF CONDUCT. HE SAYS IT WILL SUFFICE IF THE COMPANY INTRODUCES AN EFFECTIVE DECENTRALIZED "QUALITY ASSURANCE" SYSTEM AT THE PRODUCTION SITE TO VERIFY THE PRODUCTS WERE MADE IN ACCORDANCE WITH THE CODE. BROAD BRUSH SANCTIONS LIKE CONTRACT CANCELLATION SHOULD NOT AUTOMATICALLY FOLLOW WHERE THIS SELF AUDIT/VERIFICATION SHOWS A VARIATION. THIS WOULD HAVE TOO GREAT AN IMPACT ON JOBS OVERALL (ADULTS AND CHILDREN) IN THE LOCALE, SAYS WELLS. HE WOULD URGE CREATIVE DIALOG BETWEEN THE RETAILER AND THE SUPPLIER (WITH THE TECHNICAL AID OF THE NGO LIKE FF WHERE APPROPRIATE) TO TRY TO PLUG THE CODE COMPLIANCE GAP. WELLS SAW FF'S APPROACH AS A PROCESS OF MOVING FORWARD, ADMITTEDLY SLOWLY AT TIMES, BUT ALWAYS WITH THE STATED DESIRE OF NUDGING THE COMPANIES TOWARD THE FULLEST POSSIBLE COMPLIANCE WITH THE CODES.

11. JUST AS THE CONSUMER IS INTERESTED IN BUYING A FOOD PRODUCT WHICH WAS PROCESSED FREE FROM HEALTH HAZARDS AND/OR ENVIRONMENTAL RISK, WELLS ARGUES THAT THE RETAILER-IMPORTER (WITH LITTLE ADDITIONAL COST) COULD ADD A "CODE OF ETHICAL CONDUCT" INCLUDING CHILD LABOR AS A MEANINGFUL COMPONENT OF ITS OVERALL QUALITY CONTROL BEFORE PURCHASING THE FINAL PRODUCT FOR RETAIL SALE. AS COST IS OF MAJOR CONCERN TO THOSE COMPANIES INTERESTED IN ADOPTING CODES OF CONDUCT, WELLS SEES FF'S APPROACH AS BEING MORE COST-EFFECTIVE THAN THE HIGHER COST OF AN OUTSIDE MONITOR. HE SEES NO HARM IN THE RETAILER PASSING THAT COST ON TO THE ULTIMATE CONSUMER IN THE SAME WAY IT DOES FOR OTHER QUALITY CONTROL-RELATED COSTS. IN SHORT, WELLS SEES A LONG STANDING BUSINESS RELATIONSHIP BETWEEN THE RETAILER AND THE SUPPLIER AS PROVIDING THE SAME (IF NOT GREATER) ASSURANCE AN OUTSIDE MONITOR WOULD SHOW.

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DOL/ILAB FOR SONIA ROSEN

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SUBJECT: DEPARTMENT OF LABOR CHILD LABOR STUDY

11. WELLS, HOWEVER, DOES SEE THE VIABILITY OF INDEPENDENT MONITORING FROM THE OUTSET WHEN THE CODE OF CONDUCT AFFECTS AN ENTIRE INDUSTRY. FOR EXAMPLE, AFTER A BUSINESS RELATIONSHIP HAS BEEN ESTABLISHED BY SEVERAL FOOD MARKET RETAILERS WITH THEIR SUPPLIERS, WELLS SAW COMMON ADVANTAGE TO BE GAINED BY ALL THE "STAKEHOLDERS" (I.E., THE RETAILERS, SUPPLIERS, WORKERS, CONSUMERS AND NGOS) FOR SUCH SUPPLIERS (INCLUDING ANY SUB-CONTRACTORS) TO BE CERTIFIED AS FAIR TRADERS AND MONITORED THEREAFTER COLLECTIVELY UNDER INDUSTRY-WIDE GUIDELINES. SUCH A STRATEGY, ACCORDING TO WELLS, WOULD PLACE EACH RETAILER ON THE SAME LEVEL PLAYING FIELD. HE WENT ON TO EXPLAIN IT WOULD REMOVE THE COMPETITIVE ADVANTAGE SOUGHT BY THOSE WHO ADOPT A CODE OF PRACTICE SOLELY TO GAIN FINANCIAL FAVOR WITH THEIR CUSTOMERS BUT WITH NO REAL INTEREST IN THE WORKING CONDITIONS OF THE THIRD WORLD WORKERS WHO PROCESS THE FOOD SOLD ON THEIR STORE SHELVES.

12. WELLS SEES THE BRITISH SUPERMARKET FOOD BUSINESS AS A GOOD CANDIDATE FOR THE FF'S "BEST PRACTICE" APPROACH TO COMBAT CHILD LABOR AMONG THIRD WORLD SUPPLIERS, SOMETHING REQUESTED IN REF F. HE QUICKLY ADDED, IN HIS OPINION, THERE IS NO LOGICAL REASON WHY THE SAME BUSINESS THINKING CANNOT EVENTUALLY APPLY TO THE CLOTHING AND FOOTWEAR INDUSTRY. HE ACKNOWLEDGES, HOWEVER, THAT THE CLOTHING INDUSTRY MAY BE A TOUGHER NUT TO CRACK DUE TO THE PRESENT-DAY PROPENSITY FOR MANY RETAILERS TO ENTER INTO SHORT-TERM CONTRACTS WITH THEIR SUPPLIERS.

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A LEADING UK RETAILER'S VIEW: NOT THAT DISSIMILAR  
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13. ON MAY 21, BERNARD HUGHES, THE GOVERNMENT AND POLITICAL RELATIONS MANAGER FOR TESCO, THE LARGEST SUPERMARKET CHAIN IN GREAT BRITAIN (560 STORES), CAME TO THE EMBASSY WHERE HE MET WITH THE MINISTER OF ECONOMICS, LABOR COUNSELOR, AND TWO EMBOFFS ON A WIDE-RANGE OF ECONOMIC ISSUES. IN THAT MEETING, MR. HUGHES TOLD US OF TESCO'S INTEREST IN DEVELOPING A CODE OF ETHICAL RETAIL PRACTICES WITH ITS THIRD-WORLD SUPPLIERS. THE PROPOSED CODE WOULD SEEK TO ESTABLISH MINIMUM ILO "CORE" LABOR STANDARDS AND REQUIRE SUPPLIERS TO OBEY LOCAL LAW ON CHILD LABOR AND ANY TYPE OF FORCED LABOR. THE CODE IS IN DRAFT FORM BUT WILL BE MADE AVAILABLE TO THE EMBASSY WHEN IT IS FINALIZED. TESCO ADMITS THAT IT SEES THIS CODE AS A VEHICLE TO GET OUT FRONT OF ITS SUPERMARKET COMPETITORS LIKE SAINSBURY AND SAFEWAY.

14. TESCO WOULD BUILD ON ITS PREEXISTING "QUALITY CONTROLS" AT THE FOOD PROCESSING SITE- BY INCORPORATING A CODE OF ETHICAL EMPLOYMENT PRACTICES INTO THE OVERALL CONTROLS. TESCO WOULD DISPATCH ITS 80-PERSON TECHNICIAN STAFF TO ITS FOOD SUPPLIER PLANTS (MANY LONG-STANDING) FOR PERIODIC QUALITY CONTROL (I.E., ONCE/3 YEARS ON THE AVERAGE). SUCH SUPPLY/REVIEW ARRANGEMENTS WITH A NAMED AND "TRUSTED" FOOD BRAND LIKE TESCO, ACCORDING TO TESCO, WOULD RESULT IN FAIR

MARKET PRICES FOR THE PRODUCER. THIS, IN TURN, WILL RESULT IN A HIGHER WAGE AND STANDARD OF LIVING FOR THE ADULT WORKER, SOMETHING TESCO ARGUES WILL MAKE CHILD LABOR LESS NECESSARY FOR FAMILY ECONOMIC SURVIVAL IN THIRD WORLD COUNTRIES. (COMMENT: SUCH A SCENARIO IS NOT SIGNIFICANTLY DIFFERENT THAN WELLS UNDER THE FF'S "BEST PRACTICE".) TESCO CONCLUDES THAT ALL OF THIS EVENTUALLY WILL RESULT IN MORE CUSTOMER SATISFACTION IN TERMS NOT ONLY IN LOWER COSTS BUT ALSO PRODUCT QUALITY GIVEN THE EMERGING CONSUMER INTEREST IN CHILD LABOR-FREE PRODUCTS.

15. BUT UNTIL ITS SUPERMARKET COMPETITORS ADOPT SIMILAR ETHICAL CODES OF CONDUCT, TESCO TOLD EMBOFF THAT IT HAS NO INTEREST IN HELPING TO DEFRAY THE CLAIMED HIGH COSTS OF AN INDEPENDENT MONITOR WHO WILL VERIFY ITS SELF AUDIT UNDER ITS CODE OF PRACTICES, ESPECIALLY WHEN OTHERS MAY BE SITTING ON THE SIDELINE GAINING A COMPETITIVE ADVANTAGE. CHRISTIAN AID, ONE OF THE FOUNDERS OF FF, HAS APPARENTLY BEEN HOLDING TALKS WITH SOME OF THE OTHER MAJOR BRITISH SUPERMARKETS LIKE SAINSBURY, SAFEWAY AND THE COOP. IF THOSE TALKS LEAD TO AN INDUSTRY CODE OF ETHICAL RETAIL PRACTICES AGREEMENT, TESCO SAYS IT TOO WOULD LIKELY SIGN. TESCO DID NOT APPEAR TOO OPTIMISTIC ABOUT SUCH A SIGNING GIVEN THE FACT MEMBERS OF THE BRITISH RETAIL CONSORTIUM--A TRADE ASSOCIATION REPRESENTING OVER 90 PERCENT OF ALL UK RETAILING--HAVE YET TO SIGN A PROPOSED DRAFT INDUSTRY AGREEMENT (11/95) ON ETHICAL RETAILING. NEVERTHELESS, CHRISTIAN AID, IN GUARDED TERMS, TOLD EMBOFF ON MAY 21 THAT IT HOPES TO MAKE A STATEMENT ON THIS MATTER IN THE NEAR FUTURE.

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BRITISH RETAIL INDUSTRY'S CAUTIOUS ATTITUDE TOWARD CODES OF CONDUCT  
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16. THE NEW ECONOMICS FOUNDATION (NEF), ONE OF THE MORE UNCLAS SECTION 04 OF 05 LONDON 006402

DOL/ILAB FOR SONIA ROSEN

DRL/IL FOR JAMES EHRMAN

E.O. 12958: N/A

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

SUBJECT: DEPARTMENT OF LABOR CHILD LABOR STUDY

FORWARD-THINKING BRITISH NGOS, APPEARS TO BE ADVANCING TONY BLAIR'S NEW LABOUR PARTY "STAKEHOLDER" PHILOSOPHY AS THE BASIS FOR FLEXIBLE "OPTIONS FOR EFFECTIVE MONITORING OF CORPORATE CODES OF CONDUCT" (MARCH 1997). POST WILL SEND A COPY OF THIS PUBLICATION TO THE DEPARTMENT BY SEPARATE COVER. THESE "OPEN TRADING" OPTIONS, INTER ALIA, INCLUDE SELF-MONITORING ACCOMPANIED BY OUTSIDE-LOCAL VERIFICATION OF AN AUTITABLE CODE OF CONDUCT OR SOURCING FROM CERTIFIED PRODUCERS.

17. THE "OPEN TRADING" CODE OF CONDUCT AND MONITORING PROCEDURES ANNOUNCED BY NEF APPEAR TO HAVE STARTED A CONSTRUCTIVE DIALOG BETWEEN THE VARIOUS "STAKEHOLDERS" AS

EVIDENCED BY RECENT ETHICAL RETAIL PRACTICE MEETINGS BETWEEN SOME OF THE MORE ACTIVE NGO GROUPS LIKE CHRISTIAN AID AND SOME OF THE BRITISH FOOD AND CLOTHING RETAILERS. INDEED, A REPRESENTATIVE OF NEF (MINDFUL OF THE RECENT APPAREL INDUSTRY AGREEMENT IN THE UNITED STATES) TOLD EMBOFF INFORMALLY ON MAY 21 IT WAS HOPEFUL SUCH TALKS MIGHT LEAD TO SOME TYPE OF LARGER INDUSTRY CODE OF CONDUCT BY FOOD AND/OR CLOTHING RETAILERS ALTHOUGH NOT NECESSARILY ALONG THE LINES OF THE APPAREL INDUSTRY AGREEMENT. (COMMENT: THE FACT TESCO RECENTLY ADVISED EMBOFFS OF ITS SERIOUS INTEREST IN ADOPTING A CODE OF PRACTICES EITHER INDIVIDUALLY (PREFERABLY TO BE IN THE VANGUARD OF ETHICAL RETAILERS) OR COLLECTIVELY WITH OTHERS GIVES SUPPORT TO NEF'S BELIEF).

18. BASED ON PRE-ELECTION TALKS WITH REPRESENTATIVES OF THE LABOUR PARTY, TESCO HAS RESERVATIONS ABOUT WHAT THE NEW LABOUR GOVERNMENT WOULD OR COULD DO ITSELF IN THE WAY OF COMBATING CHILD LABOR OUTSIDE OF UK. TESCO, AS THE LARGEST RETAILER IN THE UK (I.E., FOOD, CLOTHING, AND EVEN SOCCER BALLS), BELIEVES THE NEW GOVERNMENT WILL LIKELY THROW THE BALL (HOW TO COMBAT CHILD LABOR) TO IT AND THEN ASK IT TO FIND SOLUTIONS ON ITS OWN. TESCO TOLD EMBOFF IT DID NOT MIND BEING ASKED TO TAKE THE LEAD ON SUCH AN IMPORTANT AND DELICATE SOCIAL INTEREST SUBJECT, BUT THAT IT HOPED THE GOVERNMENT WOULD TAKE A PRO-ACTIVE ROLE IN ACTING AS A HONEST BROKER IN MOLDING TOGETHER THE COMPETING INTERESTS OF THE VARIOUS STAKEHOLDERS (I.E., RETAILERS, UNIONS, NGOS, ETC.).

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CHILD LABOR: DOES THE NEW LABOUR GOVERNMENT PLAN TO BE PRO-ACTIVE? FOREIGN SECRETARY COOK SAYS YES  
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19. ON MAY 12, THE NEW LABOUR GOVERNMENT, IN ONLY ITS SECOND WEEK IN OFFICE, ANNOUNCED THROUGH ITS FOREIGN SECRETARY, ROBIN COOK, THAT HUMAN RIGHTS WILL BE "AT THE HEART OF ITS FOREIGN POLICY". COOK SAID IN AN "EVENING STANDARD" ARTICLE THAT SAME DAY THAT IN PROMOTING HUMAN RIGHTS ABROAD, THE GOVERNMENT WOULD MAKE EFFORTS TO CLAMP DOWN ON THE EXPLOITATION OF CHILD LABOR.

20. COOK CITED THE MAY 12 EXPOSE REPORT BY CHRISTIAN AID CALLED "A SPORTING CHANCE" SHOWING 25-30,000 INDIAN CHILDREN WORKING IN INDIA'S SPORTS-GOODS INDUSTRY, A THIRD OF WHICH IS EXPORTED TO BRITAIN. NEARLY HALF OF THESE BRITISH IMPORTED GOODS--VALUED AT ABOUT 13 MILLION BPS--CONSISTS OF RUGBY BALLS, SOCCER BALLS AND OTHER INFLATABLE TYPES OF BALLS. MANY OF THESE CHILDREN (SOME AS YOUNG AS SEVEN), ACCORDING TO THE REPORT, STITCH THESE SOCCER FOOTBALLS FOR AS LOW AS 34 PENCE (LESS THAN .50 CENTS)/BALL ON A SUB-CONTRACTED BASIS FROM BRITISH SUPPLIERS IN INDIA. (A COPY OF THE CHRISTIAN AID REPORT WILL BE SENT TO THE DEPARTMENT UNDER SEPARATE COVER.)

21. COOK CALLED ON SPORTS FIRMS, FOR EXAMPLE, SUCH AS MITRE AND UMBRO TO TAKE ACTION TO HALT SUCH CHILD EXPLOITATION. BOTH FIRMS DENIED KNOWING THEIR INDIAN SUPPLIERS HAD SUB-CONTRACTED WORK TO SWEATSHOP FIRMS EMPLOYING CHILDREN TO MAKE, AMONG OTHER ITEMS, ERIC CANTONA SOUVENIR BALLS SELLING IN

BRITAIN FOR 9.99 BPS/BALL. COOK, IN RESPONSE, STATED THAT SOME OF THE FIRMS HAD "A SHREWD IDEA OF WHAT IS GOING ON".

22. THE REPORT ALSO NOTED HOW YOUNG BOYS AROUND AGE 10 OR SO WERE FOUND WORKING IN TANNERIES UNDER VERY UNHAPPY CONDITIONS. IN ONE CASE, A 12-YEAR OLD BOY WORKED SIX HOURS A DAY UNPAID TO HELP HIS FATHER IN A TANNERY WHICH SELLS LEATHER TO AN INDIAN COMPANY WHOSE CLIENTS INCLUDE ALFRED READER - OFFICIAL SUPPLIER OF CRICKET BALLS FOR ENGLISH TEST MATCHES.

22. COOK ADDED HMG WOULD OPEN TALKS WITH INDIA ABOUT CHILD LABOR AND THAT BRITISH AID TO INDIA COULD BE USED TO TARGET THE PROBLEM, ACCORDING TO THE NEWS ARTICLE. LATER THAT DAY, CLARE SHORT, THE NEW HEAD OF THE THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (FORMERLY OVERSEAS ASSISTANCE DEVELOPMENT)--WHO HAD BEEN WORKING WITH CHRISTIAN AID ON THE PROBLEM OF CHILD LABOR IN INDIA SINCE AT LEAST MARCH--OFFERED QUICK SUPPORT TO THE FINDINGS OF THE CHRISTIAN AID REPORT AND TO THAT END, PROMISED HMG WOULD DO THE FOLLOWING:

--STRENGTHEN ITS SUPPORT TO THE ILO'S INTERNATIONAL PROGRAM ON UNCLAS SECTION 05 OF 05 LONDON 006402

DOL/ILAB FOR SONIA ROSEN

DRL/IL FOR JAMES EHRMAN

E.O. 12958: N/A

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

SUBJECT: DEPARTMENT OF LABOR CHILD LABOR STUDY

ELIMINATING CHILD LABOUR, AND TO OTHER SIMILAR PROGRAMS;

--SUPPORT THE EFFORTS OF BRITISH BUSINESS TO PROMOTE ETHICAL STANDARDS IN COMMERCE, NOTING THAT MANY COMPANIES ARE ALREADY DOING THIS; AND

--MAKE IT A PRIORITY TO DISCUSS WITH ITS DEVELOPING COUNTRY PARTNERS HOW BEST TO HELP THEM PROMOTE CHILD RIGHTS AND HUMAN DEVELOPMENT. (COMMENT: OUR WORKING-LEVEL CONTACT WITH THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) ON CHILD LABOR TELLS US IT IS TOO EARLY TO DEFINITELY SAY HMG WILL NOW JOIN THE USG IN PROMOTING LINKAGE BETWEEN "CORE" LABOR STANDARDS AND TRADE AT THE WTO. HE DOES TELL US INFORMALLY, HOWEVER, THAT THIS SCENARIO IS A GOOD POSSIBILITY AND, FURTHER, IF SO, HMG WOULD LIKELY TRY TO PUSH THE OTHER 14 EU MEMBERS IN THE SAME DIRECTION. END COMMENT)  
CROWE

**SECT:** SECTION: 01 OF 05  
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# Cable

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**ORIG:** AMEMBASSY JAKARTA  
**TO:** RUEHC/DEPT OF LABOR WASHDC  
 RUEHC/SECSTATE WASHDC 6100  
**INFO:** RUCNCLC/CHILD LABOR COLLECTIVE  
 RUEHGV/USMISSION GENEVA 1082  
 RUEHBY/AMEMBASSY CANBERRA 1178  
 RUEHZZ/ASSOCIATION OF SOUTHEAST ASIAN NATIONS  
 ZEN/AMCONSUL SURABAYA  
**SUBJ:** FY 1997 DEPARTMENT OF LABOR CHILD LABOR STUDY:  
 - INDONESIA

**TEXT:**

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

UNCLAS SECTION 01 OF 05 JAKARTA 003256

SECSTATE FOR DRL/IL - JAMES EHRMAN

DOL/ILAB FOR SONIA ROSEN

CINCPAC FOR FPA AMB TEARE

E.O. 12958: N/A

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

SUBJECT: FY 1997 DEPARTMENT OF LABOR CHILD LABOR STUDY:  
- INDONESIA

REFS: A) STATE 76197 B) JAKARTA 2389

1. SUMMARY: CHILD LABOR IS NOT SEEN AS A SIGNIFICANT ISSUE IN THE INDUSTRIES IN INDONESIA THAT EXPORT TO THE U.S. MOST CHILD LABOR IN THE FORMAL SECTOR APPEARS TO BE BASED ON PRODUCTION OF GOODS FOR DOMESTIC CONSUMPTION AND NOT FOR EXPORT TO THE UNITED STATES. EXPORT-PRODUCING FACTORIES ARE GENERALLY CONSIDERED AMONG THE MOST COMPETITIVE FACTORIES, AND GIVEN INDONESIA'S LARGE LABOR FORCE AND RELATIVELY LOW LABOR COSTS, INDUSTRY REPRESENTATIVES ARGUE THAT THESE FACTORIES DO NOT GENERALLY NEED TO HIRE CHILDREN.

2. STILL A SENSITIVE TOPIC IN INDONESIA, CHILD LABOR HAS ONLY BEEN RECOGNIZED AS AN ISSUE AND POSSIBLE PROBLEM OVER THE PAST SEVERAL YEARS. COMPREHENSIVE RESEARCH TO OBTAIN ACCURATE DATA ON

THE NUMBERS OF CHILDREN WORKING IN SPECIFIC INDUSTRIES HAS NOT BEEN DONE. U.S. COMPANIES CURRENTLY RELY ON CODES OF CONDUCT FORBIDDING USE OF CHILD LABOR BY THEIR SUB-CONTRACTORS, ALONG WITH MONITORING BY THE U.S. COMPANIES' QUALITY CONTROL INSPECTORS AND/OR CONTRACT MONITORING FIRMS. THERE ARE CURRENTLY NO LABELING SYSTEMS IN EFFECT IN INDONESIA. END SUMMARY

3. FOLLOWING IS EMBASSY JAKARTA'S RESPONSE TO REF A. PART ONE CONTAINS GENERAL INFORMATION ON CHILD LABOR IN INDONESIA WHICH DESCRIBES THE CONTEXT IN WHICH IT OCCURS. PART TWO IS KEYED TO SPECIFIC INFORMATION REQUESTED IN PARA 5 REF A. THIS MESSAGE DRAWS ON CONVERSATIONS WHICH LABOR ATTACHE AND POLOFF HAD WITH REPRESENTATIVES OF INDONESIAN INDUSTRY; U.S. COMPANIES NIKE, REEBOK, AND THE GAP; UNICEF; THE ILO'S INTERNATIONAL PROGRAM FOR THE ELIMINATION OF CHILD LABOR (ILO-IPEC); LABOR ORGANIZATIONS; AND NGO'S.

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GENERAL INFORMATION ON CHILD LABOR IN INDONESIA  
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WORKING CHILDREN IN INDONESIA  
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4. THE 1994 GOVERNMENT OF INDONESIA (GOI) LABOR FORCE SURVEY REPORTED THAT THERE WERE 2.08 MILLION ECONOMICALLY ACTIVE CHILDREN AGED TEN TO 14. THIS REPRESENTS APPROXIMATELY NINE PERCENT OF THE CHILD POPULATION OF THAT AGE. MANY OBSERVERS BELIEVE THAT NUMBER TO BE SIGNIFICANTLY UNDERSTATED, BECAUSE DOCUMENTS VERIFYING AGE ARE EASILY FALSIFIED, AND BECAUSE CHILDREN UNDER TEN WERE NOT INCLUDED. AN ILO REPORT NOTED THAT IF CHILDREN UNDER TEN WERE INCLUDED, THE ACTUAL NUMBER OF WORKING CHILDREN COULD BE 1.5 TIMES HIGHER THAN THE REPORTED FIGURE. WHILE GOVERNMENT OFFICIALS, POLITICAL LEADERS, AND BUSINESS REPRESENTATIVES ACKNOWLEDGE THAT CHILD LABOR OCCURS, THEY TEND TO EXPLAIN IT AS A DISAPPEARING CONSEQUENCE OF POVERTY CONFINED PRIMARILY TO THE INFORMAL SECTOR, AND DOWNPLAY OR DENY NGO CHARGES THAT CHILDREN ALSO WORK IN INDUSTRY. THIS OFFICIAL RELUCTANCE TO EXAMINE THE FULL EXTENT OF THE PROBLEM LIKELY INHIBITS COLLECTION OF COMPREHENSIVE DATA ON CHILD WORKERS. NGO'S ALSO CHARGE THAT SOME EMPLOYERS CONCEAL OR IGNORE CHILDREN WHO WORK ILLEGALLY IN THEIR FACTORIES. AGAINST THIS BACKGROUND, NGO'S AND INTERNATIONAL ORGANIZATIONS ESTIMATE THE NUMBER OF CHILDREN WORKING TO BE HIGHER THAN THE OFFICIAL ESTIMATE.

5. ACCORDING TO GOI LABOR FORCE DATA, MOST CHILDREN WHO WORK IN INDONESIA WORK IN THE AGRICULTURAL SECTOR, AND THE NUMBERS HAVE DECLINED DURING THE PAST TEN YEARS. HOWEVER, THE NUMBERS OF CHILDREN WORKING IN URBAN AREAS HAS RISEN SIGNIFICANTLY WITH URBANIZATION.

6. MORE CHILDREN WORK IN THE INFORMAL SECTOR THAN IN THE FORMAL SECTOR. WHERE CHILDREN WORK IN THE FORMAL SECTOR, SUCH WORK TENDS TO OCCUR ON THE BORDERLINE BETWEEN THE INFORMAL AND FORMAL ECONOMIES. FOR EXAMPLE, NGO'S AND LABOR ORGANIZATIONS REPORT THAT CHILDREN WORK ALONGSIDE THEIR PARENTS IN HOME ENTERPRISES AND ON PLANTATIONS. OTHER SPECIFIC AREAS IN THE INFORMAL SECTOR WHERE CHILDREN ARE REPORTED TO WORK ARE IN FAMILY-OWNED SHOPS AND

SMALL FACTORIES, PARTICULARLY THOSE THAT ARE "SATELLITES" OF LARGE INDUSTRIES. THERE ARE AT LEAST SEVERAL THOUSAND CHILDREN WORKING IN HARSH AND ABUSIVE CONDITIONS ON FISHING PLATFORMS IN NORTH SUMATRA. THE PRODUCTS ARE REPORTEDLY PRIMARILY FOR DOMESTIC CONSUMPTION AND FOR EXPORT TO SINGAPORE AND MALAYSIA (REF B). MANY INDONESIAN GIRLS WORK AS DOMESTIC HELPERS, BUT THEIR NUMBERS ARE UNKNOWN. THE ILO'S "CHILD LABOUR: TARGETING THE INTOLERABLE" REPORTS THAT STUDIES ESTIMATE THAT THERE ARE APPROXIMATELY 400,000 CHILD DOMESTIC WORKERS IN JAKARTA AND UP TO FIVE MILLION IN INDONESIA AS A WHOLE. ACCORDING TO NGO'S, UNCLAS SECTION 04 OF 05 JAKARTA 003256

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- INDONESIA

WHICH SIGNIFICANT NUMBERS OF CHILDREN WORK. THIS IS PARTICULARLY TRUE IN THE GARMENT INDUSTRY, WHERE MULTIPLE FACTORIES PROVIDE COMPONENTS FOR THE FINISHED PRODUCT, OR WORK ON THE SAME PRODUCTS AT DIFFERENT STAGES OF PRODUCTION. INDUSTRY REPRESENTATIVES RESPOND THAT THEY HAVE A LIST OF APPROVED SUPPLIERS FOR COMPONENTS WHICH ARE SUBJECT TO THE SAME TECHNICAL QUALITY AND LABOR STANDARDS WHICH APPLY TO THEIR MAIN FACTORIES. THEY ACKNOWLEDGE THAT THEY OCCASIONALLY FIND THAT SMALL AMOUNTS OF WORK, SUCH AS EMBROIDERY OR GLUING OF SMALL COMPONENTS, ARE OUT-SOURCED TO NON-APPROVED VENDORS.

14. ALL U.S. COMPANY REPRESENTATIVES WITH WHOM EMBOFFS SPOKE EXPRESSED A CLEAR PREFERENCE FOR CODES OF CONDUCT OVER LABELING SYSTEMS AS A MEANS OF ELIMINATING EXPLOITATIVE CHILD LABOR AND OTHER UNACCEPTABLE LABOR PRACTICES. THEY ARGUE THAT LABELS ARE EASY TO MISUSE AND TEND TO GIVE THE CONSUMER A FALSE SENSE OF SECURITY ABOUT THE LABELLED PRODUCT. ESTABLISHING A LABELING SYSTEM IN THE GARMENT OR FOOTWEAR INDUSTRY WOULD, THEY ASSERTED, REQUIRE AN ELABORATE COMPLIANCE REGIME THAT WOULD BE DIFFICULT TO IMPLEMENT WITH FULL CONFIDENCE. THEREFORE, THEY PREFER TO RELY ON THEIR INDIVIDUAL CODES OF CONDUCT, WHICH, FOR NIKE AND REEBOK, MEET THE STANDARDS OF THE APPAREL INDUSTRY PARTNERSHIP CODE OF CONDUCT. ONE OF THE U.S. COMPANIES ACKNOWLEDGED, HOWEVER, THAT IT IS WEIGHING THE POSSIBILITY OF JOINING A PROPOSAL TO ESTABLISH A LABELING SYSTEM FOR THE ATHLETIC FOOTWEAR INDUSTRY. (COMMENT: THOUGH NOT MENTIONED, COSTS INVOLVED IN A LABELING REGIME MIGHT ALSO BE A FACTOR. END COMMENT)

USE OF CHILD LABOR IN SPECIFIC EXPORT INDUSTRIES

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15. FOLLOWING IS A BRIEF DESCRIPTION OF CHILD LABOR IN THE SPECIFIC INDUSTRIES NOTED REF A:

HAND-KNOTTED CARPETS: INDONESIA DOES NOT HAVE A SIGNIFICANT

----- HAND-KNOTTED CARPET INDUSTRY, AND AS FAR AS EMBASSY IS AWARE, DOES NOT PRODUCE HANDMADE CARPETS FOR EXPORT TO THE U.S. EMBASSY HAS HEARD NO ALLEGATIONS OF CHILD LABOR IN THE PRODUCTION OF HAND-KNOTTED CARPETS.

SOCCER BALLS: INDONESIAN COMPANIES ARE JUST BEGINNING TO PRODUCE  
----- SOCCER BALLS FOR EXPORT. NONE OF THE U.S. COMPANIES WITH WHOM EMBASSY OFFICERS SPOKE ARE CURRENTLY BUYING SOCCER BALLS IN INDONESIA FOR EXPORT TO THE U.S. AN NGO WHICH SURVEYS WORKING CONDITIONS IN LABOR-INTENSIVE INDUSTRIES ASSERTS THAT BELOW-AGE WORKERS ARE EMPLOYED MAKING SOCCER BALLS, BUT THE NGO DOES NOT HAVE A SPECIFIC FIGURE FOR THE NUMBER OF SUCH WORKERS.

TEA: LABOR ORGANIZATIONS AND NGO'S CLAIM THAT CHILDREN WORK  
---- ALONGSIDE ADULTS IN TEA PLANTATIONS, PARTICULARLY IN WEST JAVA AND NORTH SUMATRA. NO ESTIMATES OF THE NUMBER OF CHILD WORKERS IN THE TEA INDUSTRY ARE AVAILABLE. IN 1994, INDONESIA EXPORTED APPROXIMATELY 10,800 TONS OF TEA TO THE U.S.

LEATHER FOOTWEAR: U.S. COMPANY REPRESENTATIVES AND INDONESIAN  
----- FOOTWEAR INDUSTRY REPRESENTATIVES MAINTAIN THAT WITH EXISTING CODES OF CONDUCT AND MONITORING MECHANISMS, SUB-CONTRACTORS PRODUCING FOR U.S. COMPANIES DO NOT WANT TO RISK BEING DROPPED AS A SUBCONTRACTOR THROUGH CODE OF CONDUCT VIOLATIONS, SUCH AS HIRING BELOW-AGE WORKERS. WHILE THIS MAY NOT COMPLETELY ELIMINATE BELOW-AGE WORKERS, PARTICULARLY FOR COMPONENTS MADE OUTSIDE THE SUBCONTRACTOR FACTORIES, U.S. COMPANY REPRESENTATIVES BELIEVE IT DETERS COMPANIES THEY WORK WITH FROM KNOWINGLY HIRING CHILDREN.

16. NGO'S CONTEND THAT DESPITE CODES OF CONDUCT AND MONITORING, THERE ARE BELOW-AGE WORKERS IN FACTORIES AND HOME ENTERPRISES PRODUCING COMPONENTS FOR OTHER FACTORIES WHICH ARE SUB-CONTRACTORS FOR U.S. AND OTHER FOREIGN COMPANIES. MOST OF THIS WORK IS PAID ON A PIECE-RATE BASIS, AND NGO'S ASSERT THAT THERE ARE VIRTUALLY NO CONTROLS OR CHECKS ON LABOR AT THIS LEVEL. NGO'S HAVE NOT DEVELOPED ESTIMATES ON THE NUMBER OF SUCH WORKERS, HOWEVER.

OTHER INFORMATION ON LABELING PROGRAMS OR CODES OF CONDUCT  
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17. INDONESIAN NGO'S HAVE BEEN IN CONTACT WITH COUNTERPARTS IN EUROPE CONCERNING THE "CLEAN CLOTHES" INITIATIVE, AN EFFORT TO DEVELOP A LABELING PROGRAM TO CERTIFY THAT CLOTHES IMPORTED INTO EUROPE ARE MADE BY COMPANIES WHO OBSERVE INTERNATIONALLY RECOGNIZED WORKER RIGHTS. ASIDE FROM CODES OF CONDUCT APPLIED BY UNCLAS SECTION 05 OF 05 JAKARTA 003256

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U.S. COMPANIES, EMBASSY IS NOT AWARE OF ANY OTHER PROGRAMS  
(EITHER NON-INDUSTRY SPECIFIC OR IN INDUSTRIES OTHER THAN THOSE  
LISTED ABOVE) USED TO INFORM THE PUBLIC THAT NO CHILD LABOR IS  
USED TO PRODUCE A CONSUMER PRODUCT.

OTHER INDUSTRIES IN WHICH CHILD LABOR HAS BEEN REPORTED  
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18. VOLUME I OF THE DOL CHILD LABOR STUDY (1994) REPORTED THAT  
CHILD LABOR WAS FOUND IN THE GARMENT, WOOD AND RATTAN FURNITURE,  
AND FOOD PROCESSING INDUSTRIES; NGO'S REPEATED THESE ALLEGATIONS  
IN INTERVIEWS CONDUCTED FOR THIS REPORT. IN ADDITION, NGO  
REPRESENTATIVES SAID THAT THE EXPORT TOY INDUSTRY IS OFTEN CITED  
AS EMPLOYING CHILDREN. AS IN THE GARMENT INDUSTRY, SMALL-SCALE  
AND HOME ENTERPRISES MAKE A SIGNIFICANT CONTRIBUTION TO THE FINAL  
PRODUCT. EMBASSY WAS UNABLE TO ELICIT ANY INFORMATION ON CODES  
OF CONDUCT IN THIS INDUSTRY. HARVEY

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| 001. cable               | re conversation summaries (10 pages) | 06/04/1997 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1997-Dec 1998 ([sweatshop ...])  
OA/Box Number: 520000

### FOLDER TITLE:

[06/02/1997-08/06/1997]

2018-1072-F  
kc2336

### 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]

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                       | DATE       | RESTRICTION |
|--------------------------|-------------------------------------|------------|-------------|
| 002. cable               | re labor abuse complaints (3 pages) | 06/13/1997 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1997-Dec 1998 ([sweatshop ...])  
OA/Box Number: 520000

### FOLDER TITLE:

[06/02/1997-08/06/1997]

2018-1072-F  
kc2336

### 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]
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# Cable

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**PREC:** ROUTINE  
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**LINE2:** ZNR UUUUU  
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RHLBAAQ/USCINCSO SCJ2 QUARRY HEIGHTS PM  
RUCKMEA/II MEF MARFOR UNITAS//S-2//  
RUDHNS/DIRNAVCRIMINSERV WASHINGTON DC  
RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHINGTON DC//POL//  
RUEHIA/USIA WASHINGTON DC//R//  
RUEHIA/USIA WASHINGTON DC//R/MR//  
RUEHPE/AMEMBASSY LIMA  
RUWMEGA/CDR 1ST BDE 228TH AVN BN FT KOBBE  
RUWMEGA/CDR 1-228 AVN REG FT KOBBE PM//R2//  
XMT VOA WASHINGTON DC  
ACCT FBPA-EWDK  
**INFO:** ////  
**SUBJ:** Ruling Party Congresswoman Criticizes US Ambassador  
**TEXT:**  
UNCLAS 6R  
WARNING: TOPIC: HUMAN RIGHTS, POLITICAL, INTERNATIONAL  
SERIAL: PA1806233197  
COUNTRY: PERU  
SUBJ: Ruling Party Congresswoman Criticizes US Ambassador  
SOURCE: Lima Expreso in Spanish 16 Jun 97 p 4  
TEXT:

[FBIS Translated Text] Martha Chavez Cossio [Change 90/New Majority Movement Coalition], president of the Foreign Relations Committee, yesterday requested that US Ambassador Dennis Jett "not see the mote in another's eye," and on the contrary, "see the beam in one's own." This was in reference to recent opinions given by the diplomat on various topics to do with the country's domestic policies.

Among the affairs to which the US representative took a critical stance are the firing of three Constitutional Tribunal magistrates, the motion by Congress against the position taken by the Inter-American Human Rights Commission on this case, as well as the affair dealing with a cutback in military justice powers, and the

elimination of "faceless" judges.

Chavez said that "even though the position of the United States and that of its ambassador is important, it is best that they stay away from day-to-day political aspects that do not violate human rights or democracy."

In this regard, the deputy said that "the ambassador should not see the mote in another's eye, because in the first place the United States does not have a Constitutional Tribunal, its Congress approved abortion as a method of birth control, which to my way of thinking, violates the supreme right to life."

"Furthermore, it consented to capital punishment, and right now its government allows Latins to work in sweatshops [ovejeros] for over eight hours a day with low wages," she added.

"Ambassador Dennis Jett should worry about his country's domestic problems, on improving bilateral relations with Peru on topics of technical or economic cooperation, and not over domestic policy decisions that have no business being judged abroad," she said.

"Chavez also noted that the United States "could also be questioned for not having signed up to now the Inter-American Convention on Human Rights or various International Labor Office (ILO) agreements."

The congresswoman recommended that the ambassador watch the tenor and content of his statements "because the opposition could very well interpret his opinions as siding with activist groups against the government," which would not be appropriate, she added, "because in his role as diplomat, his duty is to remain impartial and be an observer and not a protagonist of domestic policy."

Forsyth [subhead]

Union for Peru (UPP) Congressman Harold Forsyth, in turn, argued that Ambassador Dennis Jett has a right to an opinion regarding domestic affairs of a political nature to which his government wishes to issue an impartial position.

In this regard, he said that it would be good that the government examine each one of Jett's statements and those of any other foreign diplomat because it would be a way to learn "how nations rate us, which generally are our main creditors or investors."

He added that the international community "not only is interested in learning the economic program of the government in power, but the work of its judicial and democratic institutions, because these guarantee the needed stability so that their investments bear good fruit."

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(endall) 16 Jun tc/alberro/eb gaco1806.02e 18/2329z jun

**SECT:** SECTION: 01 OF 01

**SSN:** 1827

**TOR:** 970618201722 M2811445

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
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**LINE2:** ZNR UUUUU ZZH  
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**ORIG:** AMEMBASSY GUATEMALA  
**TO:** RUEHC/SECSTATE WASHDC 0328  
**INFO:** RUEHC/DEPTLABOR WASHDC  
**SUBJ:** UNITE CASE AGAINST GUATEMALA PLANT "NOT PROVEN"

**TEXT:**  
UNCLAS SECTION 01 OF 02 GUATEMALA 003665

SENSITIVE

DEPARTMENT FOR DRL/IL:EHRMAN, ARA/PPCP:BOOTH  
DEPARTMENT PASS TO USTR:ROSENBAUM  
DEPTLABOR FOR ILAB:WHOLEY

E.O. 12958: DECL:06/26/98  
TAGS: ETRD, USTR, GSP, ELAB, GT  
SUBJECT: UNITE CASE AGAINST GUATEMALA PLANT "NOT PROVEN"

REFS: A) GUATEMALA 3664

1. DURING THE VISIT OF AUSTR JON ROSENBAUM'S DELEGATION TO GUATEMALA (REFTEL), UNITE (THE UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES) PRESENTED THE GUATEMALAN LABOR MINISTER WITH A "WHITE PAPER." IT ALLEGED NUMEROUS WORKER RIGHTS VIOLATIONS AT THREE SUB-CONTRACTORS OF "ALFRED ANGELO," A MAJOR PLAYER IN THE BRIDAL AND PROM DRESS SECTOR. MINISTER OF LABOR HECTOR CIFUENTES CALLED HIS CHIEF LABOR INSPECTOR, ROSAMARIA CABRERA ORTIZ, INTO THE MEETING AND OFFERED TO SEND HER ON A SNAP INSPECTION OF ONE OF THE COMPANIES EARLY THE NEXT MORNING. HE ALSO INVITED THE DELEGATION TO TAKE PART IN THE INSPECTION. AUSTR ROSENBAUM, UNITE'S ALAN HOWARD AND LABATT ACCOMPANIED THE INSPECTOR, AND HOWARD SELECTED THE CRISDE PLANT IN MIXCO (A SUBURB OF GUATEMALA CITY) FOR THE INSPECTION.

2. IN ITS WHITE PAPER, ENTITLED "LIFTING THE VEIL AT ALFRED ANGELO," UNITE ALLEGED WIDESPREAD VIOLATIONS OF GUATEMALAN LABOR LAWS, INCLUDING THE USE OF CHILD LABOR, VIOLATION OF WAGE AND HOUR LAWS AND LIFE-THREATENING SAFETY CONDITIONS. DUE TO TIME CONSTRAINTS, THE DELEGATION WAS ABLE TO VISIT ONLY ONE SUB-CONTRACTOR, CRISDE, WHICH WAS SPECIFICALLY ACCUSED

OF PROVIDING NEITHER FIRE EXTINGUISHERS NOR DRINKING WATER. CRISDE WORKERS ARE ALSO SAID TO SUFFER FROM SEASONAL EXTREME TEMPERATURES. BATHROOMS ARE SAID TO HAVE NO CLEANING STAFF AND ARE DESCRIBED AS RANGING "FROM DIRTY TO HORRIBLY FILTHY." THE REPORT ACCUSES ALL THREE SUB-CONTRACTORS OF HAVING WORKERS SIT ON UNCOMFORTABLE BENCHES OR BACKLESS CHAIRS, OF NOT HAVING PROTECTIVE EQUIPMENT AND OF NOT PAYING OVERTIME. WORKERS IN ALL THREE PLANTS ARE CHARACTERIZED AS BELIEVING "THEY WOULD NOT BE ALLOWED TO ORGANIZE A UNION."

3. THE AUSTR GROUP, ACCOMPANIED BY THE CHIEF LABOR INSPECTOR AND THE SUB-INSPECTOR WHO VISITS CRISDE EVERY FEW MONTHS, ARRIVED AT THE PLANT AT 0735. THE GROUP WAS KEPT WAITING OUTSIDE BY THE GUARD FOR ABOUT FIVE MINUTES AND THEN ALLOWED TO ENTER. THE OWNER WAS NOT PRESENT, BUT THE MANAGER (HIS ADULT SON) ALLOWED THE GROUP TO VIEW THE SHOP FLOOR AND THEN MET WITH ROSENBAUM, HOWARD AND LABATT AND THE MOL INSPECTORS TO DISCUSS THE WHITE PAPER'S ALLEGATIONS.

4. THE CRISDE FACILITY IS A RELATIVELY NEW TWO-STORY CINDER BLOCK WAREHOUSE WITH A COMPOSITE BARREL-VAULTED CEILING. THREE-QUARTERS OF THE FLOOR (THE PRODUCTION AREA) IS OPEN TO THE CEILING. THE REMAINING ONE-QUARTER HAS A MATERIALS STORAGE AREA ON THE GROUND FLOOR AND MANAGEMENT OFFICES ON THE SECOND FLOOR. THE BUILDING MEASURES PERHAPS 75 BY 200 FEET, AND THE COMPANY IS IN THE PROCESS OF EXPANDING THE LENGTH BY ANOTHER 100 FEET. DURING ITS "WALK AROUND," THE GROUP NOTED THREE WALL-MOUNTED FIRE EXTINGUISHERS, AND FROM MARKS ON THE WALL THEY APPEAR TO HAVE BEEN IN PLACE FOR QUITE SOME TIME. THE TWO EXTINGUISHERS INSPECTED WERE FULLY CHARGED.

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BELOW THE CEILING, ALLOW SOME VENTILATION.

6. NEARLY HALF OF CRISDE'S 153-STRONG WORK FORCE IS MALE, AND THE AVERAGE AGE APPEARED TO BE BETWEEN 25 AND 30. THIS IS NOT A PATTERN GENERALLY FOUND IN THE GARMENT INDUSTRY, WHICH USUALLY PREFERS YOUNGER, UNCLAS SECTION 02 OF 02 GUATEMALA 003665

SENSITIVE

DEPARTMENT FOR DRL/IL:EHRMAN, ARA/PPCP:BOOTH  
DEPARTMENT PASS TO USTR:ROSENBAUM  
DEPTLABOR FOR ILAB:WHOLEY

E.O. 12958: DECL:06/26/98  
TAGS: ETRD, USTR, GSP, ELAB, GT  
SUBJECT: UNITE CASE AGAINST GUATEMALA PLANT "NOT PROVEN"

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8. DURING A LIMITED VISIT, IT IS NOT POSSIBLE TO EITHER CONFIRM OR REFUTE THE WAGE OR HOURS ALLEGATIONS OF THE "WHITE PAPER," BUT GIVEN THE NATURE OF BOOKKEEPING AND THE VERACITY OF RECORDS IN MANY COUNTRIES, NOT THE LEAST GUATEMALA, SUCH A STUDY WOULD REQUIRE A MAJOR INVESTMENT OF TIME AND RESOURCES. GIVEN THE DIFFERENCES BETWEEN THE UNITE REPORT AND THE SITUATION VIEWED AT THE CRISDE PLANT, THE CONTENTIONS REGARDING WAGE AND HOUR VIOLATIONS MAY HAVE BEEN EXAGGERATED, TOO.

9. COMMENT: UNITE IS QUITE EXPLICIT IN WHAT IT IS TRYING TO ACCOMPLISH WITH "LIFTING THE VEIL AT ALFRED ANGELO." THE FIVE-PAGE REPORT SPENDS MORE THAN A PAGE DETAILING HOW THE COMPANY HAS "GONE AWRY" BY SHIFTING PRODUCTION TO CHINA AND GUATEMALA, "TAKING ADVANTAGE

OF CHEAP LABOR AND SWEATSHOP CONDITIONS" BECAUSE OF  
THE COMPANY'S "GREED." THE REPORT SAYS THAT MOVING  
"EVEN MORE PRODUCTION OVERSEAS IS UNCONSCIONABLE" AND  
SEEMS DESIGNED TO PREVENT JUST SUCH AN ACT FROM  
OCCURRING.

PLANTY

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

**SSN:** 3665  
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**TOR:** 970626190326 M2823530  
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SIT: USTR  
SIT: NSC

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**PREC:** ROUTINE  
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**ORIG:** AMEMBASSY GUATEMALA  
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UNCLAS SECTION 01 OF 02 GUATEMALA 003665

SENSITIVE

C O R R E C T E D C O P Y (E.O. LINE)

DEPARTMENT FOR DRL/IL:EHRMAN, ARA/PPCP:BOOTH  
DEPARTMENT PASS TO USTR:ROSENBAUM  
DEPTLABOR FOR ILAB:WHOLEY

E.O. 12958: N/A  
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SENSITIVE

C O R R E C T E D C O P Y (E.O.LINE)  
DEPARTMENT FOR DRL/IL:EHRMAN, ARA/PPCP:BOOTH  
DEPARTMENT PASS TO USTR:ROSENBAUM  
DEPTLABOR FOR ILAB:WHOLEY

E.O. 12958: N/A  
TAGS: ETRD, USTR, GSP, ELAB, GT  
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PLANTY

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

**SSN:** 3665  
<^SSN>3665

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<^TOR>970627225520 M2825840

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SIT: NSC

# Cable

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**PREC:** PRIORITY  
**CLASS:** UNCLASSIFIED  
**LINE1:** PAAUZYUW RUEHBSA4774 1831645-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** P 021645Z JUL 97  
**LINE4:** FM USEU BRUSSELS  
**OSRI:** RUEHBS  
**DTG:** 021645Z JUL 97  
**ORIG:** USEU BRUSSELS  
**TO:** RUEHC/SECSTATE WASHDC PRIORITY  
**INFO:** RUEHXQ/ALL EUROPEAN UNION POST COLLECTIVE  
RUEHOT/AMEMBASSY OTTAWA  
RUEAWJC/HQINS WASHDC  
RUEAWJA/DOJ WASHDC  
**SUBJ:** U.S.-EU MIGRATION CONSULTATIONS AT "CIREFI"  
**TEXT:**  
UNCLAS SECTION 01 OF 04 BRUSSELS 004774

DEPT FOR PRM, CA, EUR, INL  
HQINS FOR IAO/ AND D & D/RASCON  
ROME AND LONDON ALSO FOR INS

SENSITIVE BUT UNCLASSIFIED, PROTECT ACCORDINGLY

E.O.12958: NA  
TAGS: SMIG, PREF, KFRD, KCRM, EUN  
SUBJECT: U.S.-EU MIGRATION CONSULTATIONS AT "CIREFI"

REF: THE HAGUE 2076

1. (U) BEGIN SUMMARY. THE U.S. AND CANADA PARTICIPATED IN A MEETING WITH THE EU MIGRATION CLEAQUSE (CIREFI) ON JUNE 24TH. THE AGENDA INCLUDED: TRAFFICKING OF WOMEN, NORTH AMERICAN DEPORTATION THROUGH EUROPEAN AIRPORTS, A GERMAN PRESENTATION ON EUROPEAN ILLEGAL SMUGGLING ROUTES, CARRIER LIABILITY, AND A DISCUSSION OF BELGIAN MEASURES TO CRACK DOWN ON PASSPORT FRAUD. THE BUREAU OF CONSULAR AFFAIRS (CA) PRESENTED U.S. CONCERNS REGARDING MISUSE OF EU FAMILY PASSPORTS. THE LUXEMBOURG PRESIDENCY INVITED THE U.S. AND CANADA TO A SPECIAL CIREFI MEETING IN THE FALL FOCUSING ON TRAFFICKING IN WOMEN. THE CANADIAN DEL INCLUDED: MR. BORGET/ DIRECTOR GENERAL FOR ENFORCEMENT OF IMMIGRATION CANADA; MARK ROBINSON/ CANADIAN MISSION IN GENEVA; AND MICHAEL MCCARTHY/ CANADIAN EMBASSY IN PARIS. USDEL INCLUDED: MARY ALICE NOYES/ CA, OFFICE OF FRAUD PREVENTION; RICHARD GOTTLIEB/ INS LONDON; MARC MEZMAR/BUREAU OF POPULATION, REFUGEES AND MIGRATION, OFFICE OF POLICY, AND NAN KENNELLY/ USEU MISSIONOFF.  
END SUMMARY.

TRAFFICKING IN WOMEN  
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2. (U) SPANISH DEL PRESENTED A PAPER DETAILING TRAFFICKING OF WOMEN IN SPAIN. (FAXED EUR/ERA AND INL). ALTHOUGH PROSTITUTION IS ILLEGAL IN SPAIN, PROSTITUTES ARE NOT PROSECUTED FOR THEIR ACTIVITIES (ALTHOUGH PIMPS MAY BE). THE MAJORITY OF WOMEN WHO ENGAGE IN PROSTITUTION ENTER SPAIN LEGALLY FROM LATIN AMERICA BY AIR (MANY QUALIFY FOR VISA-FREE TRAVEL TO SPAIN FOR TOURISM) OR ILLEGAL OVERLAND TRAVEL FROM NORTHERN AND SUB-SAHARAN AFRICA. POLICE BELIEVE THAT SOME WOMEN ARE LURED INTO SPAIN WITH THE PROMISE OF LEGITIMATE WORK AND THEN ARE HELD AGAINST THEIR WILL AND FORCED TO WORK AS PROSTITUTES. AFRICAN WOMEN ARE FREQUENTLY TRAFFICKED BY THEIR OWN FAMILY MEMBERS AND ARE FORCED TO ENGAGE IN ILLICIT WORK IN SPAIN.

3. (U) DUTCH DEL REVIEWED THE CONCLUSIONS FROM THE APRIL CONFERENCE IN THE HAGUE ON TRAFFICKING IN WOMEN. (REFTEL) THE CONFERENCE DEMONSTRATED THAT THERE IS A GROWING INTEREST IN THE TOPIC, AS WELL AS A GROWING AWARENESS OF THE ILLEGAL NETWORKS USED FOR TRAFFICKING. CONFERENCE PARTICIPANTS IDENTIFIED THE NEED FOR CLOSER COOPERATION TO DEVELOP GUIDELINES FOR 1) PREVENTION, 2) VICTIM ASSISTANCE, AND 3) PROSECUTION. DUTCH DEL SUGGESTED INFORMATION CAMPAIGNS IN THE COUNTRIES OF ORIGIN, THE TRANSIT AND FINAL DESTINATION COUNTRIES, AS A METHOD OF TRACKING THE PROBLEM. ALSO INCLUDED IN THE REPORT FROM THE CONFERENCE IN THE HAGUE WAS A RECOMMENDATION TO IDENTIFY RESOURCES AVAILABLE FOR ASSISTANCE TRAINING PROGRAMS AND SAFE HOUSES FOR TRAFFICKED WOMEN OR WOMEN AT RISK. THE CONFERENCE CONCLUDED THAT TEMPORARY RESIDENCE PERMITS SHOULD BE ISSUED TO WOMEN WHO ARE VICTIMS OF SEXUAL EXPLOITATION AND TRAFFICKING TO REMAIN IN EU COUNTRIES IN ORDER TO TESTIFY AGAINST THEIR CAPTORS. DUTCH DEL SAID EU COUNTRIES SHOULD TRY TO WORK TOGETHER TO PROSECUTE OFFENDERS AND DEVELOP LEGISLATION TO ALLOW COUNTRIES TO SEIZE THE PROPERTY AND ASSETS OF TRAFFICKERS. LUXEMBOURG DEL INVITED THE U.S. AND CANADA TO A SPECIAL CIREFI MEETING IN OCTOBER FOCUSING ON THIS ISSUE.

4. (U) USDEL NOTED THE SECRETARY OF STATE'S INTEREST IN THIS TRAFFICKING ISSUE AND EMPHASIZED THE NEED TO ADDRESS ALL ASPECTS OF THE TRAFFICKING PROBLEM, INCLUDING PREVENTION. USDEL ADDED THAT IT WAS CONCERNED ABOUT WOMEN BEING TRAFFICKED TO THE U.S., WHO ARE FORCED INTO ALL FORMS OF LABOR EXPLOITATION, INCLUDING SWEATSHOP AND OTHER ABUSIVE WORK ENVIRONMENTS. FRENCH DEL AGREED WITH USDEL POINT THAT ALL FORMS OF LABOR EXPLOITATION MUST BE COMBATED AND ALSO NOTED THE HORRIBLE WORK ENVIRONMENT THAT CAN EXIST IN THE GARMENT AND OTHER INDUSTRIES IN FRANCE.

5. (U) CANADIAN DEL SAID THE GOC FACED A PROBLEM IN IDENTIFYING THE DIMENSIONS OF THE TRAFFICKING ISSUE RELATED TO PROSTITUTION AND ASKED FOR SUGGESTIONS. NETHERLANDS DEL SUGGESTED THAT IN ADDITION TO DISTRIBUTING INFORMATION IN EMBASSIES ABROAD, THE EMBASSIES SHOULD BE CAREFUL TO ENSURE THAT THE FEMALE TRAVELERS, NOT THE TRAFFICKERS, PICK UP THE VISAS. GERMANY SUGGESTED GREATER COOPERATION BETWEEN THE LOCAL POLICE, BORDER POLICE, AND IMMIGRATION AUTHORITIES, A STRATEGY THAT HAS WORKED WELL FOR THEM IN ADDRESSING THE TRAFFICKING OF WOMEN FROM EASTERN AND CENTRAL EUROPE. AUSTRIA DESCRIBED A NEW LAW TO GRANT HUMANITARIAN RESIDENCY TO VICTIMS OF TRAFFICKING SO THAT

THEY MAY TESTIFY AND REMAIN IN AUSTRIA THEREAFTER.  
EU TRAVEL DOCUMENTS FOR MINORS  
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6. (SBU) USDEL/NOYES GAVE A PRESENTATION ON THE MISUSE OF EU  
UNCLAS SECTION 02 OF 04 BRUSSELS 004774

DEPT FOR PRM, CA, EUR, INL  
HQINS FOR IAO/ AND D & D/RASCON  
ROME AND LONDON ALSO FOR INS

SENSITIVE BUT UNCLASSIFIED, PROTECT ACCORDINGLY

E.O.12958: NA  
TAGS: SMIG, PREF, KFRD, KCRM, EUN  
SUBJECT: U.S.-EU MIGRATION CONSULTATIONS AT "CIREFI"

FAMILY PASSPORTS. AN ADULT WITH AN EU FAMILY PASSPORT (WHICH INCLUDES CHILDREN) CAN USE IT FRAUDULENTLY TO ESCORT CHILDREN INTO THE U.S. FOR EXAMPLE, A FAMILY APPLIES TO ENTER THE U.S. UNDER THE VISA WAIVER PROGRAM WITH A FAMILY PASSPORT WHICH DOES NOT INCLUDE PHOTOS OF THE CHILDREN OR ANY IDENTIFYING INFORMATION. THE FAMILY THEN REAPPLIES SEVERAL WEEKS LATER BRINGING IN THEIR CHILDREN (WHO INS HAS NO RECORD EVER LEFT THE U.S. AFTER THE PRECEDING TRIP). INSPECTORS FIND IT HARD TO VERIFY THEIR IDENTITIES UPON ARRIVAL. PASSPORTS FOR NATIONALITIES COVERED BY THE VISA WAIVER PROGRAM ARE MOST HEAVILY USED. THE LACK OF CHILDREN'S PHOTOS INCREASES THE OCCURENCE OF RECYCLING OF FALSE PASSPORTS. NOYES CITED AN INS INVESTIGATION AT NEWARK AIRPORT INTO A CAMBODIAN SMUGGLING NETWORK WHERE AN ADULT ARRIVED WITH A CHILD, THEN DEPARTED A DAY OR TWO LATER WITHOUT THE CHILD. THE MOTIVE, SHE EXPLAINED, IS NOT JUST FAMILY REUNIFICATION BUT ALSO TRAFFICKING OF CHILDREN FOR ILLICIT PURPOSES AND INDENTURED LABOR. THE SUCCESS RATE OF TRAFFICKING CHILDREN UNDER THESE CIRCUMSTANCES IS HIGH; THE VICTIMS ARE OFTEN INDIAN AND CHINESE BOYS BETWEEN THE AGES OF 8 AND 12. THE PROBLEM IS COMPOUNDED BY A LACK OF A PHOTO IN THE ORIGINAL APPLICATION. USDEL ASKED WHETHER DELEGATES COULD SEE A DAY WHEN THE EU WOULD STANDARDIZE PASSPORT ISSUANCE PROCEDURES, AND ABOLISH FAMILY PASSPORTS. USDEL REQUESTED COLLEAGUES TO BRING THE MESSAGE BACK TO THEIR CAPITALS ABOUT THE POTENTIAL ABUSE OF FAMILY PASSPORTS.

7. (SBU) PRESIDENCY AGREED THIS IS AN EXTREMELY SERIOUS PROBLEM AND NOTED THAT THE USG HAD ALSO RAISED ITS CONCERNS IN A SECOND PILLAR CONSULAR TROIKA MEETING. FRENCH DEL MENTIONED THAT CHILDREN OVER SEVEN MUST HAVE THEIR PICTURE ON A FAMILY PASSPORT AND CHILDREN OVER 15 MUST HAVE THEIR OWN PASSPORT WITH PICTURE. FRANCE IS CONSIDERING LOWERING THE AGE FOR THE PICTURE REQUIREMENT TO ONE BUT POINTED OUT THE DIFFICULTY IN RECOGNIZING SMALL CHILDREN FROM BABY PHOTOS. SWEDEN REQUIRES PHOTOS FOR ALL CHILDREN OVER THE AGE OF TWO AS WELL AS PERSONAL DATA. AUSTRIA REQUIRES CHILDREN OVER THE AGE OF TWELVE TO HAVE THEIR OWN PASSPORT WITH PHOTO, BUT CHILDREN UNDER THAT AGE MAY REMAIN ON A FAMILY PASSPORT WITHOUT A PICTURE. AUSTRIA EXPRESSED THE SAME CONCERNS AS FRANCE ON IDENTIFYING SMALL CHILDREN BY OUTDATED PHOTOS. DUTCH DEL SAID HE WAS AWARE OF THE PROBLEM DESCRIBED BY USDEL WITH FAMILY PASSPORTS, BUT THE

GON HAD BEEN UNABLE TO CONFIRM THAT TRAFFICKING OF CHILDREN ACTUALLY OCCURRED.

FALSE DOCUMENTS AND STOLEN BLANK DOCUMENTS

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8. (SBU) AT THE DECEMBER CIREFI MEETING, USDEL PRESENTED CONCERNS OVER STOLEN EU PASSPORTS, IN PARTICULAR BELGIAN PASSPORTS, BEING USED TO ENTER THE U.S. IN RESPONSE, THE BELGIAN DEL PRESENTED A REPORT ON THE PROGRESS THAT HAS BEEN MADE SINCE. PASSPORT ISSUANCE IS HIGHLY DECENTRALIZED IN BELGIUM; LOCAL OFFICES ARE HIGHLY VULNERABLE TO BREAK-INS, THE BELGIAN DEL ADMITTED. HE SAID A TWO-STAGE APPROACH TO RESOLVE THIS PROBLEM WILL BEGIN IN OCTOBER. DURING THE FIRST STAGE, ALL BLANK DOCUMENTS WILL BE ISSUED AND CONTROLLED BY A CENTRAL AUTHORITY, ALTHOUGH LOCAL AUTHORITIES WILL ACCEPT PASSPORT APPLICATIONS. DOCUMENTS WILL BE ISSUED TWO-TO-THREE WEEKS AFTER APPLICATION AND IN CASES OF URGENCY WITHIN 48 HOURS. EXTRAORDINARY CASES, FOR EXAMPLE, HUMANITARIAN ISSUES WILL BE HANDLED BY THE FOREIGN MINISTRY. CURRENTLY VALID BELGIAN PASSPORTS WILL NOT HAVE TO BE TURNED IN. THE NEW PASSPORTS WILL BE MACHINE READABLE AND VALID FOR FIVE YEARS. THE SECOND STAGE, FOR WHICH A STARTING DATE IS NOT YET KNOWN, WILL APPLY THE SAME MEASURES TO PASSPORTS ISSUED AT EMBASSIES ABROAD. USDEL NOTED THE IMPACT OF LARGE-SCALE THEFT OF BLANK BELGIAN PASSPORTS ON LEGITIMATE BELGIAN TRAVELLERS, AND URGED THE GOB TO MOVE AHEAD QUICKLY.

9. (U) THERE WAS A TOUR DE TABLE ON PASSPORT CONTROL. FRENCH DEL NOTED THAT THE GOF WILL SOON INTRODUCE MACHINE READABLE DOCUMENTS AND TIGHTER SECURITY IN ISSUING PASSPORTS. ITALY IS PLANNING TO INTRODUCE A NEW MACHINE READABLE PASSPORT. DENMARK HAS INTRODUCED A MACHINE READABLE PASSPORT THAT INCLUDES A PICTURE AND PERSONAL DATA. THE NETHERLANDS IS FINALIZING A NEW PASSPORT WITH TOUGHER ANTI-FRAUD PROTECTIONS, TO BE ISSUED THIS FALL. ALL EXISTING UNISSUED DUTCH PASSPORTS WILL BE RECALLED AND BLANK STOCKS DESTROYED. FINLAND DISCUSSED A NEW CENTRALIZED REGISTRY ON STOLEN TRAVEL DOCUMENTS FROM FOREIGN COUNTRIES, AND URGED PARTICIPANTS TO PROVIDE THE GOF WITH INFORMATION ON SUCH DOCUMENTS.

10. (SBU) CANADA NOTED THAT STOLEN PASSPORTS FROM THE U.K. ARE THE EU PASSPORTS MOST OFTEN USED TO REACH CANADA. CITIZENS OF INDIA, SRI LANKA, PAKISTAN AND CHINA HAVE BEEN ALTERING BRITISH PASSPORTS BY PHOTO SUBSTITUTION. IRANIANS AND IRAQIS HAVE USED GREEK PASSPORTS, EVEN THE NEW, MORE SECURE VERSIONS. THE UNCLAS SECTION 03 OF 04. BRUSSELS 004774

DEPT FOR PRM, CA, EUR, INL  
HQINS FOR IAO/ AND D & D/RASCON  
ROME AND LONDON ALSO FOR INS

SENSITIVE BUT UNCLASSIFIED, PROTECT ACCORDINGLY

E.O.12958: NA  
TAGS: SMIG, PREF, KFRD, KCRM, EUN  
SUBJECT: U.S.-EU MIGRATION CONSULTATIONS AT "CIREFI"

FRENCH PASSPORT IS BEING USED BY ALGERIANS AND PEOPLE FROM

USED BY CITIZENS OF ZAIRE, PAKISTAN, THE FORMER YUGOSLAVIA AND SRI LANKA.

U.K. RAISES IMPACT OF U.S. PRE-BOARDING CHECKS  
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11. (SBU) THE U.K. DEL DISCUSSED THE IMPACT OF FOREIGN AIRLINE LIASON OFFICERS (ALOS) IN U.K. AIRPORTS IN IDENTIFYING FALSE PASSPORTS AND MALAFIDE TRAVELLERS' VISAS. THEY SUGGESTED THAT MORE THOROUGH CONTROL CHECKS BE DONE AT THE POINT OF ORIGIN WHEREVER POSSIBLE TO IDENTIFY PROBLEM PASSENGERS BEFORE TRAVEL BEGINS. THIS WILL REDUCE THE NUMBER OF PEOPLE WHO ARE INTERCEPTED EN ROUTE IN THE U.K. AND THEN CLAIM ASYLUM THERE. WHILE EMPHASIZING THAT THE U.K. SUPPORTS ALL EFFORTS TO COMBAT ILLEGAL TRAVEL, THE U.K. REP NOTED THAT AMERICAN ALOS IN HEATHROW AIRPORT HAD BEEN "ALMOST TOO SUCCESSFUL" IN IDENTIFYING FALSE PASSPORTS BECAUSE THE NUMBER OF ASYLUM SEEKERS FROM THOSE FLIGHTS HAD RISEN>. FRANCE EMPHASIZED THAT THE GOF HAD EXPERIENCED A SIMILAR PROBLEM IN PARIS WITH PASSENGERS WITH INTERRUPTED TRAVEL AND FALSE DOCUMENTS IMMEDIATELY SEEKING ASYLUM.

12. (SBU) USDEL/INS EXPRESSED UNDERSTANDING OF THE BRITISH AND FRENCH POSITIONS, AND UNDERLINED THE USG'S GRATITUDE FOR THEIR SUPPORT. USDEL AGREED THAT IT WAS IMPORTANT TO TACKLE THE PROBLEM AT ITS SOURCE AND STATED THAT IT WILL TRY TO TARGET SOURCE COUNTRIES NOT TRANSIT COUNTRIES. THE U.S. IS WORKING TO ESTABLISH SIMILAR PROGRAMS IN SOUTH AND CENTRAL AMERICA. CANADA EXPRESSED THE SAME SENTIMENTS AND SAID IT WOULD CONCENTRATE ON ASIA AS A POINT OF DEPARTURE.  
REMOVALS: COOPERATION AND "BEST PRACTICES"  
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13. (SBU) AT THE LAST CIREFI MEETING, THE UNITED STATES HAD EMPHASIZED THE NEED TO STEP UP COOPERATION ON THIS ISSUE. CANADA ADDRESSED THE TOPIC AGAIN AND HIGHLIGHTED THE PROBLEMS IN CONVINCING COUNTRIES SUCH AS CHINA TO ACCEPT THEIR CITIZENS AFTER THEY HAD BEEN EXPELLED. CANADA HAS BEEN TRYING TO MEET STRINGENT CONDITIONS TO PROVE TO THESE COUNTRIES THAT THEY MUST TAKE THEIR CITIZENS BACK THE CANADIAN DELEGATION MADE A REQUEST TO ALLOW DEPORTEES TO TRAVEL TO THE EU IN TRANSIT AND SUGGESTED THAT ALL DELEGATIONS WORK TOGETHER TO FIND SUCCESSFUL STRATEGIES TO DEAL WITH THIS ISSUE. CANADA ALSO REQUESTED THAT COUNTRIES TAKE INITIATIVES TO EXAMINE THE CHALLENGES CERTAIN COUNTRIES POSE AND PROPOSE SOLUTIONS. THE PRESIDENCY REFERRED THE CANADIAN DELEGATION TO CIREFI DOCUMENT 11, WHICH OUTLINES THE PROBLEMS THAT EU MEMBERS HAVE HAD AND THEIR PROPOSED SOLUTIONS.

14. (SBU) USDEL/INS OUTLINED THE EFFORTS MADE BY THE U.S. SINCE THE LAST MEETING IN DECEMBER. INS HAS BEEN INSTRUCTED TO RAISE THE NUMBER OF DEPORTEES FROM 25,000 TO 100,000 A YEAR. MORE SHARING OF INFORMATION IS NEEDED BY THE U.S. TO SOLVE THE PROBLEMS POSED BY REMOVALS. THE U.S. REQUESTED THE HELP OF EU TRANSIT AIRPORTS AS WELL AS DESTINATION AIRPORTS TO COORDINATE REMOVALS. INFORMATION ON ESCORTS AND THE PERSONAL DATA OF THE ILLEGAL ALIENS IS EXTREMELY HELPFUL. THE U.S. OUTLINED THE NEW PROGRAMS DEVELOPED TO EXPEDITE REMOVALS. THE PROCESS OF EXPEDITED REMOVALS HAS BEEN IN EFFECT SINCE APRIL 1. THIS

REQUIRES REMOVAL AT THE BORDER UPON ENTRY AND A MANDATORY DETENTION PERIOD TO MINIMIZE THE FLIGHT RISK OF THE ALIEN. APPROXIMATELY 15,000 INDIVIDUALS WILL BE REMOVED ANNUALLY THROUGH THIS PROCEDURE. THE INSTITUTIONAL HEARING PROGRAM WILL EASE THE REMOVAL OF CRIMINAL ALIENS THROUGH COOPERATION OF CORRECTIONAL FACILITIES AND THE JUDICIAL SYSTEM. CORRECTIONAL FACILITIES WILL EXPEDITE THE REMOVAL OF CRIMINAL ALIENS UPON SENTENCING.

15. (SBU) SPAIN QUESTIONED U.S. POLICY ON ESCORTS FOR ALIENS FROM THE U.S. TO TRANSIT COUNTRIES AND BEYOND. THE U.S. CLARIFIED THAT ESCORTS CONTINUED WITH THE ALIENS TO THE FINAL DESTINATION WHENEVER POSSIBLE, BUT THAT IS DETERMINED ON A CASE BY CASE BASIS BECAUSE SOME COUNTRIES DID NOT ALLOW U.S. OFFICIALS TO TRANSPORT ALIENS THROUGH THEIR AIRPORTS. AUSTRIA NOTED ITS OBJECTION TO THIS POLICY CITING THAT IT WAS UNFAIR TO ASK A TRANSIT COUNTRY TO TRANSPORT ALIENS FROM THE U.S. TO THEIR FINAL DESTINATION. CANADA HIGHLIGHTED ITS SUCCESS IN REMOVING INDIVIDUALS TO THEIR FINAL DESTINATION AND EMPHASIZED THAT IT WAS CANADA'S RESPONSIBILITY TO ESCORT THESE PEOPLE TO THEIR COUNTRIES.

16. (SBU) IRELAND RAISED THE USE OF CHARTER FLIGHTS TO RETURN ALIENS TO THEIR COUNTRIES AND THE POSSIBILITY OF SHARING THE COST WITH OTHER COUNTRIES. GERMANY NOTED ITS SUCCESS IN USING CHARTER FLIGHTS FOR REMOVALS BUT THAT DUE TO CERTAIN LOGISTICAL RESTRAINTS, COORDINATION MAY BE DIFFICULT. USDEL NOTED ITS UNCLAS SECTION 04 OF 04 BRUSSELS 004774

DEPT FOR PRM, CA, EUR, INL  
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TAGS: SMIG, PREF, KFRD, KCRM, EUN  
SUBJECT: U.S.-EU MIGRATION CONSULTATIONS AT "CIREFI"

INTEREST IN USING CHARTER FLIGHTS FOR REMOVALS AND OFFERED TO PROVIDE FOLLOW-UP INFORMATION ON THE U.S. EXPERIENCE TO CIREFI. SEVERAL PARTICIPANTS REFERENCED THE WORK DONE BY THE INTERGOVERNMENTAL CONFERENCE IN THIS REGARD.  
ILLEGAL MIGRATION TO GERMANY  
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17. (SBU) GERMAN DEL PRESENTED A REPORT ON THE MAJOR LAND AND AIR SMUGGLING ROUTES USED TO BRING PEOPLE INTO EUROPE, WITH AN EMPHASIS ON THE ROUTES TO AND THROUGH GERMANY. THE MAIN GROUPS COMING INTO GERMANY ILLEGALLY ARE FROM AFGHANISTAN, TURKEY, THE EX-YUGOSLAVIA, AND SRI LANKA. ORGANIZED NETWORKS OFFER ENTRY INTO GERMANY THROUGH EASTERN EUROPE, WITH THE CZECH REPUBLIC AND HUNGARY AS THE MAIN GATEWAYS FOR PEOPLE COMING IN BY LAND FROM THE MIDDLE EAST, BULGARIA AND ROMANIA, AND BY AIR FROM ASIA, THE MIDDLE EAST AND AFRICA. POLAND IS USED AS A LAND ROUTE FROM THE FORMER SOVIET UNION.

18. (U) USDEL ASKED FOR GERMANY'S EXPERIENCES WITH PEOPLE BEING SMUGGLED THROUGH IN TRANSIT TO THE U.S. THE GERMANS MENTIONED

TWO TRANSIT ROUTES TO THE U.S., THROUGH THE FRANKFURT AIRPORT, AND BY LAND THROUGH THE ROUTES DESCRIBED ABOVE. MANY ILLEGAL IMMIGRANTS SPEND SOME TIME IN GERMANY BEFORE TRAVELLING ON TO THE U.S. AND ARE PROVIDED WITH PAPERS BY THE NETWORKS. CANADA AND AUSTRIA MENTIONED THE ABUSE OF HUNGARIAN AND CZECH DOCUMENTS BY ROMANIANS AND EASTERN AND CENTRAL EUROPEAN ROMA POPULATIONS.

CARRIER LIABILITY  
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19. (U) CANADA DEL MADE A PRESENTATION ON THE GOC'S CARRIER LIABILITY POLICIES. USDEL OUTLINED PROPOSED CHANGES IN U.S. CARRIER LIABILITY. ALL FINES WOULD BE INCREASED BY 10% IN THE NEAR FUTURE, BUT THE USG HAS DEVELOPED A SYSTEM TO REDUCE, REFUND OR MITIGATE FINES IF CARRIERS CAN DEMONSTRATE THAT PASSENGERS HAD BEEN SCREENED BEFORE TAKE-OFF. THE AMOUNT MITIGATED WOULD DEPEND ON THE CARRIER'S TRACK RECORD IN TRANSPORTING ILLEGAL TRAVELLERS. USDEL OFFERED TO PROVIDE NEW GUIDELINES TO CIREFI PARTICIPANTS ONCE AVAILABLE. CANADA'S IMMIGRATION CONTROL  
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20. (U) THE CANADIAN DELEGATION PRESENTED A DETAILED OVERVIEW OF CANADA'S IMMIGRATION CONTROL STRATEGY, INCLUDING A DISCUSSION OF SMUGGLING TO CANADA AND EUROPE. THEY NOTED THAT MANY INDIVIDUALS WILL USE ILLEGAL NETWORKS TO OBTAIN A PASSPORT FROM A COUNTRY SUCH AS FRANCE, WHOSE CITIZENS DO NOT NEED A VISA TO ENTER CANADA OR TO PURCHASE DOCUMENTS FOR LEGAL CANADIAN ALIEN RESIDENTS. THEY ALSO RAISED THE PROBLEM OF ASYLUM-SEEKERS WHO TRANSIT EUROPE TO MAKE CLAIMS IN CANADA, AND OFFERED TO SHARE INFORMATION WITH THE EU ON INDIVIDUAL CASES. THE SHERLOCK PROGRAMME  
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21. (U) THE PRESIDENCY INVITED THE U.S. AND CANADA TO PARTICIPATE, AS APPROPRIATE, IN THE "SHERLOCK" FAKE DOCUMENTS TRAINING PROGRAM. USEU WILL FOLLOW UP WITH THE COMMISSION AND RELAY INFORMATION TO STATE/CA AND INS..

22. (U) USDEL DID NOT HAVE AN OPPORTUNITY TO CLEAR THIS MESSAGE BEFORE DEPARTURE.

(DRAFTED: POL: CKLEIN)

WEAVER

**SECT:** SECTION: 01 OF 04  
<^SECT>SECTION: 02 OF 04  
<^SECT>SECTION: 03 OF 04  
<^SECT>SECTION: 04 OF 04

**SSN:** 4774  
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**TOR:** 970702124815 M2831270  
<^TOR>970702124901 M2831272  
<^TOR>970702125210 M2831278  
<^TOR>970702125439 M2831288

**DIST:**  
SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHSJA1990 1831807-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 021807Z JUL 97  
**LINE4:** FM AMEMBASSY SAN JOSE  
**OSRI:** RUEHSJ  
**DTG:** 021807Z JUL 97  
**ORIG:** AMEMBASSY SAN JOSE  
**TO:** RUEHC/SECSTATE WASHDC 0322  
**INFO:** RHLBAAA/USCINCSO QUARRY HEIGHTS PM  
RUEHZA/ALCA COLLECTIVE  
RUEHDG/AMEMBASSY SANTO DOMINGO 0085  
RUEHME/AMEMBASSY MEXICO 2015  
RUCPDOG/USDOC WASHDC  
RUEHC/DEPTLABOR WASHDC  
**SUBJ:** VOLUNTARY CODE OF CONDUCT FOR COSTA RICAN  
TEXTILE CHAMBER  
  
**TEXT:**  
UNCLAS SECTION 01 OF 03 SAN JOSE 001990  
  
STATE FOR ARA/PPCP (BOOTH), ARA/CEN, DRL/IRL (IRONS)  
  
LABOR FOR ILAB (WHOLEY, PEREZ-LOPEZ, ROSEN)  
  
MEXICO FOR LABOR ATTACHE (JOHN RITCHIE)  
  
E.O. 12958: N/A  
TAGS: ELAB, PGOV, PHUM, PINR, PREL, SOCI, CS, US  
SUBJECT: VOLUNTARY CODE OF CONDUCT FOR COSTA RICAN  
TEXTILE CHAMBER  
  
REFS: A) SAN JOSE 2743 (NOTAL)  
B) SAN JOSE 1340 (NOTAL)  
C) STATE 70345 (NOTAL)  
D) SAN JOSE 0618 (NOTAL)  
E) STATE 32234 (NOTAL)  
  
1. SUMMARY: THE COSTA RICAN TEXTILE CHAMBER IS  
ENCOURAGING ITS MEMBERS TO ADOPT A VOLUNTARY CODE OF  
CONDUCT. AMONG OTHER PROVISIONS, THE CODE SAFEGUARDS  
A WIDE RANGE OF ECONOMIC, SOCIAL, AND OTHER WORKERS'  
RIGHTS. EMBASSY CONSIDERS THE CODE WORTHY OF SHARING  
WITH PRIVATE-SECTOR ORGANIZATIONS IN OTHER LATIN  
AMERICAN AND CARIBBEAN NATIONS. END SUMMARY.  
  
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VOLUNTARY CODE OF CONDUCT  
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2. THE COSTA RICAN TEXTILE CHAMBER (CATECO) HAS DEVELOPED A VOLUNTARY CODE OF CONDUCT FOR ITS MEMBERS. AS AN INITIATIVE TO FOLLOW UP THE PRESIDENT'S APPAREL INDUSTRY PARTNERSHIP AGREEMENT (REF C), THIS ORGANIZATION HAS ENCOURAGED ALL ITS MEMBERS TO RATIFY THE CODE. AMONG OTHER PROVISIONS, THE CODE PROTECTS THE RIGHT OF ASSOCIATION, MANDATES PAYMENT OF ALL SALARIES, BENEFITS, AND OVERTIME REQUIRED BY LOCAL LAWS, PROHIBITS THE USE OF CHILD OR FORCED LABOR, ENCOURAGES DEVELOPMENT OF PRODUCTION PROCESSES FAVORABLE TO THE ENVIRONMENT, BANS PHYSICAL, SEXUAL, PSYCHOLOGICAL, OR VERBAL ABUSE, AND PROHIBITS DISCRIMINATION BASED ON RACE, RELIGION, ETHNIC ORIGIN, LANGUAGE, OR OTHER SOCIAL CONDITIONS. THE CODE INCLUDES ESTABLISHMENT OF A CONDUCT AND ETHICS COMMITTEE TO OVERSEE ENFORCEMENT AND MEDIATE DISPUTES. EMBASSY WILL SEND THE SPANISH AND ENGLISH TEXTS OF THE CODE BY FACSIMILE TO THE DEPARTMENT (ARA/PPCP).

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TEXT OF CODE  
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3. AN ENGLISH TRANSLATION OF THE CODE OF CONDUCT FOLLOWS:

BEGIN TEXT OF TRANSLATION:

COSTA RICAN TEXTILE CHAMBER CODE OF CONDUCT

THE COSTA RICAN TEXTILE CHAMBER (CATECO) IS AWARE OF THE PARTICIPATION AND RESPONSIBILITY OF COMPANIES IN THIS PRODUCTIVE SECTOR TOWARDS THE INDUSTRIAL DEVELOPMENT OF THE COUNTRY.

AS CITIZENS OF THE WORLD AND MEMBERS OF COSTA RICAN SOCIETY, WE ASSUME A COMMITMENT TO CONDUCT OUR BUSINESS ACTIVITY WITHIN THE FRAMEWORK OF PRINCIPLES CONTAINED IN THE POLITICAL CONSTITUTION AND THE PREVAILING LAWS OF OUR COUNTRY. THIS COMMITMENT IS BASED ON RESPECT AND PROMOTION OF HUMAN BEINGS, CONTINUOUS IMPROVEMENT OF LABOR CONDITIONS AND SECURITY, PRODUCTION THAT IS HARMONIOUS WITH THE ENVIRONMENT, AND A CONSTANT SEARCH FOR HIGH STANDARDS OF QUALITY DIRECTED TOWARDS ACHIEVING EXCELLENCE IN TEXTILE PRODUCTION AND MANUFACTURING.

ARTICLE ONE

WE ASSUME OUR DUTY TO THE COSTA RICAN NATION.

ARTICLE TWO: ETHICS

WE AGREE TO RUN OUR COMPANIES, ALWAYS OBSERVING THE ETHICAL PRINCIPLES THAT MUST RULE HUMAN CONDUCT, AND WE SHALL BE VIGILANT FOR OUR CLIENTS, SUPPLIERS, AND CONTRACTORS TO COMPLY WITH THESE PRINCIPLES.

ARTICLE THREE: WORK

A. SALARIES AND BENEFITS. WE RECOGNIZE THAT SALARY IS A FUNDAMENTAL ISSUE FOR WORKERS TO SATISFY THEIR BASIC NEEDS AND WELL-BEING AND ACHIEVE A DIGNIFIED UNCLAS SECTION 02 OF 03 SAN JOSE 001990

STATE FOR ARA/PPCP (BOOTH), ARA/CEN, DRL/IRL (IRONS)

LABOR FOR ILAB (WHOLEY, PEREZ-LOPEZ, ROSEN)

MEXICO FOR LABOR ATTACHE (JOHN RITCHIE)

E.O. 12958: N/A

TAGS: ELAB, PGOV, PHUM, PINR, PREL, SOCI, CS, US  
SUBJECT: VOLUNTARY CODE OF CONDUCT FOR COSTA RICAN  
TEXTILE CHAMBER

EXISTENCE. CONSEQUENTLY, WE ARE COMMITTED TO ENSURING THAT WORKERS IN THE TEXTILE AND MANUFACTURING INDUSTRY RECEIVE THE SALARIES AND BENEFITS THAT ARE LAWFULLY THEIRS, IN CONFORMITY WITH NATIONAL LEGISLATION, WITHOUT INFRINGING ON THE BENEFITS THAT EACH COMPANY OFFERS BASED ON ITS INTERNAL POLICIES.

B. OVERTIME. WORKER OVERTIME WILL BE AGREED UPON AND PAID FOR IN CONFORMITY WITH TERMS ESTABLISHED IN THE POLITICAL CONSTITUTION AND THE LABOR CODE.

C. CHILDHOOD. IN COMPLIANCE WITH THE LAWS OF THE REPUBLIC AND THE CONVENTION ON RIGHTS OF THE CHILD, NO MINORS WILL BE HIRED.

D. RESPECT AND DIGNITY. WE ACKNOWLEDGE THE RIGHT OF WORKERS TO BE TREATED WITH RESPECT AND DIGNITY. CONSEQUENTLY, NO ONE WILL BE SUBJECTED TO HARASSMENT OR PHYSICAL, SEXUAL, PSYCHOLOGICAL OR VERBAL ABUSE.

E. EQUALITY OF OPPORTUNITIES. IN CONFORMITY WITH THE LAWS OF THE REPUBLIC AND PREVAILING INTERNATIONAL AGREEMENTS, NO INDIVIDUAL WILL BE DISCRIMINATED AGAINST BECAUSE OF RACE, COLOR, SEX, LANGUAGE, RELIGION, POLITICAL OR ANY OTHER KIND OF OPINION, NATIONAL OR SOCIAL ORIGIN, ECONOMIC POSITION, BIRTH, OR ANY OTHER SOCIAL CONDITION. WE ACKNOWLEDGE AND RESPECT ETHNIC AND CULTURAL DIFFERENCES. CRITERIA FOR SELECTION OF EMPLOYEES WILL BE BASED ON THE KNOWLEDGE AND ABILITIES THAT ENABLE THEM TO PERFORM SATISFACTORILY THE JOB FOR WHICH THEY ARE CHOSEN. THE SALARY WILL ALWAYS BE THE SAME FOR EQUAL WORK UNDER IDENTICAL CONDITIONS OF EFFICIENCY.

F. HEALTH AND SAFETY. WORK WILL BE DEVELOPED IN HEALTHY AND SECURE ENVIRONMENTS, AND TRAINING ON HEALTH PRACTICES AND LABOR SAFETY WILL BE PROVIDED TO CONSOLIDATE A CULTURE BASED ON RISK PREVENTION AT WORK.

G. FREEDOM OF ASSOCIATION. WE RECOGNIZE THE RIGHT OF WORKERS TO ASSOCIATE FREELY, IN CONFORMITY WITH PREVAILING CONSTITUTIONAL AND LEGAL PROVISIONS IN THE COUNTRY.

H. EDUCATION, SPORTS, AND RECREATION. WE SHALL PROMOTE THE SPIRITUAL, PHYSICAL, AND MENTAL DEVELOPMENT OF EMPLOYEES BY PROVIDING TRAINING AND OFFERING SPORTS AND RECREATION FACILITIES, SEEKING TO ACHIEVE A HARMONIOUS AND INTEGRAL DEVELOPMENT OF HUMAN BEINGS.

I. FORCED LABOR. WE REPUDIATE FORCED LABOR.

ARTICLE FOUR: ENVIRONMENT

WE SHALL IMPLEMENT POLICIES TO ACHIEVE CLEAN PRODUCTION PROCESSES TO BENEFIT THE ENVIRONMENT AND NATURE, UNDERSTANDING THIS LAST ONE AS THE ENTIRETY, THE ORDER, AND THE DISPOSITION OF EVERY ENTITY COMPRISING THE UNIVERSE.

ARTICLE FIVE: COMMUNITY

WE SHALL CONTRIBUTE, ACCORDING TO OUR POSSIBILITIES, TO THE DEVELOPMENT OF THE COMMUNITIES WHERE OUR INDUSTRIAL PLANTS ARE LOCATED.

ARTICLE SIX: HUMAN RIGHTS

WE ADHERE TO THE PROVISIONS OF THE INTER-AMERICAN CONVENTION ON HUMAN RIGHTS, "THE PACT OF SAN JOSE, COSTA RICA," SIGNED IN SAN JOSE, COSTA RICA, ON NOVEMBER 22, 1969, AND RATIFIED BY OUR COUNTRY ON APRIL 8, 1970.

ARTICLE SEVEN: COMPLIANCE

WE SHALL RESPECT THE DIRECTIVES AND PRONOUNCEMENTS OF THE CONDUCT AND ETHICS COMMITTEE OF THE COSTA RICAN TEXTILE CHAMBER, RESPONSIBLE FOR SUPERVISING AND EVALUATING THE OBSERVANCE OF THIS CODE ON THE PART OF UNCLAS SECTION 03 OF 03 SAN JOSE 001990

STATE FOR ARA/PPCP (BOOTH), ARA/CEN, DRL/IRL (IRONS)

LABOR FOR ILAB (WHOLEY, PEREZ-LOPEZ, ROSEN)

MEXICO FOR LABOR ATTACHE (JOHN RITCHIE)

E.O. 12958: N/A

TAGS: ELAB, PGOV, PHUM, PINR, PREL, SOCI, CS, US  
SUBJECT: VOLUNTARY CODE OF CONDUCT FOR COSTA RICAN  
TEXTILE CHAMBER

ITS ASSOCIATES.

ARTICLE EIGHT

WE REITERATE OUR COMMITMENT STRICTLY TO OBEY AND RESPECT THE LAWS OF THE REPUBLIC.

REPRESENTING A COMPANY THAT IS ASSOCIATED WITH THE COSTA RICAN TEXTILE CHAMBER, I AGREE TO COMPLY WITH THE STANDARDS DESCRIBED IN THE PRESENT CODE, IN THE PROFESSIONAL, PRODUCTIVE, AND COMMERCIAL ASPECTS.

SAN JOSE, COSTA RICA, ON THIS (DATE) OF THE MONTH OF (MONTH), 1997

(SIGNATURE)

(SIGNATURE)

GENERAL MANAGER  
IDENTITY OR PASSPORT  
NUMBER

LEGAL REPRESENTATIVE  
IDENTITY OR PASSPORT  
NUMBER

END OF TRANSLATION.

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SAFETY RECOGNITION PROGRAM, TOO  
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4. CATECO HAS ALSO STARTED A PROGRAM TO RECOGNIZE MEMBERS AS "MODEL COMPANIES" FOR REGISTERING ANNUAL ACCIDENT RATES OF 5.9 PERCENT OR LESS, ESTABLISHING FORMAL OCCUPATIONAL SAFETY DEPARTMENTS OR COMMITTEES, ORGANIZING SUBCOMMITTEES OR BRIGADES IN SPECIFIC AREAS, AND PROVIDING TRAINING FOR THEIR PERSONNEL. CATECO RECENTLY HONORED FIVE MEMBERS, EMPLOYING OVER 5,800 WORKERS, AS "MODEL COMPANIES" DURING THE 1996 CALENDAR YEAR.

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COMMENT  
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5. THE CODE APPEARS TO BE A MEANINGFUL AND PROGRESSIVE MECHANISM FOR PROMOTING GREATER RESPECT FOR WORKER RIGHTS. IN OUR VIEW, THE CODE MERITS SHARING WITH PRIVATE-SECTOR LEADERS OF OTHER LATIN AMERICAN AND CARIBBEAN COUNTRIES FOR THEIR CONSIDERATION.

BALTIMORE

**SECT:** SECTION: 01 OF 03  
<^SECT>SECTION: 02 OF 03  
<^SECT>SECTION: 03 OF 03  
**SSN:** 1990  
<^SSN>1990  
<^SSN>1990  
**TOR:** 970702153109 M2831581  
<^TOR>970702153213 M2831583  
<^TOR>970702153214 M2831584

**DIST:**

SIT: NSC

# Cable

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**PREC:** ROUTINE  
**CLASS:** UNCLASSIFIED  
**LINE1:** RAAUZYUW RUEHGTA3815 1892124-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 082124Z JUL 97  
**LINE4:** FM AMEMBASSY GUATEMALA  
**OSRI:** RUEHGT  
**DTG:** 082124Z JUL 97  
**ORIG:** AMEMBASSY GUATEMALA  
**TO:** RUEHC/SECSTATE WASHDC 0425  
**INFO:** RUEHC/DEPTLABOR WASHDC  
**SUBJ:** MOL CIFUENTES RESPONSE TO USTR BARSHEFSKY'S LETTER

**TEXT:**

UNCLAS GUATEMALA 003815

DEPARTMENT FOR DRL/IL:EHRMAN, ARA/PPCP:BOOTH  
DEPARTMENT PASS TO USTR:ROSENBAUM  
DEPTLABOR FOR ILAB:WHOLEY

SENSITIVE

E.O. 12958: N/A  
TAGS: ETRD, USTR, GSP, ELAB, GT  
SUBJECT: MOL CIFUENTES RESPONSE TO USTR BARSHEFSKY'S LETTER

REF: A) GUATEMALA 3664

1. DURING HIS JUNE 23 MEETING WITH LABOR MINISTER HECTOR CIFUENTES, AUSTR JON ROSENBAUM GAVE THE MINISTER A LETTER FROM USTR BARSHEFSKY. BARSHEFSKY'S LETTER EXPRESSED HER SATISFACTION OVER THE CONCLUSION OF THE WORKER RIGHT'S REVIEW OF GUATEMALA AND THE REINSTATEMENT OF GSP PRIVILEGES TO THE COUNTRY. THE LETTER ALSO DETAILED SEVERAL LABOR CONCERNS RELATING TO PROBLEMS WITH THE COUNTRY'S COURT SYSTEM. AFTER NOTING THE ADMINISTRATION'S STRONG SUPPORT FOR THE APPAREL INDUSTRY PARTNERSHIP TO PROMOTE CODES OF CONDUCT FOR FIRMS CONTRACTING PRODUCTION ABROAD, THE USTR REQUESTED THAT CIFUENTES SHARE WITH HER THE MINISTRY'S PLANS TO FURTHER PROTECT WORKER RIGHTS IN GUATEMALA.

2. ON JULY 7, THE EMBASSY RECEIVED CIFUENTES' REPLY. THE LETTER IS BEING POUCHED AND FAXED TO MARY SUE CONAWAY AT ARA/CEN, TOGETHER WITH AN UNOFFICIAL ENGLISH TRANSLATION, FOR DELIVERY TO THE USTR.

3. FOLLOWING IS THE UNOFFICIAL ENGLISH TRANSLATION FAXED TO ARA/CEN:

THIS IS IN RESPONSE TO YOUR NOTE DELIVERED PERSONALLY TO ME BY MR. JON ROSENBAUM DURING HIS RECENT VISIT TO THE LABOR MINISTRY.

OUR COUNTRY AND THIS MINISTRY RECEIVED WITH GREAT SATISFACTION THE DECISION OF YOUR GOVERNMENT TO CONCLUDE THE WORKERS RIGHTS REVIEW UNDER THE GSP. IT OBLIGATES US TO INCREASE OUR EFFORTS TO FURTHER STRENGTHEN THE IMPLEMENTATION OF OUR LABOR LAWS.

WE ARE WORKING TO MODERNIZE AND REGIONALIZE THE LABOR MINISTRY BY STRENGTHENING THE INSPECTORATE GENERAL OF LABOR AND THE GUATEMALAN TRI-PARTITE COMMISSION ON INTERNATIONAL LABOR RELATIONS, AS WELL AS FULFILLING THE OBLIGATIONS ESTABLISHED IN THE PEACE ACCORDS.

WE ARE ALSO WORKING TO MODIFY THE LABOR CODE TO MAKE IT MORE EFFECTIVE IN SUPPORTING WORKER RIGHTS. THE MINISTRY HAS DECIDED TO CONSULT WITH THE TRI-PARTITE COMMISSION REGARDING THESE MODIFICATIONS BEFORE SUBMITTING THEM TO OUR CONGRESS.

THE REFORMS OF THE LABOR CODE BEING PREPARED ARE IN SUBSTANTIVE, AS WELL AS PROCEDURAL AND HEALTH AND SAFETY AREAS. THESE WILL ALSO BE PRESENTED TO THE TRI-PARTITE COMMISSION FOR DISCUSSION AND APPROVAL, AS SUGGESTED BY THE ILO'S COMMISSION OF EXPERTS.

I WAS VERY HAPPY TO MEET THE US DELEGATION THAT VISITED OUR COUNTRY AND TO REVIEW OUR PROGRAM TO FURTHER ADVANCE WORKERS RIGHTS.

I WILL KEEP YOU INFORMED REGARDING THE PROGRESS TOWARDS OR OBJECTIVES AND THE IMPLEMENTATION OF OUR WORK PROGRAM.

FORMAL CLOSE.  
CHESTER

**SECT:** SECTION: 01 OF 01

**SSN:** 3815

**TOR:** 970708172934 M2838869

**DIST:**

SIT: ARMSTRONG DESOUZA DOBBINS HOFMANNK PICCONE TESTA  
SIT: NSC

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                         | DATE       | RESTRICTION |
|--------------------------|---------------------------------------|------------|-------------|
| 003. cable               | re new Transatlantic Agenda (7 pages) | 07/14/1997 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1997-Dec 1998 ([sweatshop ...])  
OA/Box Number: 520000

### FOLDER TITLE:

[06/02/1997-08/06/1997]

2018-1072-F  
kc2336

### 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 RUEHCAA3649 1980146-UUUU--RHEHAAX.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** R 170140Z JUL 97  
**LINE4:** FM SECSTATE WASHDC  
**OSRI:** RUEHC  
**DTG:** 170140Z JUL 97  
**ORIG:** SECSTATE WASHDC  
**TO:** ALL EUROPEAN UNION POST COLLECTIVE  
**INFO:** ////  
**SUBJ:** JULY 15 U.S.-EU NEW TRANSATLANTIC AGENDA TASK  
FORCE MEETING

**TEXT:**  
UNCLAS STATE 133649

E.O. 12958: N/A  
TAGS: ECON, ETRD, PREL, EUN  
SUBJECT: JULY 15 U.S.-EU NEW TRANSATLANTIC AGENDA TASK  
FORCE MEETING

REF: MADRID 6385

1. SUMMARY. THE U.S. - EU NEW TRANSATLANTIC AGENDA TASK  
FORCE MET JULY 15 TO CONFIRM A WORK PLAN FOR THE LUXEMBOURG  
PRESIDENCY. KEY AREAS IDENTIFIED FOR ACTION IN ADVANCE OF  
THE NEXT U.S. - EU SUMMIT INCLUDED:

- SIGNING OF KEDO AND AN S&T AGREEMENT
- ENHANCED COOPERATION ON CHINA AND UKRAINE
- BETTER COORDINATION ON EUROPOL AND ORGANIZED CRIME
- PROGRESS ON OUR ENVIRONMENTAL AGENDA
- NEW STEPS TO BUILD THE NEW TRANSATLANTIC MARKETPLACE
- COOPERATION WITH THE TABD AND TALD
- FOLLOW UP TO THE MAY TRANSATLANTIC CONFERENCE ON  
EXCHANGE

EU DELEGATION WAS HEADED BY COMMISSION OFFICIAL OVE JUUL  
JORGENSEN AND LUXEMBOURG 113 COMMITTEE DEPUTY COMMITTEE  
REPRESENTATIVE GEORGE FRIDEN FOR THE EU PRESIDENCY. EUR

DAS TONY WAYNE, AUSTR CATHY NOVELLI, USDOC DAS CHARLES  
LUDOIPH, DEPUTY ATTORNEY GENERAL MARK RICHARDS AND USIA  
ASSOCIATE DIRECTOR JOHN LOIELLO LED THE U.S. TEAM. END  
SUMMARY.

2. THE U.S./EU NEW TRANSATLANTIC AGENDA (NTA) TASK FORCE  
MET JULY 15 TO DISCUSS PRIORITIES FOR COOPERATION UNDER THE  
LUXEMBOURG EU PRESIDENCY. EU ACCESSION TO KEDO AND  
COMPLETION OF A SCIENCE AND TECHNOLOGY AGREEMENT WERE

LISTED AS URGENT ISSUES FOR FOLLOW UP FROM THE MAY 28 SUMMIT. THE EU WILL EXPLORE THE POSSIBILITY OF SIGNING THE KEDO AGREEMENT ON THE MARGINS OF THE SEPTEMBER UNGA AND PLEDGED TO FINALIZE THE S&T AGREEMENT AND SEEK COUNCIL APPROVAL EXPEDITIOUSLY.

3. THE TASK FORCE BRIEFLY REVIEWED THE FOREIGN POLICY NON-PAPERS PRESENTED AT THE JULY 9 POLITICAL DIRECTORS MEETING IN MADRID AND AGREED THAT THEY WOULD GUIDE CONSULTATIONS UNDER THE CKSP FRAMEWORK IN THE COMING MONTHS. EMPHASIS WAS GIVEN TO DEVELOPING TANGIBLE COOPERATION ON CHINA (HONG KONG/WTO ACCESSION) AND UKRAINE. IN THE DEVELOPMENT AREA, THE TASK FORCE AGREED TO WORK FOR A SUCCESSFUL OCTOBER HIGH LEVEL CONFERENCE ON ASSISTANCE AND TO GIVE SPECIAL ATTENTION TO PURSUING A DONORS CODE OF CONDUCT ON FOOD SECURITY.

4. THE U.S. SIDE PRESENTED A NON-PAPER LISTING AREAS FOR COOPERATION ON THE THIRD PILLAR (SEE PARA 8), PARTICULARLY REGARDING EUROPOL AND ORGANIZED CRIME. ON THE ENVIRONMENT, PROBLEMS WITH EU FUNDING FOR THE REGIONAL ENVIRONMENT CENTERS IN RUSSIA AND THE NIS AND THE NEED FOR EU SUPPORT TO DEAL WITH THE PROBLEM OF CFCS IN RUSSIA WAS HIGHLIGHTED AS WAS THE IMPORTANCE OF U.S. AND EU LEADERSHIP IN ENSURING THE SUCCESS OF THE DECEMBER KYOTO CONFERENCE ON CLIMATE CHANGE.

5. ON ECONOMIC AND TRADE CONCERNS, THE U.S. RAISED A NUMBER OF BILATERAL PROBLEMS THAT NEED RESOLUTION, INCLUDING GMOS, THE COSMETIC AND PHARMACEUTICAL DIRECTIVES AND THE BANANA/BEEF HORMONES WTO CASES. THE TASK FORCE AGREED TO FINALIZE AND IMPLEMENT THE MRAS, IDENTIFY NEW SECTORS FOR NEGOTIATION AND DEVELOP A COMMON U.S. - EU APPROACH ON ISSUES SURROUNDING ELECTRONIC COMMERCE. THE U.S. URGED THE EC TO SIGN THE AGREEMENT ON AUTO STANDARDS BEING CONSIDERED AT THE UNEC IN ADVANCE OF THE SUMMIT. THE

TASK FORCE UNDERLINED ITS EXPECTATION THAT THE JOINT STUDY WOULD PRODUCE CONCRETE RECOMMENDATIONS FOR ACTION IN ADVANCE OF THE SUMMIT.

6. IN THE PEOPLE-TO-PEOPLE AREA, THE TASK FORCE NOTED THE PRIORITIES PAPER DEVELOPED BY THE TRANSATLANTIC BUSINESS DIALOGUE (TABD) IN ADVANCE OF THE MAY 28 SUMMIT AND AGREED THAT BUSINESS SHOULD BE ENCOURAGED TO SHARPEN ITS FOCUS IN ADVANCE OF ITS NOVEMBER CONFERENCE IN ROME. TRANSATLANTIC LABOR DIALOGUE (TALD) PLANS FOR A FALL CONFERENCE ON THE APPAREL INDUSTRY PARTNERSHIP ("SWEATSHOP") INITIATIVE WERE ENDORSED. CONFIRMING THE RESULTS OF THE JULY 2 VIDEO CONFERENCE, THE TASK FORCE IDENTIFIED AS SUMMIT DELIVERABLES CREATION OF TRANSATLANTIC INFORMATION EXCHANGE SERVICE (TIES), DEVELOPMENT OF DIGITAL LIBRARIES ON TRANSATLANTIC ISSUES, AND A LATE FALL CONFERENCE IN AKRON ON WORKFORCE TRAINING AND DEVELOPMENT - ALL KEY INITIATIVES COMING FROM THE MAY TRANSATLANTIC CONFERENCE. THE TASK FORCE AGREED TO MOVE AHEAD WITH DEVELOPMENT OF SELECTION CRITERIA, ORGANIZATION OF SELECTION COMMITTEE AND NOMINATION PROCESS FOR CIVIL SOCIETY AND DEMOCRACY AWARD,

WITH A GOAL OF ANNOUNCING CRITERIA AND THE COMMITTEE AT THE FALL 1997 SUMMIT AND THE AWARDS AT THE SPRING 1998 SUMMIT.

7. THE TASK FORCE AGREED ON THE FOLLOWING SCHEDULE FOR KEY NTA MEETINGS DURING THE LUXEMBOURG PRESIDENCY:

- MID-SEPTEMBER POLITICAL DIRECTORS MEETING IN LUXEMBOURG OR NY
- SEPTEMBER 30, TASK FORCE IN WASHINGTON
- OCTOBER 1, SENIOR LEVEL GROUP IN WASHINGTON
- OCTOBER 14 OR 17, ECONOMIC SUB-CABINET  
(PRECEDED THE DAY BEFORE BY AN EXPERTS MEETING, AND FOLLOWED, POSSIBLY, BY A TABD STEERING COMMITTEE)
- LATE NOV/EARLY DEC, SENIOR LEVEL GROUP MEETING IN LUXEMBOURG
- U.S. - EU SUMMIT IN WASHINGTON, TIMING DEPENDENT ON WHITE HOUSE GUIDANCE.

B. TEXT OF THIRD PILLAR NON-PAPER

NON-PAPER ON THIRD PILLAR COOPERATION UNDER THE NTA

BUILDING ON THE JULY 9 CONSULTATIONS IN LUXEMBOURG, THE U.S. PROPOSES THE FOLLOWING AREAS FOR PRIORITY ACTION

UNDER THE NEW TRANSATLANTIC AGENDA DURING THE LUXEMBOURG PRESIDENCY OF THE EUROPEAN UNION:

EUROPOL: WITH THE GOAL OF DEVELOPING STRONG AND EFFECTIVE COOPERATION BETWEEN U.S. LAW ENFORCEMENT AGENCIES AND EUROPOL AS IT TAKES ON ITS RESPONSIBILITIES FOLLOWING RATIFICATION OF THE EUROPOL AGREEMENT, WE ARE PROPOSING AN EXCHANGE OF "STUDY GROUPS" BETWEEN EUROPOL AND THE DEPARTMENT OF JUSTICE OFFICE OF INTERNATIONAL AFFAIRS AND OTHER U.S. ENFORCEMENT AGENCIES. THE "STUDY GROUPS" WOULD BE MADE OF TWO TO FOUR SUPERVISORY LEVEL LAW ENFORCEMENT OFFICERS FROM DIFFERENT AGENCIES AND ORGANIZATIONS INCLUDING INTERPOL. THE EXCHANGE WOULD LAST FOR ABOUT ONE MONTH AND BE DIRECTED AT FAMILIARIZING U.S. AND EUROPOL OFFICIALS WITH THE OPERATIONS OF THEIR RESPECTIVE ORGANIZATIONS. THE FOCUS WOULD BE ON THE PRACTICAL CONSEQUENCES OF HOW EUROPOL WILL RELATE TO THE U.S. AND OTHER COUNTRIES. THE "STUDY GROUPS" COULD BE DISPATCHED AS EARLY AS OCTOBER. THE EXCHANGE WOULD CONSTITUTE A TANGIBLE DEMONSTRATION AT THE U.S. - EU SUMMIT OF THE NEW WAYS IN WHICH THE U.S. AND THE EU ARE COOPERATING ON LAW ENFORCEMENT ISSUES UNDER THE NEW TRANSATLANTIC AGENDA.

ON A SEPARATE TRACK. WE ARE ALSO PROPOSING DISCUSSIONS BETWEEN U.S. AND EUROPOL REPRESENTATIVES ON A FRAMEWORK FOR RELATIONS WITH THIRD COUNTRIES. IT IS VITAL THAT THIS FRAMEWORK BE DEVELOPED IN CLOSE CONSULTATION SO AS TO PROMOTE THE MOST EFFECTIVE COOPERATION.

ORGANIZED CRIME: THE EU HIGH LEVEL GROUP (HLG) REPORT ON ORGANIZED CRIME TO THE AMSTERDAM SUMMIT CALLED FOR ENHANCED TRANSATLANTIC COOPERATION AGAINST ORGANIZED CRIME. TRANSATLANTIC COOPERATION CAN BE MOST EFFECTIVELY PURSUED

THROUGH DEVELOPMENT OF OPPORTUNITIES FOR U.S. EXPERTS TO JOIN WITH THEIR EU COUNTERPARTS AS THEY CONSIDER MEASURES TO COMBAT THIS THREAT. WE ARE PROPOSING REGULAR, INFORMAL DELIBERATIONS AMONG U.S. AND EU EXPERTS. AREAS WHERE U.S. PARTICIPATION MIGHT BE MUTUALLY BENEFICIAL INCLUDE JUDICIAL COOPERATION AND HIGH TECH/COMPUTER CRIME.

ADDITIONALLY, WE WOULD ENCOURAGE EU ENDORSEMENT AND SUPPORT FOR THE HEUNI PROJECT ON ORGANIZED CRIME IN EASTERN EUROPE. THE PURPOSE OF THE PROJECT IS TO ANALYZE THE THREAT POSED BY ORGANIZED CRIME IN THE REGION AND THE CAPABILITIES OF REGIONAL GOVERNMENTS TO MEET THIS CHALLENGE.

LAW ENFORCEMENT TRAINING: WE ARE MOVING FORWARD WITH PLANS TO ESTABLISH A LAW ENFORCEMENT TRAINING FACILITY IN CENTRAL AMERICA. SITES UNDER CONSIDERATION INCLUDE PANAMA, COSTA RICA AND EL SALVADOR. THE FACILITY WOULD PROVIDE TRAINING FOR LAW ENFORCEMENT INSTITUTIONS IN THE AREA ON A MULTILATERAL, REGIONAL BASIS. WE INVITE EU TO JOIN US IN SUPPORTING THIS FACILITY THROUGH FINANCIAL ASSISTANCE, CURRICULUM DEVELOPMENT AND THE DISPATCH OF TRAINERS. WE ARE ALSO CONSIDERING A SIMILAR CENTER IN ASIA AND WOULD LIKE TO CONSULT WITH THE EU ON LOCATION AND APPROACH.

TRAFFICKING IN WOMEN: THE LEADERS DISCUSSED THE NEED FOR JOINT ACTION AGAINST THE PROBLEM OF TRAFFICKING IN WOMEN AND U.S. - EU COOPERATION IN THIS AREA WAS A KEY RECOMMENDATION IN THE SENIOR LEVEL GROUP (SLG) REPORT. WE HAVE SUBSEQUENTLY AGREED TO LAUNCH AN INFORMATION PROGRAM IN KEY CENTRAL AND EASTERN EUROPEAN SOURCE/TRANSIT COUNTRIES WHERE THE ABUSE IS GREATEST. IT IS ESSENTIAL THAT WE MOVE FORWARD VIGOROUSLY TO IMPLEMENT THIS PROPOSAL SO WE CAN REPORT REAL PROGRESS AT THE NEXT SUMMIT.

COOPERATION AGAINST DRUGS: OUR COOPERATION IN THE CARIBBEAN IS BEGINNING TO PRODUCE PRACTICAL RESULTS IN STRENGTHENING THE CAPABILITIES OF COUNTRIES IN THE REGION TO DEAL WITH THE THREAT OF ILLICIT DRUG TRAFFICKING THROUGH IMPROVED MARINE INTERDICTION, EXCHANGE OF INTELLIGENCE AND BETTER TRAINING. WE WOULD LIKE TO EXTEND THIS COOPERATION TO THE ANDEAN REGION, AND SUGGEST CONVENING AN EXPERTS GROUP TO DISCUSS POTENTIAL PROJECTS IDENTIFIED BY THE RECENT EU STUDY. THE CHEMICAL PRECURSORS AGREEMENT, SIGNED AT THE U.S. - EU SUMMIT, CAME INTO FORCE JULY 1. WE LOOK FORWARD TO A SUCCESSFUL MEETING OF THE JOINT FOLLOW-UP GROUP IN OCTOBER TO COMPLETE WORK ON THE DATA PROTECTION ARRANGEMENTS NEEDED FOR IMPLEMENTATION OF THE AGREEMENT. WE ALSO WANT TO BUILD ON THE SUCCESS OF OUR BILATERAL AGREEMENT BY SUPPORTING THE UPCOMING LISBON CONFERENCE, WHICH WILL CONSIDER AN INFORMAL MULTILATERAL CHEMICAL CONTROL ARRANGEMENT.

MIGRATION AND ASYLUM ISSUES: WE LOOK FORWARD TO MEETING WITH EU OFFICIALS FOLLOWING THE NOVEMBER CIREFI MEETING AND THE DECEMBER CIREA MEETING. WE ALSO SHOULD BRING TOGETHER OUR EXPERTS TO DEVELOP A JOINT STRATEGY FOR ASSISTING

NATIONS IN THE REGION TO IMPLEMENT THE RECOMMENDATIONS

COMING FROM THE 1996 CONFERENCE ON CIS BORDER MANAGEMENT.

TERRORISM: WE ARE MAKING PROGRESS IN IMPLEMENTING THE COMMON AGENDA ON TERRORISM DEVELOPED THROUGH OUR CONSULTATIONS IN THE CFSP FRAMEWORK AND BUILDING ON RECOMMENDATIONS OF THE 1996 PARIS MINISTERIAL ON TERRORISM. CURRENTLY, OUR EFFORTS SHOULD BE FOCUSED ON WORKING TOGETHER IN NEGOTIATING A BOMBING CONVENTION AT THE UN AND IN SEEKING BROAD MULTILATERAL SUPPORT FOR INTERNATIONAL CONVENTIONS AGAINST TERRORISM. TO FACILITATE OUR WORK IN THIS AREA, U.S. OFFICIALS WOULD LIKE TO CONTINUE TO MEET JOINTLY WITH EU SECOND AND THIRD PILLAR TERRORISM EXPERTS.

JUDICIAL COOPERATION: WE MUST CONSULT CLOSELY AS IMPLEMENTATION OF THE EU CONVENTION ON EXTRADITION GOES FORWARD. WE HOPE FOR A PRODUCTIVE EXCHANGE AT A PROJECTED FALL MEETING ON MUTUAL LEGAL ASSISTANCE.

THIS IS A PERIOD OF RAPID EVOLUTION FOR THE EU IN THE AREA OF JUSTICE AND HOME AFFAIRS. CLOSER COOPERATION WITH THE EU ON THESE ISSUES IS A KEY PRIORITY FOR THE U.S. AND FOR OUR COOPERATION WITH THE EU UNDER THE NEW TRANSATLANTIC AGENDA. WE ARE COMMITTED TO CONTINUING AND DEEPENING OUR COLLABORATION SO TOGETHER WE CAN MEET THE NEW CHALLENGES CONFRONTING OUR TRANSATLANTIC COMMUNITY FROM ORGANIZED CRIME, ILLICIT DRUGS AND OTHER LAW ENFORCEMENT AND MIGRATION/ASYLUM ISSUES.

ALBRIGHT

**SECT:** SECTION: 01 OF 01

**SSN:** 3649

**TOR:** 970716215119 M2850854

**DIST:**

SIT: PETERS VERSHBOW

SIT: NSC

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                        | DATE       | RESTRICTION |
|--------------------------|--------------------------------------|------------|-------------|
| 004. cable               | re Luxembourg deliverables (6 pages) | 07/24/1997 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1997-Dec 1998 ([sweatshop ...])  
OA/Box Number: 520000

### FOLDER TITLE:

[06/02/1997-08/06/1997]

2018-1072-F  
kc2336

### 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]

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                             | DATE       | RESTRICTION |
|--------------------------|---|------------|-------------|
| 005. cable               | re pregnancy testing of workers (3 pages) | 08/01/1997 | P1/b(1)     |

### COLLECTION:

Clinton Presidential Records  
NSC Cables  
Jan 1997-Dec 1998 ([sweatshop ...])  
OA/Box Number: 520000

### FOLDER TITLE:

[06/02/1997-08/06/1997]

2018-1072-F  
kc2336

### 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]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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# Cable

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**PREC:** PRIORITY  
**CLASS:** UNCLASSIFIED  
**LINE1:** PAAUZYUW RUEHCAA7349 2182215-UUUU--RHEHNSC.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** P 062208Z AUG 97  
**LINE4:** FM SECSTATE WASHDC  
**OSRI:** RUEHC  
**DTG:** 062208Z AUG 97  
**ORIG:** SECSTATE WASHDC  
**TO:** ALL DIPLOMATIC AND CONSULAR POSTS PRIORITY  
RHEHNSC/NSC WASHDC 2877  
RUCPDOG/USDOC WASHDC 5910  
RUEATRS/TREASURY DEPT WASHDC 1365  
**INFO:** ////  
**SUBJ:** FAST TRACK

AS WE MOVE FORWARD TO ADVANCE OUR GLOBAL TRADE AGENDA, WE  
HAVE ATTACHED FOR YOUR USE AND INFORMATION, TALKING

**TEXT:**  
UNCLAS SECTION 01 OF 08 STATE 147349

USVIENNA FOR UNVIE OR OSCE

E.O. 12958: N/A  
TAGS: ETRD  
SUBJECT: FAST TRACK

AS WE MOVE FORWARD TO ADVANCE OUR GLOBAL TRADE AGENDA, WE  
HAVE ATTACHED FOR YOUR USE AND INFORMATION, TALKING  
POINTS PREPARED BY THE WHITE HOUSE ON FAST TRACK.

ATTACHMENT: AS STATED.

FAST TRACK MEANS: IMPROVING OUR STANDARD OF LIVING

KEEPING THE ECONOMY ON THE FAST TRACK. BY BREAKING DOWN  
TRADE BARRIERS AND CREATING NEW JOBS, THE PRESIDENT WILL  
USE FAST TRACK TO KEEP AMERICA'S ECONOMIC EXPANSION ON  
THE GLOBAL FAST TRACK.

THE ECONOMY IS STRONG. THE PRESIDENT'S THREE-PART  
ECONOMIC STRATEGY OF CUTTING THE DEFICIT, INVESTING IN  
EDUCATION AND TRAINING, AND OPENING MARKETS ABROAD IS  
WORKING. AMERICA HAS ENJOYED THE LONGEST PERIOD OF  
SUSTAINED GROWTH IN A GENERATION-ONE-THIRD OF WHICH WAS  
PRODUCED BY EXPORTS SINCE 1993. THE RESULT: 12 MILLION

NEW JOBS, UNEMPLOYMENT AT 5PERCENT , INFLATION THE LOWEST  
IN A GENERATION.

OUR FUTURE PROSPERITY DEPENDS ON TRADE. 96PERCENT OF THE WORLD'S CONSUMERS LIVE OUTSIDE THE US. THE GLOBAL ECONOMY WILL GROW AT THREE TIMES THE RATE OF THE US ECONOMY. AMERICA NEEDS FAST TRACK TO SEIZE OPPORTUNITIES TO NEGOTIATE FAIR NEW TRADE AGREEMENTS THAT WILL KEEP US COMPETITIVE, EXPAND OUR EXPORTS, CREATE MORE JOBS, AND RAISE OUR STANDARD OF LIVING.

FAST TRACK MEANS: CREATING MORE JOBS

BREAKING DOWN BARRIERS. THE PRESIDENT WILL KEEP BREAKING DOWN BARRIERS TO AMERICAN PRODUCTS AND SERVICES BECAUSE THAT STRATEGY IS PRODUCING POSITIVE RESULTS FOR COMPANIES AND WORKERS. AMERICA IS ONCE AGAIN THE WORLD'S LARGEST TOTAL EXPORTER, THE LARGEST PRODUCER OF SEMICONDUCTORS, AND THE LARGEST PRODUCER OF AUTOMOBILES. EXPORTS SUPPORT 11 MILLION AMERICAN JOBS, INCLUDING ONE IN FIVE MANUFACTURING JOBS.

SECTORAL AGREEMENTS. THE PRESIDENT NEEDS THE FLEXIBILITY TO NEGOTIATE AGREEMENTS IN SECTORS WHERE THE US IS MOST COMPETITIVE: SUCH AS AGRICULTURE, MEDICAL EQUIPMENT, TELECOMMUNICATIONS, ENVIRONMENTAL TECHNOLOGY AND FINANCIAL SERVICES.

REGIONAL FREE TRADE AGREEMENTS. WITH THIS AUTHORITY, THE PRESIDENT IS DETERMINED TO CONTINUE OPENING MARKETS IN ASIA, LATIN AMERICA, AND AFRICA TO US GOODS AND SERVICES.

FREE AND FAIR TRADE. THE PRESIDENT SUPPORTS RAISING LABOR STANDARDS, PROTECTING THE ENVIRONMENT AND EXPANDING WORKER RETRAINING AND EDUCATIONAL OPPORTUNITIES TO ENSURE THAT NO AMERICAN IS LEFT OUT OF THE GLOBAL ECONOMY.

FAST TRACK MEANS: MAINTAINING AMERICA'S GLOBAL LEADERSHIP

RETREAT OR COMPETE. AS THE AMERICAN PEOPLE PREPARE TO MEET THE CHALLENGES OF THE 21ST CENTURY, WE FACE A CRITICAL CHOICE: EMBRACE THE GLOBAL ECONOMY AND CONTINUE TO SHAPE IT TO AMERICA ADVANTAGE, OR TURN BACK AND FAIL TO COMPETE FOR NEW BUSINESS, NEW CONTRACTS, OR NEW JOB OPPORTUNITIES.

CREDIBILITY. FAST TRACK AUTHORITY GIVES THE UNITED STATES THE CREDIBILITY TO NEGOTIATE TOUGH TRADE DEALS WITH OTHER NATIONS. WITHOUT IT, THE PRESIDENT CANNOT ASSURE OUR NEGOTIATING PARTNERS THAT THE DEAL THEY STRIKE IS THE DEAL THAT WILL BE VOTED ON BY CONGRESS. WITHOUT THAT ASSURANCE, FOREIGN GOVERNMENTS WILL NOT NEGOTIATE MAJOR TRADE AGREEMENTS WITH THE UNITED STATES.

CONTINUED BIPARTISANSHIP. EVERY PRESIDENT SINCE 1974--REPUBLICAN AND DEMOCRAT--HAS HAD FAST TRACK

AUTHORITY. CONGRESS HAS CONSISTENTLY RECOGNIZED THAT THE PRESIDENT MUST HAVE THE AUTHORITY TO BREAK DOWN FOREIGN TRADE BARRIERS AND A BIPARTISAN MAJORITY OF THE UNITED STATES CONGRESS HAS CONSISTENTLY SUPPORTED AMERICAN LEADERSHIP IN OPENING MARKETS AND CREATING UNCLAS SECTION 02 OF 08 STATE 147349

USVIENNA FOR UNVIE OR OSCE

E.O. 12958: N/A  
TAGS: ETRD  
SUBJECT: FAST TRACK

JOBS.

STAYING ON THE FAST TRACK

FAST TRACK AUTHORITY IS IN THE OVERRIDING NATIONAL INTEREST OF THE UNITED STATES. AMERICA'S ECONOMIC STRENGTH AND STANDARD OF LIVING ARE LINKED TO BREAKING DOWN TRADE BARRIERS, EXPORTING OUR GOODS AND SERVICES, AND CREATING MORE HIGH-SKILLED JOBS.

THIS DEBATE IS ALSO ABOUT AMERICAN LEADERSHIP. AS THE AMERICAN PEOPLE PREPARE FOR THE CHALLENGES OF THE 21ST CENTURY, WE FACE A CRITICAL CHOICE: WE CAN EMBRACE THE GLOBAL ECONOMY, WRITE THE TRADE RULES, AND CONTINUE AMERICA'S ECONOMIC EXPANSION, OR WE CAN TURN OUR BACK ON THE WORLD AND FAIL TO COMPETE FOR NEW CONTRACTS, NEW MARKETS, NEW BUSINESS AND NEW JOB OPPORTUNITIES.

THE PRESIDENT MUST HAVE THE AUTHORITY TO BREAK DOWN FOREIGN TRADE BARRIERS. EVERY PRESIDENT SINCE 1974--REPUBLICAN AND DEMOCRAT---HAS HAD FAST TRACK AUTHORITY. A BIPARTISAN MAJORITY OF CONGRESS HAS CONSISTENTLY SUPPORTED INITIATIVES TO OPEN MARKETS AND CREATE JOBS. AT STAKE IN THIS DEBATE IS BOTH PRESIDENTIAL LEADERSHIP AND A BIPARTISAN CONSENSUS ON US TRADE POLICY.

FAST TRACK AUTHORITY GIVES THE UNITED STATES THE CREDIBILITY TO NEGOTIATE GOOD TRADE DEALS WITH OTHER NATIONS. WITHOUT IT, THE PRESIDENT CANNOT ASSURE OUR

NEGOTIATING PARTNERS THAT THE DEAL THEY STRIKE IS THE DEAL THAT WILL BE VOTED ON BY CONGRESS. WITHOUT THAT ASSURANCE, FOREIGN GOVERNMENTS WILL NOT NEGOTIATE MAJOR TRADE AGREEMENTS WITH THE UNITED STATES.

AS WE INCREASE OUR TRADE, THE PRESIDENT IS COMMITTED TO RAISING LABOR STANDARDS AND PROTECTING THE ENVIRONMENT AROUND THE WORLD AND ENSURING THROUGH AGGRESSIVE WORKER RETRAINING AND INCREASED EDUCATIONAL OPPORTUNITIES THAT NO AMERICAN IS LEFT OUT OF THE GLOBAL ECONOMY

MAINTAINING OUR STANDARD OF LIVING

OPENING MARKETS TO US GOODS AND SERVICES HAS BEEN CRITICAL TO OUR ECONOMIC EXPANSION.

PRESIDENT CLINTON'S ECONOMIC STRATEGY OF DEFICIT REDUCTION, INVESTING IN OUR PEOPLE THROUGH EDUCATION AND TRAINING, AND OPENING MARKETS TO OUR GOODS AND SERVICES HAS CREATED THE LARGEST ECONOMIC EXPANSION IN A GENERATION.

THE AMERICAN PEOPLE HAVE ENJOYED THE LONGEST PERIOD OF SUSTAINED GROWTH OF ALL OUR G-7 PARTNERS--SEVEN YEARS AS OF LAST MARCH. THE US ECONOMY HAS CREATED 12 MILLION NEW JOBS, THE UNEMPLOYMENT RATE IS 5PERCENT CORE INFLATION IS AT A 30 YEAR LOW, AND THE VALUE OF THE STOCK MARKET HAS DOUBLED SINCE 1993

THE UNITED STATES IS ONCE AGAIN THE WORLD'S LARGEST EXPORTER, THE LARGEST PRODUCER OF SEMICONDUCTORS, AND THE LARGEST PRODUCER OF AUTOMOBILES. INDEPENDENT STUDIES HAVE FOUND AMERICA TO BE THE MOST COMPETITIVE ECONOMY IN THE WORLD FOR THE PAST FIVE YEARS.

THE UNITED STATES EXPORTS MORE PRODUCTS AND SERVICES THAN ANY COUNTRY IN THE WORLD AND TRADE PROVIDED MORE THAN ONE-FOURTH OF OUR ECONOMIC GROWTH OVER THE PAST FOUR YEARS.

OVER THE LAST FOUR YEARS, AMERICAN MANUFACTURING EXPORTS ROSE BY 42 PERCENT , HIGH TECHNOLOGY EXPORTS JUMPED 46 PERCENT , SERVICE EXPORTS CLIMBED 26 PERCENT AND FARM EXPORTS ROSE 43 PERCENT

NO COUNTRY IS BETTER POSITIONED TO COMPETE THAN THE UNITED STATES. WE HAVE EVERY REASON TO HAVE

CONFIDENCE IN OUR ECONOMY, IN OUR COMPANIES AND WORKERS AND OUR CAPACITY TO COMPETE AND WIN. FAST TRACK IS A TEST OF THAT CONFIDENCE--AND A PERQUISITE FOR SEIZING THE TRADE OPPORTUNITIES BEFORE US AROUND THE WORLD.

WITHOUT FAST TRACK AUTHORITY, THE UNITED STATES WILL MISS AN OPPORTUNITY TO STRENGTHEN OUR COMPETITIVE ADVANTAGE, CONTINUING GROWING OUR ECONOMIC EXPANSION  
UNCLAS SECTION 03 OF 08 STATE 147349

USVIENNA FOR UNVIE OR OSCE

E.O. 12958: N/A  
TAGS: ETRD  
SUBJECT: FAST TRACK

AND CREATE MORE JOB OPPORTUNITIES.

CREATING MORE AMERICAN JOBS

OVER THE PAST FOUR YEARS, MORE THAN 2SPERCENT OF OUR

ECONOMIC GROWTH HAS COME FROM OVERSEAS TRADE AND US EXPORTS HAVE CREATED 1.4 MILLION NEW AMERICAN JOBS. FAST TRACK WILL GIVE US THE CHANCE TO BUILD ON THIS TREND.

IN ADDITION, 11 MILLION TOTAL AMERICAN JOBS ARE SUPPORTED BY EXPORTS, INCLUDING ONE IN FIVE MANUFACTURING JOBS--PAYING AN AVERAGE OF 13-16 PERCENT MORE THAN NON-TRADE RELATED JOBS.

OVER THE NEXT DECADE, THE GLOBAL ECONOMY IS EXPECTED TO GROW AT TRIPLE THE RATE OF THE US ECONOMY. GROWTH WILL BE PARTICULARLY STRONG IN THE WORLD'S EMERGING MARKETS, WHERE DEMAND FOR AMERICAN GOODS AND SERVICES ARE TAKING OFF.

IN A WORLD WHERE OVER 96PERCENT OF THE WORLD'S CONSUMERS LIVE OUTSIDE OF THE UNITED STATES, WE MUST EXPORT OUR GOODS AND SERVICES TO SUSTAIN OUR STANDARD OF LIVING AT HOME. TO STAY ON THE GLOBAL FAST TRACK, THE PRESIDENT NEEDS FAST TRACK AUTHORITY

#### BREAKING DOWN BARRIERS

THE EXPANDING GLOBAL ECONOMY PRESENTS ENORMOUS POTENTIAL FOR AMERICAN COMPANIES AND WORKERS:

SECTORAL AGREEMENTS: THE PRESIDENT WOULD USE FAST TRACK AUTHORITY TO NEGOTIATE AGREEMENTS IN SECTORS WHERE THE US IS MOST COMPETITIVE. FROM MEDICAL EQUIPMENT, ENVIRONMENTAL TECHNOLOGY, TELECOMMUNICATIONS TO HIGH TECH COMPUTERS, THE PRESIDENT WILL TEAR DOWN MORE BARRIERS TO AMERICAN EXPORTS. FOR EXAMPLE, THE RECENT INFORMATION

TECHNOLOGY AGREEMENT ELIMINATED TARIFFS AND UNSHACKLED DOLLARS 500 BILLION OF TRADE IN SEMICONDUCTORS, COMPUTERS, TELECOMMUNICATIONS EQUIPMENT AND SOFTWARE, AMOUNTING TO A DOLLARS 5 BILLION TAX CUT IN TARIFFS ON AMERICAN EXPORTS ACCORDING TO INDUSTRY ESTIMATES

AGRICULTURE: THE PRESIDENT WOULD USE FAST TRACK AUTHORITY FOR NEGOTIATIONS TO CUT BARRIERS IN THE DOLLARS 536 BILLION GLOBAL AGRICULTURE MARKET THAT WILL ATTACK SUCH PRACTICES AS EXPORT SUBSIDIES SERVICES: THE SERVICE SECTOR REPRESENT A DOLLARS 1.2 TRILLION GLOBAL MARKET--WHERE US FIRMS EXPORTED MORE THAN DOLLARS 220 BILLION IN 1996 WITH A SURPLUS OF DOLLARS 73 BILLION. WE HAVE THE OPPORTUNITY TO OPEN A WIDE RANGE OF SERVICE SECTORS, INCLUDING HEALTH CARE, EDUCATION, ENTERTAINMENT, TOURISM AND BUSINESS CONSULTING AND ADVERTISING.

#### REGIONAL FREE TRADE AGREEMENTS

ASIA: ASIA HAS ONE OF THE FASTEST GROWING ECONOMIES IN THE WORLD, WITH NEARLY 3 BILLION CONSUMERS.

FORECASTERS EXPECT REAL GROWTH OF 6-7PERCENT ANNUALLY FOR THE NEXT 15 YEARS. WITH OUR APEC PARTNERS, THE PRESIDENT IS WORKING TO REACH AGREEMENT IN KEY SECTORS THAT COULD OPEN THESE DYNAMIC MARKETS TO AMERICA'S GOODS AND SERVICES AND KEEP THE FREE TRADE PROCESS GOING.

LATIN AMERICA/CARIBBEAN: THE LATIN AMERICAN MARKET INCLUDING MEXICO IS THE FASTEST GROWING AREA FOR US EXPORTS. IF THIS TREND CONTINUES, LATIN AMERICA AND THE CARIBBEAN WILL EXCEED THE EU AS A MARKET BY 2000 AND EXCEED JAPAN AND THE EU COMBINED BY 2010. THE PRESIDENT IS COMMITTED TO MOVING FORWARD TOWARD A FREE TRADE AREA OF THE AMERICAS BY 2005. NEGOTIATING A FREE TRADE AGREEMENT WITH CHILE IS THE NEXT CRITICAL STEP IN THIS PROCESS.

AFRICA: WORKING WITH CONGRESS, THE PRESIDENT RECENTLY LAUNCHED AN AFRICAN TRADE INITIATIVE TO FOSTER STRONGER ECONOMIC PROSPERITY IN AFRICA AND CREATE NEW MARKETS TO AMERICAN PRODUCTS. AFRICA'S NATIONS ARE JOINING THE MARCH TOWARD FREEDOM AND OPEN MARKETS SUB-SAHARAN AFRICA ALONE HAS 700 MILLION POTENTIAL CONSUMERS. YET THE UNITED STATES CURRENTLY SUPPLIES ONLY 7PERCENT OF AFRICA'S IMPORTS.

AMERICAN LEADERSHIP IN THE WORLD  
UNCLAS SECTION 04 OF 08 STATE 147349

USVIENNA FOR UNVIE OR OSCE

E.O. 12958: N/A  
TAGS: ETRD  
SUBJECT: FAST TRACK

HALF A CENTURY OF DETERMINED AMERICAN LEADERSHIP HAS LED TO A 90-FOLD INCREASE IN GLOBAL TRADE AND HELPED BRING DOWN GLOBAL BARRIERS TO AMERICA'S PRODUCTS--FALLING FROM AN AVERAGE 40PERCENT AT THE END OF WORLD WAR II TO ABOUT 5PERCENT TODAY. OUR LEADERSHIP OF THE GLOBAL ECONOMY HAS SERVED AMERICA'S INTEREST--AND THE WORLD'S.

AS THE SOLE REMAINING SUPERPOWER, THE UNITED STATES HAS A FUNDAMENTAL NATIONAL INTEREST IN CONTRIBUTING TO STABILITY AND SECURITY AROUND THE WORLD. A MORE PROSPEROUS WORLD WILL BE A MORE PEACEFUL WORLD--A WORLD MORE HOSPITABLE TO AMERICAN INTERESTS AND IDEALS. BY OPENING MARKETS, FAST-TRACK WILL CONTRIBUTE TO GLOBAL AS WELL AS AMERICAN PROSPERITY--IT WILL REINFORCE THE COMMON INTEREST THAT DIVERSE COUNTRIES AND REGIONS SHARE IN SUSTAINING THAT PROSPERITY.

AMERICA FAILURE TO PARTICIPATE IN SHAPING THE GLOBAL TRADING SYSTEM WILL ALLOW OUR COMPETITORS TO NEGOTIATE PREFERENTIAL TRADE ARRANGEMENTS, FORM STRATEGIC RELATIONSHIPS EXCLUDING THE UNITED STATES

AND CREATE NEW EXCLUSIVE TRADE ALLIANCES. THE UNITED STATES MUST NOT ABDICATE ITS GLOBAL LEADERSHIP TO THE DETRIMENT OF THE AMERICAN ECONOMY.

THIS DEBATE MUST NOT BE ABOUT THE PAST BUT ABOUT THE OPPORTUNITIES FOR THE FUTURE. FAST-TRACK AUTHORITY WILL ALLOW THE PRESIDENT TO KNOCK DOWN TRADE BARRIERS AND NEGOTIATE A BROAD ARRAY OF TRADE AGREEMENTS--FROM SECTORAL AGREEMENTS ON MEDICAL EQUIPMENT AND TELECOMMUNICATIONS TO REGIONAL AGREEMENTS IN ASIA, AFRICA AND LATIN AMERICA TO ELIMINATING GLOBAL BARRIERS IN THE WTO. THE DEBATE OVER FAST TRACK IS ABOUT EMBRACING THE OPPORTUNITIES OF THE GLOBAL ECONOMY TO CREATE JOBS, EXPAND EXPORTS, AND MAINTAIN AMERICA'S STANDARD OF LIVING.

OPENING- FOREIGN MARKETS DOES NOT MEAN RETREATING FROM OUR COMMITMENT TO LABOR AND THE ENVIRONMENT. THE PRESIDENT IS COMMITTED TO PROMOTING WORKER RIGHTS AND ENSURING THAT ECONOMIC GROWTH DOES NOT COME AT THE EXPENSE OF A CLEAR AND HEALTHY ENVIRONMENT. WALKING AWAY FROM THE WORLD'S MARKETS WILL NOT IMPROVE WORKER

RIGHTS OR PROTECT THE ENVIRONMENT--BUT THROUGH DIALOGUE AND ENGAGEMENT THESE ISSUES CAN BE ADDRESSED.

THE PRICE OF INACTION

OTHER COUNTRIES ARE BREAKING DOWN TRADE BARRIERS AND MOVING FORWARD IN CREATING COMPETITIVE TRADING RELATIONSHIPS TO THE DISADVANTAGE OF US COMPANIES AND WORKERS. IT IS IN THE NATIONAL INTEREST OF THE AMERICAN PEOPLE TO STAY IN ENGAGED IN THE GLOBAL ECONOMY.

SINCE 1992, IN LATIN AMERICA AND ASIA ALONE, OUR COMPETITORS HAVE NEGOTIATED 20 FREE TRADE PACTS EXCLUDING THE UNITED STATES.

TODAY EVERY MAJOR ECONOMY IN THIS HEMISPHERE HAS A PREFERENTIAL TRADE DEAL WITH CHILE EXCEPT THE UNITED STATES. THIS GIVES OUR COMPETITORS AN 11 PERCENT ACROSS-THE-BOARD TARIFF ADVANTAGE FOR THEIR PRODUCTS, WHICH MEANS AMERICAN COMPANIES MUST SELL TO CHILE WITH AN IMMEDIATE 11 PERCENT COST DISADVANTAGE.

FOR EXAMPLE, CANADA'S NORTHERN TELECOM RECENTLY WON A DOLLARS 180 MILLION TELECOMMUNICATIONS CONTRACT OVER THREE US COMPANIES IN PART TO AVOID PAYING DOLLARS 20 MILLION WORTH OF TARIFFS.

US CORN PRODUCERS HAVE A COMPETITIVE DISADVANTAGE IN CHILE COMPARED TO ARGENTINEAN CORN PRODUCERS BECAUSE OF THE PREFERENTIAL AGREEMENT WHICH GIVES ARGENTINA A 3.3 PERCENT TARIFF PREFERENCE WHICH WILL SOON INCREASE TO 11 PERCENT

MERCOSUR (ARGENTINA, BRAZIL, PARAGUAY, URUGUAY) WANTS

TO EXPAND ITS AGREEMENTS TO INCLUDE ALL OF SOUTH AMERICA WHICH WOULD DISADVANTAGE TO AMERICAN BUSINESSES.

CHINA HAS TARGETED MEXICO, ARGENTINA, BRAZIL, CHILE AND VENEZUELA AS "STRATEGIC PRIORITIES" IN LATIN AMERICA TO EXPAND BILATERAL TRADE.

UNCLAS SECTION 05 OF 08 STATE 147349

USVIENNA FOR UNVIE OR OSCE

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TAGS: ETRD  
SUBJECT: FAST TRACK

ASEAN IS FORMING A TRADE AREA THAT WILL INCLUDE 400 MILLION PEOPLE. PRESIDENT MENEM RECENTLY SUGGESTED A MERCOSUR-ASEAN FTA--AN AGREEMENT THAT WOULD ENCOMPASS OVER 600 MILLION PEOPLE AND SEVERELY DISADVANTAGE KEY US SECTORS

THE EU HAS BEGUN A PROCESS TO REACH A FREE TRADE AGREEMENT WITH BRAZIL, ARGENTINA AND OTHER MERCOSUR COUNTRIES AND PRESIDENT CHIRAC HAS DECLARED LATIN AMERICA'S ESSENTIAL ECONOMIC INTERESTS LIE NOT WITH THE UNITED STATES BUT WITH EUROPE

FAST TRACK  
Q&A' S

Q: SOME SAY FAST TRACK IS JUST ABOUT EXPANDING NAFTA TO INCLUDE CHILE ARE THEY CORRECT? WHAT WILL THE PRESIDENT DO WITH FAST TRACK?

FAST TRACK IS ABOUT GIVING THE UNITED STATES THE ABILITY TO OPEN MARKETS, CREATE JOBS AND IMPROVE THE STANDARD OF LIVING OF AMERICAN COMPANIES AND WORKERS. -AST TRACK WILL BE USED TO NEGOTIATE SECTORAL AGREEMENTS IN KEY INDUSTRIES WHERE THE US IS MOST COMPETITIVE, LIKE AGRICULTURE, MEDICAL EQUIPMENT AND ENVIRONMENTAL TECHNOLOGIES. IT WILL USED TO CONTINUE OPENING MARKETS OF LATIN AMERICA AND ASIA, THE FASTEST GROWING MARKETS IN THE WORLD, AND IT WILL BE USED TO REACH GLOBAL AGREEMENTS IN THE LORLD TRADE ORGANIZATION TO REDUCE BARRIERS IN KEY AREAS SUCH AS AGRICULTURE AND SERVICES. THE ADMINISTRATION IS ASKING FOR AUTHORITY SIMPLY TO NEGOTIATE THESE AGREEMENTS: CONGRESS WOULD THEN HAVE THE RIGHT TO APPROVE OR DISAPPROVE ANY FAST TRACK AGREEMENT ONCE IT IS NEGOTIATED.

THESE AGREEMENTS CAN PROVIDE ENORMOUS BENEFITS FOR AMERICAN COMPANIES AND WORKERS. FOR EXAMPLE, THE INFORMATION TECHNOLOGY AGREEMENT, CONCLUDED LAST YEAR, ELIMINATED TARIFFS AND UNSHACKLED DOLLARS 500 BILLION OF TRADE IN SEMICONDUCTORS, COMPUTERS, TELECOMMUNICATIONS EQUIPMENT AND SOFTWARE, AMOUNTING

TO A DOLLARS S BILLION TAX CUT IN TARIFFS ON AMERICAN EXPORTS. WITH FAST TRACK AUTHORITY, WE CAN TEAR DOWN MORE BARRIERS TO AMERICA'S EXPORTS AND CREATE MORE HIGH SKILLED JOBS.

MORE FUNDAMENTALLY, FAST TRACK IS ABOUT MAINTAINING AMERICA'S COMPETITIVE POSITION AND GLOBAL LEADERSHIP. IF AMERICA DOES NOT BREAK DOWN FOREIGN TRADE BARRIERS, OUR COMPETITORS WILL--TO THEIR ADVANTAGE, NOT OURS. SINCE 1992, IN LATIN AMERICA AND ASIA ALONE, OTHER COUNTRIES REACHED MORE THAN 20

PREFERENTIAL TRADE AGREEMENTS EXCLUDING THE UNITED STATES. THESE COUNTRIES ARE BUSY LEVELING THE PLAYING FIELD FOR THEIR EXPORTS. WITHOUT FAST TRACK AMERICA WILL LOSE ITS GLOBAL LEADERSHIP AND RISK BEING RELEGATED TO THE SIDELINES

Q: WHY IS IT SO IMPORTANT TO PROVIDE FAST TRACK AUTHORITY? WHAT HAPPENS IF THE UNITED STATES DOESN'T HAVE IT?

A: AMERICA'S FUTURE PROSPERITY IS INCREASINGLY TIED TO THE EXPANSION OF THE GLOBAL ECONOMY. IN A WORLD WHERE OVER 96PERCENT OF THE WORLD'S CONSUMERS LIVE OUTSIDE THE U.S. AND THE GLOBAL ECONOMY IS EXPECTED TO GROW AT THREE TIMES THE RATE OF THE U.S. ECONOMY, WE MUST CONTINUE TO EXPORT TO BE ABLE TO CREATE MORE HIGH SKILLED AMERICAN JOBS. WITHOUT FAST TRACK, AMERICA'S HANDS WILL BE TIED IN ITS ABILITY TO NEGOTIATE THESE CRITICAL AGREEMENTS AND DRASTICALLY SLOW DOWN OUR JOB CREATING POTENTIAL.

OVER THE PAST FOUR YEARS, ONE-QUARTER OF OUR ECONOMIC GROWTH CAME FROM TRADE. TO TAKE ADVANTAGE OF THESE OPPORTUNITIES, WE MUST CONTINUE TO OPEN EXPORT MARKETS FOR AMERICA'S COMPANIES AND WORKERS. IF WE DON'T MOVE FORWARD, US WORKERS AND COMPANIES FROM TELECOMMUNICATIONS FIRMS TO AGRICULTURAL PRODUCERS WILL LOSE OUT IN FOREIGN MARKETS. FAST TRACK AUTHORITY GIVES THE PRESIDENT THE TOOLS TO MOVE AMERICA AHEAD TO THE 21ST CENTURY

Q: SOME SAY US. WORKERS CAN'T COMPETE AGAINST WORKERS FROM LOW WAGE COUNTRIES. WHAT ARE THE FACTS?

A: THE FACT IS THE U.S. ECONOMY IS THE STRONGEST IN THE WORLD AND AMERICAN WORKERS ARE THE BEST TRAINED,  
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MOST HIGHLY EDUCATED AND PRODUCTIVE WORK FORCE IN THE WORLD THE CAN CERTAINLY COMPETE WITH WORKERS FROM LOW

WAGE COUNTRIES.

IN THE LAST 10 YEARS, U.S. EXPORTS TO LOW-WAGE COUNTRIES HAVE RISEN 240PERCENT WHILE EXPORTS TO HIGH WAGE COUNTRIES ARE UP JUST 140PERCENT AND DOMESTIC SALES BY 75PERCENT . EXPORTS TO LOW WAGE COUNTRIES NOW ACCOUNT FOR 42PERCENT OF TOTAL U.S. EXPORTS. AND THESE ARE HIGH SKILLED, HIGH PAYING JOBS. WAGES FOR EXPORT-RELATED JOBS PAY 13-16PERCENT MORE THAN THE NATIONAL AVERAGE.

COMPETITION FROM LOW WAGE COUNTRIES DOES CREATE COMPETITIVE PRESSURES IN INDUSTRIES WHERE SKILLS AND PRODUCTIVITY ARE LOWER, BUT MOST SUCH JOBS DON'T COMPETE WITH IMPORTS. IN FACT, IMPORTS FROM NON-OIL DEVELOPING COUNTRIES ACCOUNT FOR ONLY 4PERCENT OF U.S. SPENDING AND HAS GROWN ONLY 1.5PERCENT DURING THE PAST DECADE. FOR THOSE WORKERS WHO ARE AFFECTED, WE NEED TO MAINTAIN OUR COMMITMENT TO EDUCATION AND WORKER RETRAINING. THAT'S WHY THE PRESIDENT IS COMMITTED TO MAKING SURE NO AMERICAN IS LEFT OUT OF THE GLOBAL ECONOMY. TRADE EXPANSION MUST BE PART OF A COMPLETE STRATEGY TO PREPARE THE U.S. FOR GLOBAL COMPETITION.

Q: SHOULD LABOR AND ENVIRONMENT ISSUES BE ADDRESSED WITHIN OUR TRADE AGREEMENTS?

A: WE BELIEVE LABOR AND ENVIRONMENTAL ARE AN IMPORTANT OF THE TRADE AGENDA AND WE ARE COMMITTED TO PROGRESS IN THESE AREAS. THE ADMINISTRATION'S RECORD DEMONSTRATES THAT WE HAVE NEGOTIATED AGREEMENTS RELATED TO LABOR AND THE ENVIRONMENT AT EVERY OPPORTUNITY. OUR STRATEGY MAXIMIZES OUR ABILITY TO OPEN MARKETS FOR US WORKERS AND COMPANIES AND IMPROVE INTERNATIONAL ENVIRONMENTAL AND LABOR STANDARDS. IN FACT, THE ADMINISTRATION HAS MADE UNPRECEDENTED PROGRESS IN DEFINING AND ADVANCING CORE LABOR STANDARDS--THE RIGHT TO ORGANIZE AND BARGAIN COLLECTIVELY, FREEDOM OF ASSOCIATION, A PROHIBITION ON EXPLOITATIVE CHILD LABOR, A PROHIBITION ON FORCED LABOR, AND A COMMITMENT TO NON-DISCRIMINATION IN EMPLOYMENT--IN SUCH INTERNATIONAL ARENAS AS THE WORLD TRADE ORGANIZATION, THE INTERNATIONAL LABOR ORGANIZATION, AND IN THE OECD.

THE RECENT SWEATSHOP INITIATIVE IS AN EXAMPLE OF THE ADMINISTRATION'S EFFORTS TO IMPROVE WORKING CONDITIONS BY ESTABLISHING AN INDUSTRY-WIDE PARTNERSHIP WITH LABOR ORGANIZATIONS AND CONSUMER INTERESTS ON WAGE AND WORKPLACE CONDITIONS FOR APPAREL INDUSTRY MANUFACTURERS. THE NAFTA SIDE AGREEMENTS REPRESENTED THE FIRST INITIATIVE TO ADDRESS LABOR AND ENVIRONMENTAL ISSUES SIMULTANEOUSLY WITH TRADE CONCERNS. AND, IN THE FREE TRADE AREA OF THE AMERICAS, THE UNITED STATES IS PUSHING FOR A COMMITMENT ACROSS THE HEMISPHERE TO SUSTAINABLE DEVELOPMENT PRACTICES

Q: HAS NAFTA BEEN A SUCCESS? WHAT'S THE RECORD?

A: THE RECORD IS GOOD. NAFTA HAS PROVIDED MANY BENEFITS, INCLUDING EXPANDED EXPORTS, CREATION OF HIGH WAGE JOBS AND PROTECTION OF THOSE EXPORTS AND JOBS DURING MEXICO'S RECESSION AND PESO CRISIS. WITH THE PHASING IN OF NAFTA, U.S. GOODS EXPORTS HAVE RISEN TO HISTORIC LEVELS IN THE LAST 3 YEARS (1993 TO 1996), UP 33 PERCENT TO CANADA, UP TO 37% TO MEXICO. GOODS EXPORTS TO MEXICO AND CANADA SUPPORTED 2.3 MILLION U.S. JOBS LAST YEAR. SUCH U.S. JOBS SUPPORTED BY EXPORTS PAY 13PERCENT TO 16PERCENT MORE THAN THE U.S. NATIONAL AVERAGE.

THE BEST INFORMATION AVAILABLE INDICATES THAT NAFTA HAS HAD A POSITIVE EFFECT ON JOBS, CREATING 90,000 TO 160,000 JOBS IN TRADE WITH MEXICO ALONE. A STUDY BY DRI ESTIMATES NAFTA BOOSTED REAL EXPORTS TO MEXICO BY DOLLARS 12 BILLION IN 1996, COMPARED TO A SMALLER INCREASE IN IMPORTS OF DOLLARS 5 BILLION, WHICH CONTRIBUTED TO CONTROLLING MEXICO'S FINANCIAL CRISIS. THE AGREEMENT HAS ALSO LEVELED OUR PLAYING FIELD WITH MEXICO. MEXICO'S TARIFF CUTS HAVE BEEN 5 TIMES GREATER THAN OURS. THE AGREEMENT HAS HELPED AMERICAN SUPPLIERS IN KEY INDUSTRIES CAPTURE ADDITIONAL SHARES OF MEXICO'S IMPORT MARKETS, STRENGTHENING OUR POSITION. SINCE NAFTA WENT INTO EFFECT, OUR SHARE OF MEXICO'S IMPORT MARKET HAS GROWN FROM 69.3PERCENT TO 75.5PERCENT  
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Q: DID NAFTA CAUSE THE PESO CRISIS AND THE RESULTING RECESSION?

A: NO. IN FACT, THE EFFECTS OF THE PESO CRISIS WOULD HAVE BEEN WORSE FOR THE UNITED STATES IF IT WERE NOT FOR NAFTA. WHEN MEXICO HAD ITS LAST FINANCIAL CRISIS IN 1981-82, IT IMPOSED 100PERCENT DUTIES ON AMERICAN PRODUCTS, U.S. EXPORTS FELL IN HALF AND IT TOOK 7 YEARS FOR US EXPORTS TO RECOVER TO 1981 LEVELS. THIS TIME, MEXICO CONTINUED TO REDUCE ITS TARIFFS AS REQUIRED BY NAFTA (EVEN THOUGH IT RAISED THEM ON OUR COMPETITORS). U.S. EXPORTS RECOVERED TO PRE-RECESSION LEVELS IN 18 MONTHS, PROTECTING THE 750,000 JOBS DEPENDENT ON THOSE EXPORTS. A FEDERAL RESERVE OF DALLAS STUDY CONCLUDED U.S. EXPORT GROWTH WAS 7PERCENT HIGHER THAN IT WOULD HAVE BEEN ABSENT NAFTA.

Q: WHAT IS THE RECORD ON NAFTA LABOR AND ENVIRONMENTAL CONDITIONS ALONG THE U S -MEXICAN

BORDER?

A: NAFTA HAS GIVEN US BETTER PROGRESS AND COOPERATION WITH MEXICO ON LABOR AND ENVIRONMENTAL CONCERNS THAN WE WOULD HAVE HAD WITHOUT IT. THE PROBLEMS ALONG THE BORDER ARE LONGSTANDING AND WILL NOT BE SOLVED OVERNIGHT. BUT THERE ARE CLEAR SIGNS OF IMPROVEMENT:

FROM 1993 TO 1996, MEXICO'S SECRETARIAT OF LABOR AND SOCIAL WELFARE ENFORCEMENT BUDGET INCREASED IN REAL TERMS BY NEARLY 250PERCENT

THE OVERALL RATE OF OCCUPATIONAL INJURIES AND ILLNESSES FELL FROM 47 PER THOUSAND IN 1994 TO 33 PER 1000 IN 1996.

MEXICO HAS SEEN THE NUMBER OF ENVIRONMENTAL VIOLATIONS DROPPING; WITH A 72PERCENT REDUCTION IN SERIOUS VIOLATIONS IN THE MAQUILADORA INDUSTRY FROM 1993 TO 1996; AND A 43PERCENT INCREASE IN THE NUMBER OF MAQUILADORA FACILITIES IN COMPLETE COMPLIANCE

THE NAFTA INSTITUTIONS FINANCING BORDER CLEANUP PROJECTS HAVE CERTIFIED 16 PROJECTS, INCLUDING INFRASTRUCTURE PROJECTS COSTING NEARLY DOLLARS 230 MILLION.

WE NEED TO CONTINUE LABOR AND ENVIRONMENTAL EFFORTS WITH MEXICO. BUT IT'S IMPORTANT TO REMEMBER THAT THE AGREEMENTS TO BE REACHED UNDER NEW FAST TRACK AUTHORITY WILL NOT RAISE THE KIND OF BORDER CONCERNS PRESENT WITH MEXICO, A COUNTRY SHARING A 2000-MILE BORDER WITH THE UNITED STATES.

Q: SOME SAY US COMPANIES USE THE THREAT OF RELOCATION MEXICO TO JAWBONE DOWN THE WAGES OF AMERICA 'S WORKERS - AND THEY FEAR CHANGE WILL HAPPEN OVER AND OVER AGAIN IF WE REACH MORE FREE #TRADE AGREEMENTS. WHY AREN'T THEY RIGHT?

A: THE FACT IS THAT NAFTA MAKES IT MORE ATTRACTIVE TO STAY IN THE UNITED STATES. BEFORE NAFTA, U.S. EXPORTS FACED AN AVERAGE LOPERCENT TARIFF WHEN SENDING U.S.-MADE GOODS TO MEXICO. THEY HAD

RESTRICTIONS THAT BASICALLY FORCED US COMPANIES TO LOCATE CAR PRODUCTION IN MEXICO IN ORDER TO SELL TO MEXICANS. NAFTA ELIMINATES ALL OF THIS ON THE MEXICAN SIDE- AND WILL ELIMINATE ONLY A 2PERCENT AVERAGE TARIFF ON PRODUCTS COMING HERE.

IF WE LET OTHER COUNTRIES REACH TRADE AGREEMENTS, WHILE WE SIT ON THE SIDELINES, IT WILL MAKE IT EVEN MORE ATTRACTIVE FOR COMPANIES TO LOCATE OUTSIDE THE UNITED STATES. IF OTHER COUNTRIES ELIMINATE THE BARRIERS THEIR EXPORTS FACE, WHILE U.S. EXPORTS STILL FACE HIGH BARRIERS, THERE IS THAT MUCH MORE INCENTIVE

TO PRODUCE ELSEWHERE. IF WE WANT TO KEEP JOBS IN THE U.S., WE SHOULD ELIMINATE TRADE BARRIERS FOR U.S.-MADE PRODUCTS. TO DO THAT, THE PRESIDENT NEEDS FAST TRACK AUTHORITY.

Q: SOME SAY NAFTA HAS DIVERTED A CONSIDERABLE INVESTMENT FROM THE US TO MEXICO. IS THAT TRUE?

A: NO. U.S. FOREIGN DIRECT INVESTMENT IN MEXICO AVERAGED DOLLARS 3.1 BILLION IN 1994-96, LITTLE CHANGED FROM THE AVERAGE DOLLARS 2.8 BILLION THE UNCLAS SECTION 08 OF 08 STATE 147349

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THREE YEARS BEFORE NAFTA TOOK EFFECT. THE DOLLARS 3.1 BILLION WAS LESS THAN 0.3PERCENT OF GROSS PRIVATE FIXED INVESTMENT IN THE U.S. IN 1996. THE BIG 3 INVESTED DOLLARS 39 BILLION IN THE U.S. ECONOMY IN THE LAST THREE YEARS, ONLY DOLLARS 3 BILLION IN MEXICO ALBRIGHT

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