

CHILD LABOR

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS
SECOND SESSION

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JUNE 11 AND JULY 15, 1996
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CHILD LABOR

TUESDAY, JUNE 11, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN
RIGHTS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:10 p.m., in room 2172, Rayburn House Office Building, Washington, DC, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. The subcommittee will come to order. Good afternoon.

Child labor, a practice that is all too common in many parts of the world, is nevertheless almost universally recognized as an evil. This practice, at least in its cruelest forms, has been outlawed by virtually every country in the world. It also contravenes international law as reflected in numerous international agreements and standards.

The Minimum Age Convention of the International Labor Organization was adopted in 1973. It states first that, and I quote, "The minimum age for admission to employment shall not be less than the age of completion of compulsory schooling."

The Convention further provides that the minimum age in any case shall not be less than 15 years, or 14 years in a country whose economic and educational facilities are insufficiently developed. The Convention also prohibits hazardous work for children under the age of 18.

The ILO Forced Labor Convention has been in effect since 1930. It prohibits most forms of forced or compulsory labor, including all forced labor for people under the age of 18. In 1959, the ILO Convention concerning the abolition of forced labor reaffirmed and strengthened this commitment.

Many forms of child labor are also prohibited by the United Nations Convention on the Rights of the Child. The 187 signatories to that Convention have recognized, and I quote, "The right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education or to be harmful to the child's health or physical, mental, spiritual, moral or social development."

I would just note parenthetically that in 1989, I was President Bush's congressional delegate to the United Nations and gave the speech on behalf of the United States in favor of the Convention on the Rights of the Child.

Thus, on paper, it would appear that this evil has been banished from the face of the earth. I emphasize on paper. In the words of the ILO, "Few human rights abuses are so unanimously condemned while being so widely practiced as child labor."

It is estimated that there are between 100,000,000 and 200,000,000 working children in the world today, 95 percent of whom live in developing countries. Some work on family farms to survive. Others work in factories or in the informal economy in jobs such as peddlers or messengers.

In some countries, it is common for children to be sold into debt bondage or to work in hazardous industrial environments. Still others are duplicitously recruited into lives of prostitution and sex slavery. Given their vast numbers, it is difficult to generalize about their economic and social circumstances.

The exploitation of children is made possible largely by the things that make it reprehensible. Children are vulnerable and largely dependent on adults for sustenance and protection. They are more easily intimidated and less likely to organize than adult laborers.

Many are too young to have genuinely chosen the back breaking work that fills their days. Furthermore, the long hours of work keep many child laborers from obtaining the basic education that represents their only hope of a future escape from that toil.

While statistics indicate the scope of the problem, the nature of the problem is most clearly visible in the faces of the children themselves. During recent weeks, the unpleasant details of several high profile cases have been brought to the attention of the American public.

An article in this month's edition of Life magazine includes pictures of children making carpet, surgical instruments, and soccer balls in India and Pakistan. The oldest of these children is a 12-year-old boy, whose face was branded with a hot iron by his master and one of whose eyes was deliberately blinded. The youngest is a 3-year-old child, a girl.

Even more widespread attention has been given to the case of a factory in Honduras that produced a line of clothes that was marketed by Wal-Mart under the label endorsed by Kathie Lee Gifford. Two of our witnesses today are from Honduras and will testify about working conditions in that factory and in others.

Kathie Lee Gifford herself was invited to testify, but was unable to do so because of a scheduling conflict. However, the subcommittee may hold a future hearing to receive her testimony and that of other witnesses who were unable to be present today.

It is important to stress, however, that the goal of this hearing is not to point the finger at any one country or any one company or industry, nor should we begin by assuming that any minimum working age or wages or working conditions that would not be acceptable in the United States are per se violations of human rights.

Reality is that most other countries have standards of living far below that which we enjoy in the United States. Therefore, U.S. companies may credibly state that their investment in foreign manufacture represents the best hope for the responsible economic empowerment of the people in these countries.

However, such economic empowerment need not and must not involve the exploitation of children. At the very least, we, the American people, have the right—and I believe we have the moral obligation—to learn the facts about the methods of production that go into the manufacture of the products that we buy.

I would also note parenthetically here, I was just reminded by the stenographer who noted that we have had hearings here time and again on the use of the loagai system in China where many of the manufactured products that end up in our stores are being produced and then sold and distributed throughout the United States. That practice is already against the law, yet we have not had enforcement of the Smoot-Hawley Act to bring down the sale of those products in the United States.

The problem is not limited to products that are imported into the United States. Although export manufacturing is the area that has received the most attention in the news media, the Department of Labor estimates that less than 5 percent of child laborers are involved in export industries.

Furthermore, in those industries, large enterprises use child labor much less frequently than small- and medium-sized businesses, especially those that operate in neighborhoods and in homes.

While a boycott of one company or country or even a legal prohibition of imports produced with child labor may be indeed important, we may need to consider additional measures. As with any other human rights violation, we must make the elimination of child labor an important goal of U.S. foreign policy, including, but not limited to, our foreign aid policy.

At this stage, however, neither this subcommittee nor anyone else has all the answers about child labor. We do not know its full extent, and we have not yet arrived at a consensus about what policies will lead to its speedy abolition, or even about where to draw the line between practices that can perhaps be tolerated for the time being and those that we must not allow to happen.

We look forward to hearing from the witnesses that will be appearing today and appreciate the very strong interest that has been expressed by members on both sides of the aisle.

At this point, I would like to yield to my good friend from Virginia, who would like to make an opening statement.

Mr. MORAN. Thank you very much, Chairman Smith.

I want to begin by thanking you for holding this hearing. Believe it or not, this is the first time that a House committee has held a hearing devoted to the worldwide problem of child labor. We have had hearings by the human rights task force, the caucus, but this is the first time that an authorizing committee has held such a hearing, and it is long overdue. Thank you.

Many Americans have been startled to learn recently that many of the products that they are purchasing, often bearing the names of celebrities that they admire and trust, have been manufactured by children under unspeakably oppressive labor conditions.

Celebrities have been quick to point out their ignorance and thus their lack of responsibility for the problem. They seem to deny or to downplay the use of child labor and portray themselves as victims of an attack by the media.

Kathie Lee Gifford is only one of the most recent examples of this phenomenon. I have seen her talk about the viciousness of the media instead of accepting some personal responsibility for having made millions off the exploitation of helpless children.

What a wonderful opportunity that would have been for someone of such visibility and universal trust through the country to accept that kind of personal accountability and turn it into an opportunity to show the kind of leadership that would have made a lifetime difference in the lives of hundreds of thousands, if not millions, of exploited children. Instead, she chose to put her resources into hiring publicity agents to shift the blame.

The Gap, The Limited, Nike, all kinds of companies that we purchase products from, and I know in the area I represent here in the Washington metropolitan area that many of my colleagues purchase products. This is one of the more affluent areas. We are complicit in maintaining this system of exploitation when we do not ask questions, when we do not insist upon adequate answers.

Those firms that I just mentioned—The Gap, The Limited, Nike—very recently have realized that the out sourcing that they have been doing for the manufacturing of their products is in fact producing cheap prices for such products only by exploiting children, young women, people who have no control over the situation.

As a result, they realize they have some complicity in this, and they have decided to make a difference. They do not consider themselves to be victims, rightfully so. Mrs. Gifford is not a victim either.

Let me share with you a few of the real victims. Shadab is a 9-year-old boy. Since he was 6, he has spent 12 hours a day, 6 days a week, squatting in semi-darkness on the damp ground polishing metal in a brass factory. The air in the factory is visibly thick with metal dust. The temperature is 120 degrees. The bare floor is damp with acid that sloshes from big vats onto the ground.

Silgi is a 3-year-old girl, about the same age as my daughter. I know you have young children, Chris. She sits on a mud floor in a filthy dress stitching soccer balls bound for Los Angeles with needles that are bigger than her fingers. Her stitching is adequate, but her hands are so small that she cannot handle the scissors to cut the string, so she has to get assistance from a fellow employee, her sister.

Anwar is a 9-year-old boy. He started weaving carpets at the age of 6 or 7. He was told repeatedly that he could not stop working until he had earned enough money to repay an alleged family debt. He was never told who in his family had borrowed or how much money they had borrowed.

Whenever he made an error in his work, he was fined, and his debt was increased. When he was too slow, he was beaten with a stick. Once he tried to run away, but he was caught by the local police, who forcibly returned him to the carpet looms. They obviously are paid off.

Pervasive corruption exists in all of these countries that have the most serious problems. In order to take a break, he would injure himself by cutting his own hand.

Forced labor is illegal in most parts of the world, yet it is on the increase in Asia and Africa and Latin America. The reason is sim-

ple. Exploiting children is both easy and profitable. Employers prefer child laborers because they are easy to control.

One toy manufacturer in Thailand told reporters as long as we give them enough meals, at least one a day, we can control them very easily. They have nowhere to go.

A Moroccan carpet manufacturer said he prefers to get them when they are about 7. Their hands are nimbler, and their eyes are better, too. They are faster when they are small. Unfortunately, many of them are dying before the age of 12 because of how exploited the conditions are.

These are not isolated examples. Some argue that child labor is natural in poverty-ridden countries and that eventually, through investment and growth, child labor will die a natural death.

Our acceptance of child labor as a natural consequence of extreme poverty has led to its worldwide increase. To turn a blind eye to those that make a profit from buying and selling children is to condone it. We as consumers are all complicit if we do not ask the right questions and demand satisfactory answers. We all have a greater responsibility than passing the buck and assigning blame.

In addition to fulfilling our personal responsibility, we also have a national responsibility. That is why we are having this hearing. We would require that any country receiving U.S. foreign assistance certify that it has enacted and is enforcing effective child labor laws. The State Department should be responsible for auditing and, when necessary, revoking that certification. That is why I and about 40 bipartisan co-sponsors of my bill have introduced this Working Children's Human Rights Act.

The enforcement of child labor laws will not put an end to cheap, exploitative labor conditions nor significantly raise the price of the products we purchase. It will, though, create more job opportunities for parents and appropriate breadwinners around the world that become compensated participants instead of pawns in the globalization of our economy.

Most of us have been blessed by the accident of birth. Such good fortune ought not relieve us of some personal and collective responsibility to those who have not been so blessed.

I thank you again, Mr. Chairman, for taking the first step by holding this hearing, and I hope that we can form a strong bipartisan coalition to combat this abhorrent denial of the most basic human rights of children.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much for your very strong words, Mr. Moran—it was an excellent statement—and for your good work on behalf of children who are exploited by their employers.

I would like to yield to my good friend, Mr. Salmon.

Mr. SALMON. Thank you, Mr. Chairman. I compliment you as well on establishing this hearing in the first place. I think it is a very, very important issue, as I think most Americans would agree.

Mr. Moran, I read your editorial piece this morning. I think that there are some very, very good insights there. You obviously care very much about children, and I know that through everything I have heard, you are a terrific father as well. I compliment you.

Also being a father of four children, I am going to say the obvious. I think everybody out there would agree that there is probably nothing more nauseating, troublesome or saddening than the exploitation of a little child, be it sexual abuse, physical abuse, verbal abuse or the kinds of abuse where children are exploited by being forced to participate in the kind of labor that has been described.

If we as adults do not stand up for children, then who will? Children obviously do not have the wherewithal to advocate for themselves, so we as adults and we as Members of Congress have a responsibility to stand for them.

I would also ask along the lines of fairness and equity that while we go through this process, it is very easy sometimes to try to find scapegoats. Let us get to the bottom of the real problem. Let us find out who the culprits are. Let us try to fix the problem.

In the process, let's not make more victims along the way. Let us make sure that our approach is balanced, that it is fair, that we get the views of all sides. We must be careful not to wrongly accuse some of the businesses of such outrageous abuses when they should not be accused. If the shoe fits, then wear it. They need to pay the price.

There are businesses out there that are trying to do a good service not only for their stockholders, but also for humanity. We have to be very, very careful that we do not—excuse the word—throw out the baby with the bath water.

Let us shut down those who are exploiting children. Let us do everything we can, both nationally and internationally, to find the culprits, those that really are forcing these children to work for a pittance and putting them in the kind of conditions that Mr. Moran just described.

Let us go after them with a vengeance, and let's make sure that we eradicate this kind of a scourge from our society, but let's not destroy legitimate business and the Americans that they employ in the process. Let us make sure that our approach is fair and balanced and not sensationalistic such as we have seen in the National Enquirer and maybe even some of the national media outlets that should be a little bit more responsible lately.

I am not talking about this issue. I am talking about all issues. When we find an issue that we all hate and condemn, we immediately try to find a culprit. Let us just make sure that we are fair in the process and that we nail the real culprits.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much, Mr. Salmon.

My friend from New Jersey, Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman.

Let me also commend you for calling this very important hearing. As has been indicated by my colleague, Mr. Moran, this is the first time that a standing committee in this House has seen fit to call a hearing of this magnitude. I would like to commend you for that.

Let me also commend Representative Moran for his strong statement and his commitment to the eradication of this injustice, wherever it is.

Without deemphasizing the importance of bonded labor in India, Bangladesh, El Salvador and Honduras and other parts of the

world, I would like to speak about a problem that is very similar, but somewhat different. It is related to the problem of slave labor, which is even one step worse, which is being practiced in the Sudan and Mauritania.

In one specific case, Alang Jack, a 6-year-old girl, was taken captive by Arabs in the Sudan who raided her village in 1995. She was a victim of slave branding, which they still do, so that the person can be identified by the owner. She was a victim of the slave branding endorsed by some of the Sudanese Arabs who revived slavery after more than 100 years that it has been dormant.

This is just one incident, but in the Sudan and Mauritania children are captured, bought, sold, exchanged for camels and herded, branded and bred. Sometimes they are captured and forced to work in unsafe and unsanitary conditions.

In 1996, Human Rights Watch Africa reported that in Mauritania, routine punishment for the slightest fault includes beatings, denial of food and prolonged exposure to the sun with hands and feet tied behind them together.

To the east in the Sudan, slavery is a result of a 12-year civil war, which is still being raised between the north and south. I had the opportunity to visit some refugee sites in southern Sudan and stayed in villages for several days. Arab militants, armed by the government, raid villages, mostly those of the Dinka tribe, shoot the men and enslave the women and children.

Gaspar Biro, a United Nations human rights monitor, reported that abducted children are often sent to camps that become present-day slave markets. These children become property of their masters and are forced to work long hours—they make up a great percentage of the informal sector of agriculture and basket weaving.

That is why I have supported the H.R. 3294, the Working Children Human Rights Act. This resolution will work to increase minimum wages for children and halt child exploitation and prostitution widely practiced in many parts of the world. Children should have happy and safe childhoods without having to worry about being enslaved.

Let me also say that I think we are going after the illegitimate culprits, those who are exploiting this. I have not heard yet anyone talking about illegitimate corporations. I think we know that there are illegitimate corporations. I do not know why we would even have to allude to the fact that we would be singling out anyone that was obeying the law.

I do not understand about sensationalism and balance. What balance do you need if a child is being enslaved, if a child is being exploited? There is no balance. The balance is that we need to cut it out. It has to stop. The fact is that we have so much capital flight and that there is no more loyalty to a company or country. It is wherever you can get the work done more cheaply.

We are going after the bad guys. We are not looking to hurt the good guys. We want to separate the bad guys from the good guys. We are going after the illegitimate people. We have no problem with people who are good corporate citizens. We are going after the corporate cheats, the corporate bad boys. Let me put it that way.

Let me just once again commend the Chairman for calling this important meeting. I look forward to hearing the testimony from our witnesses.

Mr. SMITH. Thank you very much, Mr. Payne.

We are joined on the panel by Congresswoman Marcy Kaptur. As a matter of fact, incidentally, both Marcy and I testified earlier on the human rights abuses going on in China before the Ways and Means Committee, again trying to say that when we have leverage, there is an ability to use that leverage in the advancement of protection of basic human rights. She made a most eloquent statement there.

Would you like to make a statement here?

Ms. KAPTUR. Mr. Chairman, I just want to thank you very much for allowing me to sit in on the hearings today.

I do not have a formal statement to make at this point, but wanted to commend you very much for holding this in-depth set of hearings and our colleagues who are here to testify to listen to them.

I also appreciate your willingness to work with us to invite Mr. Charles Kernaghan, who will be testifying later today, who was kind enough at one point to bring workers into my district, young workers from Honduras and the Dominican Republic, who met with several of our church leaders in our own home community.

We got to hear their personal, very compelling stories, and then we went to some of the stores in our community and literally bought the products that they had been paid pennies for and watched their faces as they saw the difference between what they earned and what we paid for these goods here on shelves all over this country.

I respect your leadership on this and look forward to the testimony.

Mr. SMITH. Thank you very much, Ms. Kaptur.

I would like to invite to the witness table our two distinguished Members of Congress, George Miller, Congressman Miller, a Democrat from California, and Constance Morella, Connie Morella, a Republican from Maryland, who have long been active in this struggle.

As a matter of fact, Mr. Miller recently convened a hearing himself by I believe it is the Democratic Policy Committee focusing on this issue and bringing more light and scrutiny to it, which it certainly deserves. I want to thank you for doing that.

Ms. Morella, if you would want to begin?

STATEMENT OF CONSTANCE A. MORELLA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Ms. MORELLA. Thank you, Mr. Chairman.

Indeed, this is a timely hearing, and your convening of today's panels on child labor and U.S. imports is further testimony to your strong support for the rights of children around the world. You have demonstrated this, of course, repeatedly in your support for a number of foreign assistance programs focusing on children's health and education.

I also want the members of this subcommittee to know that I value the fact that I could hear their opening statements, which indicate their commitment to this very important issue.

The recent discovery that Wal-Mart merchandise carried under Kathie Lee Gifford's line was being produced by Honduran children earning less than 35 cents an hour has riveted national attention on the subject of child labor and exploitative working conditions throughout the developing world; with the exception of updated technology, these working environments would be difficult to distinguish from those described by Charles Dickens more than a century ago.

The problems and circumstances of child labor vary greatly throughout the world. In Central America, assembly industries with labor forces almost entirely comprised of women and girls commonly pay low wages with few, if any, benefits and actively discourage union organizing and activity. Sexual harassment and abuse are commonplace. Workers may be exposed to unsafe or toxic levels of chemicals and other dangerous substances endangering their health and ultimately their ability to support their families. Pregnant women and girls may be required to stand working for hours at a time without a break. Restroom visits may be restricted and monitored. For the most part, workplace rules are enforced almost entirely by men.

In South Asia, debt peonage and forced child labor are commonplace. In many cases, debt peonage dates back so far that it is no longer known what the original debt was or who incurred it; it may be difficult to determine the exact amount allegedly owed. Many children are forced into the carpet weaving industry where they work long hours to pay off their family's debt, receiving little, if any, food, free time or medical care. They are subjected to physical and mental abuse. Local law enforcement officials commonly return escaping children to their employers rather than to their families or to the appropriate authorities.

In Thailand and Burma, many girls are either enslaved directly, or made available through debt peonage arrangements to work in the sex industry. Young girls, many barely even teenagers, if not younger, are exploited as objects and compelled to service clients under the most abject circumstances for many hours each day, every day of the week, without rest or time off. Again, food and medical care and especially reproductive medical care are scarce. Not only does the sex industry rob women and girls of their innate dignity as human beings, and girls of their childhood, but it is also a leading source of HIV/AIDS, a problem which is exploding throughout Asia.

Although not the specific topic of this hearing, I feel it is important in this discussion of the exploitation of children around the world that we also address the increasingly common situation of boys being recruited into various insurgencies. This is not a new problem, but the current extent of it and the increasing number of very young boys carrying arms is disturbing, to say the least. We learned something of this problem in the debate over Renamo in Mozambique in the 1980's. We got firsthand experience with the problem in Somalia, but in Liberia we are confronted by a situation of the direst proportions with literal armies of young boys, most younger than 14 and some as young as 9, roaming the streets of Monrovia armed with automatic weapons and high on drugs. I fear that we may already have lost this generation of Liberian boys.

What is to be done? First of all, nations must enforce their laws pertaining to child labor, workers' rights, and workplace safety; greater resources must be devoted to health and education for children; nations must be held to international standards which they have endorsed. For example, the Beijing World Conference on Women adopted a Programme of Action calling for the elimination of economic exploitation and the protection of young girls at work, including enforcement of the Convention on the Rights of the Child, a minimum working age, social security insurance and health care. In El Salvador, the government plans to be devoting about 50 percent of its budget to health and education by the end of the century. The human rights procurator has highlighted four areas for special attention, two of which are the rights of children and the rights of women. The recent agreement on socioeconomic issues between the Government of Guatemala and the URNG gorillas commits that country to a similar course.

Second, the right of workers to organize and bargain collectively must be respected and protected. Without the ability to press for higher wages, jobs will continue to be lost to the developing world, or U.S. wages will fall in order to be competitive with developing world labor costs.

Third, we should adopt a carrot and stick approach for our foreign assistance. We should continue and expand our administration of justice programs, making sure that one of their areas of concentration includes labor rights and enforcement of labor law. We should continue to support programs which teach workers to organize and press for their rights within a democratic framework. On the side of the stick, I am a co-sponsor of my colleague, Jim Moran's, legislation, the Working Children's Human Rights Act, which is intended to improve compliance with labor laws by denying U.S. foreign assistance.

Finally, all of us, as consumers, and U.S. companies, have a responsibility to see that the products which we buy are produced or manufactured under circumstances which respect the rights and dignity of the workers. From the debate I have heard on the subject, I know that it is difficult to draft legislation that would hold U.S. companies directly accountable for the foreign workplace conditions under which their products are manufactured, but I feel that we need to look at some way of ensuring that minimum standards are met. I would add, however, that regardless of the law, decency and corporate responsibility dictate that companies should be assuring the safety and fairness of the workplaces where their products are produced.

Mr. Chairman and members of the subcommittee, it has been said many times, and regardless of one's opinion of who may be saying it most recently, the fact remains that it does take a village, in this case a global village, to raise a child. We all have a role to play.

Again, I thank you for the opportunity to appear before you and look forward to working with you and the subcommittee in your efforts and those of my colleagues to address this issue.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Morella appears in the appendix.]

Mr. SMITH. Connie, thank you for your very fine statement. It was comprehensive, as usual. We appreciate your good words.
Mr. Miller.

**STATEMENT OF GEORGE MILLER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. MILLER. Thank you, Mr. Chairman, and thank you for holding this hearing and for your continued interest and the interest of the members of this committee in this most serious problem.

My testimony today focuses on those who are responsible for ongoing child labor exploitation. As you know, on April 29, I chaired, along with Mr. Moran, a hearing of the Democratic Policy Committee on child labor, ecolabeling and the ability of consumers to change the way companies make their products.

It was at that hearing that the now well known allegations made by the National Labor Committee and Wendy Diaz about the use of sweatshops to produce the Wal-Mart/Kathie Lee Gifford clothing line were first aired publicly.

That hearing and those allegations have already sparked the broadest public discussion in a decade on sweatshops and the conditions under which men, women and especially children work both here in America and in developing nations.

Later this week, we will release a report of that hearing. Three things become clear from that hearing and our investigation. The first is that the exploitation of children for economic gain is not accidental. It is, in fact, intentional and integral to a system of economic greed associated with the production of many of these goods intended for sale in the United States and elsewhere.

Second, it is clear that those who benefit most from the exploitation of children, the celebrities, the designers, the holder of intellectual properties, the retailers and the manufacturers, have constructed a system of deniability to cover their involvement.

Third, it is those at the top who must start to take responsibility for how their goods are produced. This is a problem that requires change at the top. To do any less with the knowledge that we have today on the extent of this problem is to become a co-exploiter of children.

The celebrities and the companies can no longer say that they do not know. The ongoing conspiracy of silence throughout much of the apparel trade, sporting goods and other industries must come to an end.

Much of the current system under which clothing and other products are manufactured, both domestically and overseas, is predicated on cheap, unorganized, underage and exploited labor. In the global marketplace, wages and working conditions are being sacrificed in the mad rush to the bottom line. Many of our laws and international trade agreements protect that systematic abuse of workers. Consumers who are deeply concerned about the conditions under which products are made, and all of the evidence is that millions of those consumers do, in fact, care and are concerned, must have a reliable system for determining whether abused labor was used, just as we know if an electrical product is safe and we know the true contents of a box of cereal.

The government can help in eliminating this exploitation by prohibiting the importation of products made by child labor, by prohibiting foreign assistance to countries that allow the systematic use of child labor, and by including language in trade agreements that would make systematic violations of workers' rights an unfair trade practice.

The problem is that today our trade agreements are more interested in facilitating trade than in protecting the workers. Several of the initiatives that I have mentioned have been sponsored by Mr. Moran and others. I think we need to do more.

Americans are willing to boycott stores and to change their purchasing habits when they know about how products are made and if those products are made in sweatshops. All of the consumer surveys tell us this.

Consumers rarely are able to tell what products have been manufactured with exploited labor. We know if products are flame retardant, made of cotton or synthetics, made in the United States or abroad, made by union workers. We even know if tuna is dolphin safe. What we do not know is whether or not children were exploited in the making of the product.

As Sydney Schanberg put it in his powerful article in this month's Life magazine discussing soccer balls made by children in Pakistan, and I quote, "The words handmade are printed on every ball. Not printed is any explanation of whose hands made them."

I have proposed that manufacturers affix a label to products manufactured in industries where child and exploited labor has been a persistent problem, a label that would tell the consumer that no child or exploited labor was used in the manufacture of that product.

I am asking celebrities and companies in apparel and in other industries to adopt the concept behind this labor voluntarily, to open their plants to random inspection from independent monitors, to place directly on their products an informative labor-related label.

Celebrities like Andre Agassi, Jaclyn Smith, Kathy Ireland, Kathie Lee Gifford, Michael Jordan and others should be happy to see this label on products bearing their name, and consumers should demand to see any such label before paying \$100 or more for a pair of sneakers made by children paid only pennies an hour.

The Gap recently adopted independent monitoring because of public pressure and embarrassment over its operations in El Salvador. Mrs. Gifford has now called on Wal-Mart stores to adopt independent monitoring after suffering the enormous media attention over her clothing line. We salute these efforts, and we also await Wal-Mart's answer.

Others must follow suit like Michael Jordan, who has stated that he does not know how his brand of sneakers for which Nike pays him \$20,000,000 a year is made. Unless and until people like Michael Jordan and others take responsibility for how the products that bear their names are made, child labor and severe exploitation will continue. The decision to act is theirs to make, but they cannot avoid the responsibility.

Government rules and regulations alone are not going to end the practice of using children to make children's clothing. It is time to unleash the full power of the marketplace by working with manu-

facturers, retailers, consumers, labor and others to implement a labor label so that consumers can decide for themselves which products they favor.

If a retailer or manufacturer states that they are against sweatshop conditions, then they should be willing to put it in writing directly on the products which consumers use every day and which every consumer can see every day. If they are not interested, we should not patronize their products.

Let me close by saying that the campaign you see targeting celebrities and large companies is not about finding scapegoats or jumping on the bandwagons. It is about assigning responsibility—responsibility where it is due and responsibility by those who can in fact effect the change.

Only when these profitable entities and these individuals take responsibility will we be able to significantly reduce the child labor exploitation that you spoke of, Mr. Chairman, in your opening remarks.

Thank you very much for the time and the opportunity to address you and the other members of this committee. Again, thank you so very much for focusing attention on this problem.

[The prepared statement of Mr. Miller appears in the appendix.]

Mr. SMITH. Mr. Miller, thank you for your very strong statement and for your good work on behalf of the world's kids with regard to this exploitation.

Just let me ask you. What has been the response from the industries, the textile industry and others—you started to give some indication of that in your testimony—to this truth-in-labeling suggestion that you have proposed?

Mr. MILLER. We sent out a questionnaire essentially to everyone who was mentioned in the hearing that Mr. Moran and I held, whether they were mentioned positively or negatively. We tried to establish some benchmarks both about their practices and what they would be willing to accept.

There is the full range, as I mentioned. Some of them have already adopted independent monitoring. Some have taken steps, some several years ago, about denying in their contractual relationships with their contractors the use of exploited labor, non-compliance with domestic laws in the country in which those products are made or assembled.

Interestingly enough, though, they are not quite ready to support the affixing of a label to that product. Interestingly enough, they then all close by saying that this is a problem which cannot be fully monitored.

I obviously reject that. We are continuing a number of discussions with a number of retailers and some associations and a number of manufacturers. That will be part of the report that we issue.

It is very clear that there are parties to this problem and that they have the very real ability because of their financial capabilities within the marketplaces to effect change from the top. We will see where this goes. Otherwise, I am afraid that we are just going to simply be treated to one horror story after another periodically.

As I said, this is a system built on denial. People always say well, we got rid of that subcontractor. We got rid of this subcontrac-

tor. What they did not do is put in place a system to systematically get rid of those individuals who would exploit children.

Mr. SMITH. Has the flagship of U.S. industry, the U.S. Chamber of Commerce, indicated how it feels?

Mr. MILLER. Not to my knowledge. I do not know that we have received a response from them or whether we initiated with the Chamber yet on that.¹

I would be glad to supply that for you, Mr. Chairman, but I do not know.

Mr. SMITH. I appreciate that. It will be made a part of the record.

Do any of the members of the subcommittee or Ms. Kaptur have any questions?

Mr. MORAN. Just one thing, Mr. Chairman. It is so easy to raise people's names and the names of companies that are part of the problem. This might be a good opportunity to mention two or three companies that are part of the solution.

Are there any firms that you have been impressed with that have really taken the lead, George?

Mr. MILLER. There is one case. My personal example was when we found a very, very exploitative situation when I was Chairman of the Natural Resources Committee in the Northern Mariana Islands where we had exploited labor from people brought from China to the Northern Marianas to assemble products to get the benefit of Made in the USA label. That was sold as Made in the USA, but it was absolutely contrary to all the labor, wage and hour laws of this country.

When I contacted the president of Levi Strauss, in 24 hours he said we are out of there. We do not do business with felons. We do not do business with people who exploit people. We are in the process of now realigning how we do business with others.

The Gap was mentioned. Last summer there was quite a controversy over their practices in El Salvador. They, I believe, were the first to agree to independent monitoring. We now see Kathie Lee Gifford calling on her retailer, Wal-Mart, to provide for independent monitoring.

There are others. There are others who do have worker rights conditions in their contracts with manufacturers or subcontractors. I think in fact, though, the enforcement of those contracts is open to serious question.

Almost at every level, whether they are celebrities, some designers, some retailers, some manufacturers, a very limited number of people have started to step forward. I think when they see the fire storm that someone like Kathie Lee Gifford, who was completely caught unaware, went through, they will now understand that this is a problem you better get out in front of and start deciding you are marketing your name.

We are in the business where the only product we really have is our name. In fact, they sold their name, and now they better take good care of it.

Ms. MORELLA. To not exploit children is good business, and that is the thing that we are going to have to press forward with. I

¹As of the date of publication of this transcript, the U.S. Chamber of Commerce had not responded to Mr. Miller's May 7, 1996, letter.

think the people have a right to know. I think they are outraged by this wherever they see or hear about it. Businesses will begin to realize that with the help of this Congress and others.

Ms. KAPTUR. Mr. Chairman.

Mr. SMITH. Ms. Kaptur.

Ms. KAPTUR. Can I just ask one question? These witnesses are just so capable.

What I wondered about is if you are the CEO of any one of these companies, whether it is The Gap or Levi Strauss or even Wal-Mart, how is it possible that you do not know where your goods are coming from and that you in your world travels would not have meandered through some of these contract shops?

How is it possible that people at the top could be so blind to who are actually producing the goods? How is this possible?

Mr. MILLER. Congresswoman Kaptur, you may remember at one time I think it was in the late 1980's they did a survey of the CEO of the Fortune 500 companies, and there were, I think, a majority of them that could not name all the products their companies made.

This one I think they would just as soon not know. That is why, given the nature of this trade and how it has built up especially in the apparel trade, but now almost in all of this, you are both very familiar when you talk about where you testified this morning on China.

You have a whole series of contractual relationships that are really there to camouflage what is really taking place, whether it is the official Chinese family, the government, the army, the prison system or somebody exploiting people, and yet we have companies that do business with that, American companies or otherwise. They hide behind that. They say well, I contracted with Joe. He did not tell me that Sam was doing this.

It is like when they denied the AK-47's coming into the United States in San Francisco. They were relatives of the official family essentially who are participating in those companies.

These are contracts of convenience, and that is why I say this is not that these people are surprised. They have created a system of deniability. That is why I think you have to go to the top. You have to go to those people who have invested hundreds of millions of dollars in creating a brand name that is wholesome and accepted by the American public and say you owe it to us to rid your establishment or your line or your name of the products made by exploited children.

This cannot be up to each and every consumer to try to ferret out what we have not been able to ferret out in China or India or Pakistan or the Northern Mariana Islands or in some cases in Manhattan.

Ms. MORELLA. I think to answer your question with one phrase, it is possible, but not probable, that they do not know.

Mr. SMITH. I yield myself such time as it may consume. The potential to succeed with the labeling and trying to shut down these exploiters of children I think is enhanced because many of these sweatshops are actually in open countries. Maybe not democratic countries, but countries where we have greater access.

Sitting at the witness table where you are now, a year ago we heard from six survivors of the loagai, the gulag system in China. Part of the problem there is having access to the gulag. Frank Wolf from Virginia and I actually got into one of those prison camps and brought out the products. They shut it down eventually. That was one.

Our MOU that we have with the Chinese is not worth the paper it is printed on, regrettably. I think there is greater potential for success here simply because in Central and South America and many of the other Asian countries we do have access to those countries, unlike the PRC.

Mr. MILLER. As you pointed out, Mr. Chairman, it is the leverage of the American marketplace. We sometimes sell cheap. We sometimes sell cheap when it comes to American principles and standards and values in this country with respect to trade.

Mr. SMITH. Mr. Payne.

Mr. PAYNE. Yes. I just have a question.

Incidentally, the average wage about 15 years ago or 20 years ago, the average CEO's salary to the median wage at a company was 40 times higher than the average wage. Currently it has gone up to about 190 times the average wage of an American worker. We probably do not have enough zeros to figure out the proportion to a CEO's salary and these workers.

My question is there are some organizations—environmental, wildlife organizations—that have products which a portion of the proceeds go towards saving the environment or protecting wildlife, but these products are being made with child labor.

Have either of you looked into these organizations, and have you had any response from any of them?

Ms. MORELLA. No, I have not, but I know that there is a large group of businesses with social responsibility, and what they do is they herald the fact that they are contributing, as you mentioned, part of their proceeds for various groups or organizations that are performing things that are of public benefit, including groups that will assist children.

I would certainly think if they are under that label, and there is a whole list of them, that they would not be exploiting children. For that to be called to the public's attention would totally devastate their credo.

Mr. MILLER. I have not specifically, but that was part of the most recent controversy we have been going through.

The early defense was I give money to children. If you get money by exploiting children, it is just not a defense that anyone is going to accept that you give money to help children. That is a non-starter.

I have not seen the specific situation that you talked about, Congressman.

Mr. PAYNE. All right. Thank you very much.

Mr. SMITH. I want to thank our distinguished witnesses. If you would like to join us, depending on your time, you are more than welcome to do so.

Mr. MILLER. Thank you.

Ms. MORELLA. Thank you very much.

Mr. SMITH. I would like to ask our second panel if they would make their way to the witness table.

Maria Echaveste is the administrator of the U.S. Department of Labor's Wage and Hour Division. She is responsible for the management and policy direction of programs related to a variety of Federal wage and employment standards, including those related to child labor.

Ms. Echaveste received a Bachelor of Arts from Stanford University and her J.D. from the University of California at Berkeley.

She is joined by Sonia A. Rosen, who is the director of the U.S. Department of Labor's International Child Labor Studies. In this capacity, she is responsible for the research and publication of three major government reports on the commercial exploitation of children.

Prior to joining the Labor Department, she was the director of Amnesty International USA, Midwest Regional Office. Ms. Rosen is a graduate of Union College and the University of Minnesota Law School.

Ms. Echaveste, if you would begin.

**STATEMENT OF MARIA ECHAVESTE, WAGE AND HOUR
ADMINISTRATOR, U.S. DEPARTMENT OF LABOR**

Ms. ECHAVESTE. Thank you, and good afternoon. Thank you, Mr. Chairman, and members of the subcommittee for inviting the Department of Labor to participate in this important hearing.

I have a brief oral statement, and I would like to request that my full statement be entered into the record.

Mr. SMITH. Without objection, it will be made so.

Ms. ECHAVESTE. Thank you.

Clearly, as the Chairman and the members of the committee, as well as Congressman Miller and Congresswoman Morella, have stated, if we are to be measured by how children in the world are treated, we have a very long way to go, and we will have much to answer for. Child poverty, child slavery and the commercial sexual exploitation of children and the abuse of children in work are all problems that must be solved.

Rather than repeat the litany of abuses that continue to exist, I would like to focus on two items; first, to describe for you some of the actions undertaken by the Department of Labor aimed at eliminating international child labor abuses, and second to describe the Department's efforts to eliminate sweatshops in this country.

The second item, I think, has lessons that may be instructive with respect to some of the issues that you are grappling with in terms of what are strategies for truly and fundamentally changing the current situation.

First, the Department's Bureau of International Labor Affairs has published two major congressionally mandated reports. This two volume set "By the Sweat and Toil of Children" describes the abysmal conditions and exploitation of children working in certain manufacturing, mining and commercial agricultural and fishery industries, as well as the exploitation of child slaves in service industries.

It is important to recognize that reports such as these are critical to fundamentally reject the view of many that these problems do

not exist. Therefore, we are embarked in a third congressionally mandated report.

Just as the Labor Department is working to protect workers in the United States and in the U.S. garment industry against exploitation, we also wish to protect children from abusive situations in the international economy.

One of the Labor Department's goals is to further the consensus in the global community that the economic exploitation of children is simply unacceptable. We have made progress over the last few years, but obviously much remains to be done.

As I noted, reports such as the two that we have completed and the third that we are embarking upon is to document the existence of this problem. It is important that bodies such as this one give their imprimatur to the validity of that documentation.

With all due respect to international organizations, non-governmental organizations and human rights groups, unless there is a consensus from all the leadership that there is a problem, we cannot begin to find solutions.

The third congressionally mandated study is a more specific study. We have been directed to examine the codes of conduct of the top 20 U.S. garment importers related to the use of exploitative child labor.

Additionally, we will look at efforts of U.S. companies and non-governmental agencies aimed at eliminating the use of abusive and exploitative child labor in the production of goods imported into the United States and to review international and U.S. laws that might be used to encourage the elimination of child labor exploitation.

We can also support consumer initiatives, such as the Rugmark labeling program, which offers information to consumers to help them avoid purchasing carpets made with child labor. I would like to come back to this point as we discuss the idea of labeling.

Now let me talk about the nexus between our effort at the Department to eradicate sweatshops domestically and child labor internationally. At Wage and Hour, we have made enforcement of labor laws in the garment industry a top priority, but we recognize that with limited resources, which will disappear, it appears we cannot change unless we have the full participation of the industry.

That is to say that we will never have enough investigators on the streets. It is not possible unless the industry and all segments of the garment industry in the United States—retailers, manufacturers, end contractors—make an investment in answering the question that Congresswoman Kaptur raised of how can they not know how these goods are made. Until the industry realizes that they can be part of the solution, we will not change.

We have developed a multi-faceted strategy of enforcement, education and recognition. We believe that we must continue to enforce and identify manufacturers who work with contractors who break the law.

As part of that effort, we released approximately a month ago the first time ever, a manufacturers enforcement report; a national listing of all the manufacturers who were found to have worked with contractors who violated the law. We will be issuing that report periodically and on a regular basis.

It is not a bad guy list. I want to stress that. These are manufacturers who work consistently with contractors who break the law. The trick, we believe, is if a manufacturer consistently appears on the list, then the question that the consumer and the public should have is what are they doing to avoid being on the list.

Second, we engage in education. We have had two retailer summits where we have educated the retail industry about this problem and asked their participation in addressing these problems.

Last, we have sought to recognize companies who try to take an extra step. We have found that retailers and manufacturers who put systems in place to monitor their suppliers are more likely to find out about problems sooner before they become egregious, quickly address them and thereby assure that they are protecting themselves from the type of notoriety and public media attention that so often happens in this industry.

We created the trendsetter list, which we released in December, which identified companies that we believe have developed compliance programs to protect themselves and to assure their customers that they are selling goods that are made in compliance with labor laws. For consumers who want to know, they can know whether the goods are being made in compliance.

I do want to stress that I have had conversations with counsel for a major retailer who indicated that as a result of our pressure, they had begun to undertake investigations of their suppliers and found it difficult in that they had found at least nine levels of subcontracting. It is not easy. I want to make the record clear. It is not simply waving a wand and saying you will know, but if you put your mind to it, you can.

Reference has been made to Kathie Lee Gifford, and while the Department does not opine upon the particulars of the case related to Honduras, we can speak with some authority with respect to the case of about 3 weeks ago where a sweatshop in New York City was found to be making goods that carried the Kathie Lee Gifford label.

As a result of that case, the Secretary, with Mrs. Gifford's assistance, is calling for a fashion industry forum in mid July, on July 16, here in Washington. The purpose is to educate the industry, from the celebrities who put their names on the line, to those major retailers and manufacturers, about the problems; and, more importantly, about the solutions such as monitoring, such as more stringent contract provisions, to show that in fact, as the companies that are on our trendsetter list have said to us, it makes good business sense to obey the law. You get a better quality product, you have a better quality work force, and overall the consumer is satisfied.

We are also looking at ideas such as labeling and other possible legislation. With respect to labeling, we simply want to point out that any such effort must be carefully weighed against the dangers of fraudulent labels. That is to say a label is only worthwhile if there is truth behind it.

One of the things that we certainly look forward to in working with either this committee and other Members of Congress is how to set up a verification system so that if we were to embark upon a labeling program, it truly would mean something. Obviously in

an industry where contractors break the law at levels of 55 percent not paying overtime and 43 percent not paying minimum wage, they would very likely break the law in labeling.

With that, I would like to conclude by stating that we need to combat child labor by making certain the world knows where it is happening, and we ought to forcefully remind governments that law enforcement and education are the best solutions to the problem and ultimately that partnerships with the industries that profit by child labor and exploitation of workers must be part of the solution.

Thank you.

[The prepared statement of Ms. Echaveste appears in the appendix.]

Mr. SMITH. Thank you very much. Let me just ask you a couple of questions.

For those of you that are here, there is a vote going on on the floor. We want to keep the hearing going, so when Mr. Salmon gets back he will chair while I go and vote. Other members will be returning shortly to continue the questioning.

Retailer summits. You mentioned two of those. What is the difference between that and this fashion industry summit that you mentioned on July 16?

Ms. ECHAVESTE. I believe our first efforts were very much along the lines of—how shall I say—inviting the industry to learn and be educated. The first one took place before El Monte, California, where we found a year ago the Thai slaves.

At that meeting, the general view was on the part of the retailers that it was not their problem. It was the manufacturers' problem and, more importantly, that it was really a very small problem.

Our second effort after El Monte changed because clearly we had the data to show that the problem exists. This effort really focuses on, in a way, the people who have the most leverage. Frankly, as Congressman Miller said, those people who put their name on the line have the most to lose.

There are many individuals who have seen what happened to Mrs. Gifford and are very concerned about protecting themselves. I do think that it presents an opportunity that however the circumstances were in Honduras or the New York sweatshop, it presents an opportunity because it galvanizes public opinion, and that is what we need to change the industry.

Mr. SMITH. One of the six goals you list in your testimony is to look closely at the international financial institutions such as the World Bank and at how they might combat the exploitation of children.

As I know you are aware, the World Bank Articles of Agreement do not in any way condition World Bank lending on respect for human rights. Indeed, human rights activist Françoise Remington and her organization, Forgotten Children, have documented ways in which the World Bank projects have generated child labor, yet we pour billions of dollars into that and other multi-lateral lending institutions.

Do you think that our support for these kinds of organizations should be conditioned on taking steps to protect human rights in general and exploiting children in particular?

Ms. ECHAVESTE. I am going to defer to my colleague, Ms. Rosen, to answer that question.

STATEMENT OF SONIA A. ROSEN, DIRECTOR, INTERNATIONAL CHILD LABOR STUDIES, U.S. DEPARTMENT OF LABOR

Ms. ROSEN. I think one of the things that we are calling for in discussions and increased discussions with the World Bank and international financial institutions is to learn more about the situation and what impact current policies may have and how they could use their considerable weight and wealth and expertise to guide their policies to help children.

Mr. SMITH. According to your estimates, probably less than 5 percent of child labor worldwide is engaged in the manufacture of products that are then ultimately exported.

In those areas where there is no explicit link, that is to say where the produce of child labor is not coming to our shores, what would you recommend to Congress and the executive branch that the Federal Government do to try to stem this exploitation?

Ms. ECHAVESTE. Let me add a point, and then I will have Ms. Rosen comment.

I think clearly the bulk of the problem is in domestic production for those countries, but we have an opportunity with respect to those industries that involve international markets, so it is really a multi-pronged strategy. By calling attention at the marketplace level, you create pressure upon countries to deal with their labor situation, which then creates a positive pressure.

As Ms. Rosen will indicate, the diplomatic rules of sovereign nations and how you pressure countries is one that I am ill equipped to answer.

Ms. ROSEN. Obviously, we hope and pray that the work that is done here in the United States has a ripple effect on children who are working in other sectors.

The answers that we are beginning to look at have much to do with encouraging us and other countries to enforce existing child labor laws, as well as to put additional resources into the establishment of universal primary education for children so that as the children grow up, they grow out of the system of child labor and do not repeat this cycle.

Mr. SALMON [presiding]. I have another question from the Chairman. Is the use of child labor simply an effect of poverty, or is it more accurate to say child labor is one of the causes of poverty?

Ms. ROSEN. I think it is obvious that many of the children you find exploited around the world come from impoverished families. There is no doubt about that. There are other causes. Employers and other middlemen who use children, perpetuate the cycle.

I think what is important to note is that while a great percentage of children who are exploited in the workplace are very, very poor and come from very, very poor families, by using them and exploiting them in the workplace, in no way do you break that cycle of poverty.

Ms. ECHAVESTE. I would just simply like to add that trying to determine whether, as so many say, children need to work in other countries in order to survive has the effect of perpetuating the

cycle—lack of education, lack of skills, lack of opportunities to break out of that cycle of poverty.

I think that all our information shows that having a child work is not going to make the family break out of that poverty class. That is a very important point.

Mr. SALMON. Thank you very much. We appreciate your testimony.

We will go ahead and dismiss you then and call in Panel III. I think that is the final panel of the day. Thank you so much for sharing your time with us today.

On Panel III we have several people. Harry G. Kamberis is the director of the Asian American Free Labor Institute in Washington, DC, where he is over the programs that address child labor issues throughout Asia and the Near East. Prior to his position in Washington, Mr. Kamberis served as the director for the Philippine and Korean offices of the Free Labor Institute. Mr. Kamberis is a graduate of American University School of International Service.

Robert P. Hall III, is the vice-president and international trade counsel for the National Retail Federation. His duties with the Federation include serving as the retail industry's principal strategist and spokesman on a variety of issues, including international labor rights. Prior to joining the Federation, he held the post of legislative counsel to Senator Sam Nunn, serving as chief legal advisor. Mr. Hall received his B.A. and J.D. from the University of Georgia.

Charles Kernaghan is the executive director of the National Labor Committee. Mr. Kernaghan has led numerous labor delegations on fact finding missions to Central America and the Caribbean. He has also written several research reports on international labor rights. Before coming to the National Labor Committee, Mr. Kernaghan taught at the Henry VanArsdale Labor College in New York.

Wendy Diaz is a 15-year-old orphan from Honduras. She began working in the garment industry when she was only 13. While working at Global Fashions, she personally experienced and witnessed the exploitation of child labor.

Jesus Canahuati is the vice-president of Honduran Apparel Manufacturers Association. He is also the director of a non-profit organization that provides services to orphanages, alcohol rehabilitation and retirement homes. He received a degree in industrial engineering from the Georgia Institute of Technology.

Craig Kielburger is our final panelist, a 13-year-old eighth grader and founder of Free the Children. Upon learning about the death of a young boy who had been sold into child labor, Mr. Kielburger formed Free the Children to help eliminate the problem of child labor. Mr. Kielburger has traveled the world raising awareness about the exploitation of children. Through his efforts, Mr. Kielburger has been able to convince both the Ontario Federation of Labor and the Canadian Government to take affirmative steps to help eradicate child labor.

With that, I think we will just go ahead and start over on the furthest end. Mr. Hall, would you like to go ahead and start?

STATEMENT OF ROBERT P. HALL III, VICE-PRESIDENT AND INTERNATIONAL TRADE COUNSEL, NATIONAL RETAIL FEDERATION

Mr. HALL. Mr. Chairman and members of the committee, I am Robert Hall, vice-president and international trade counsel of the National Retail Federation, the world's largest retail trade association.

The NRF represents the entire spectrum of retailing from department stores to mass merchants to discounters to specialty stores to small, independent stores. Our members represent an industry which generated over \$2,300,000,000,000 in sales last year and employed 20,000,000 people or one in five working Americans. We also represent all 50 state retail associations and 34 national retail associations.

I thank the committee for allowing me to testify today on a matter of extreme importance to American families and the retailers who serve them—the perception of the prevalence of apparel sweatshops generally and those that use child labor specifically.

Mr. Chairman, the nation's retailers abhor the use of child labor, forced labor or exploitative labor wherever it may occur, in the United States or internationally, yet I encourage you and members of your panel to proceed with caution as you contemplate what types of action Congress or the Administration can take to curb the abuses that have been outlined in recent weeks by Mr. Kernaghan of the National Labor Committee and Ms. Diaz.

A quick fix remedy or a band-aid approach such as a labeling program may make American consumers feel good about their purchases, yet recent history has shown that labeling programs do little to help the plight of those in need of protection, the workers themselves.

The retail industry goes to extraordinary lengths working with our suppliers and contractors to ensure that the products on our shelves are produced in accordance with all applicable laws. This is not something we take lightly. As retailers, we rely on our reputations and the goodwill we have created with our customers to ensure success in the marketplace. If that goodwill is ever breached with our customers, it is hard to recapture.

Therefore, it is in our interest to ensure that the goods we sell are produced safely and legally. A reputation gained from decades of good faith efforts to comply with all laws can go down the drain with one widely distributed press story. That is why it is so crucial that Mr. Kernaghan or anyone else churning out press releases or press statements use extreme care when launching public relations attacks insulting the names of reputable American retail companies without first checking the facts.

Let us take the announcement made by Mr. Kernaghan last month. In three out of the four cases, as of the day of his press conference with Congressmen Miller and Moran, Mr. Kernaghan had not spoken with anyone—anyone—at the companies he named as recipients of garments produced at a factory in Honduras.

I challenge Mr. Kernaghan here today to provide private notice to companies when he uncovers a problem and to allow responsible time for corrective action before making public his concerns or complaints.

Without consultation and communication, retailers and apparel manufacturers are reduced to correcting false impressions created by Mr. Kernaghan and other labor activists through third party media moderators or through congressional panel dialog. While that may make for good theater and use up a lot of press ink, it does nothing to address the real problems of child labor or exploitative labor.

Mr. Chairman, the nation's retailers share the concerns you have expressed with regard to the rights of workers in the apparel industry whether they live and work in California, New Jersey, New York, Arizona, El Salvador, Taiwan or Honduras. However, two central questions remain. Who is best positioned to ensure the rights of these workers, and who has a legal obligation to do so?

In the case of working conditions here in the United States, both the Federal Government and the various State governments have an obligation to enforce the laws to the fullest extent possible. The clothing manufacturers are the next lines of defense. They have a legal obligation to comply with all applicable laws. As we have discussed with Secretary Robert Reich and his staff for several months now, the American retail industry is committed to combating any abuses of our domestic labor laws.

Next week in New York, the Federation is sponsoring a compliance seminar to further educate our domestic suppliers of their legal obligations and to underscore our industry's commitment to selling products that are made safely and legally. Similar seminars will be conducted later this year in California and in Texas.

Our commitment extends to the international front as well. U.S. retailers are working with foreign suppliers and the national and local governments of those countries to ensure they live by and enforce their own sovereign laws.

The international manufacturers again represent the first lines of defense and are charged with obeying all of the laws of the countries where they are doing business. As retailers, we insist in our contracts that the use of child labor or exploitative labor will not be tolerated. We make unannounced inspection visits to ensure that our products are being made by our contractors in safe and legal environments where workers' rights are protected.

However, the retail industry is active on several other levels as well to combat the potential use of child labor or exploitative labor. As an industry, we are developing model guidelines and an industry handbook as a means of standardizing industry practices.

Here in Washington and in capitols all over the globe, senior executives from the retail industry are meeting with both government and industry officials from our trading partner nations to emphasize our strong concerns about child labor. I might add I did that in Guatemala in February.

We are working with other U.S.-based companies through the U.S. Council for International Business to participate as employers at the International Labor Organization in Geneva where tomorrow Secretary Reich and other labor ministers, along with business and union representatives, will meet to discuss the global nature of this problem.

What they will undoubtedly find, as we have, is that this problem is a very complicated one and one for which overnight solutions

do not exist. We urge the committee to move with great care on this very sensitive issue.

I thank the committee for its attention to these issues and assure you that American retailers are willing to play an appropriate role as we all struggle to address the problem of child labor.

[The prepared statement of Mr. Hall appears in the appendix.]

Mr. SMITH [Presiding]. Mr. Hall, thank you very much for your testimony.

I would like to ask Mr. Kamberis if he would speak.

STATEMENT OF HARRY G. KAMBERIS, DIRECTOR OF PROGRAM DEVELOPMENT, ASIAN AMERICAN FREE LABOR INSTITUTE, AFL-CIO

Mr. KAMBERIS. Thank you, Mr. Chairman, and members of the subcommittee. On behalf of the American Federation of Labor Congress of Industrial Organizations, I want to thank you for the opportunity to participate in these important hearings.

I would like to briefly summarize my written statement and provide you with some observations based on my personal experience as a representative for the Asian American Free Labor Institute in the Philippines for 4 years.

There are approximately 100,000,000 child workers in Asia today, more than any other continent. These are children who labor full-time, some of them in the export industries. We consider this a low estimate since China is excluded because no reliable figures for that country exist.

While the subject of this presentation is child labor, the AFL-CIO sees no substantive difference between the exploitation of a child garment worker aged 14 or 13 and that of his or her co-worker aged 16 or 17 who is being equally exploited, abused, sexually harassed and denied basic human and labor rights.

Exploited children become trapped in a lifetime of exploitation as teenagers and ultimately as adults because they never acquire the skills necessary to improve their economic condition. The same conditions that allow the recruitment of children as laborers allow also for the recruitment of children into the sex industries in Asia.

The mix of reasons for the prevalence of child labor in a given country in Asia vary. One thing is clear. Those who suggest that child labor is a result of poverty are wrong. Poverty is not a reason for child labor. It is an excuse to justify its existence and absolve governments of their responsibility to enforce human and labor rights. Indeed, the struggle for the prevention and elimination of child labor is a struggle for personal liberties, human rights and representative democracy.

Most countries in Asia have adequate child protection laws that in theory at least ban child labor and provide for compulsory education. However, in countries with widespread and growing industrial child labor, the political will to enforce these laws is lacking.

Industrialization, rapid urbanization and now the global marketplace have increased the number of industrial child workers and placed them in increasingly exploited circumstances. In more open societies in Asia, efforts to address child labor have been more effective because concerned citizens and their representative organizations have the freedom to address the problem.

The AAFLI, one of the AFL-CIO's four institutes, has been fighting for and promoting human and labor rights in Asia for over 25 years. Our child labor programs in Asia are primarily aimed at building coalitions within countries for the prevention and elimination of child workers and to rehabilitate former child workers.

We work with trade unions, human and labor rights organizations, civic advocacy groups and other national and international non-governmental organizations, as well as government agencies, to promote the formulation and implementation of public policies aimed at enforcing internationally accepted labor rights and standards.

My personal experience in the Philippines has convinced me that child labor programs, to succeed, must include interventions in multiple areas simultaneously. By the time a child has been trapped behind high compound walls, surrounded by armed guards, chained to work stations or locked in cells at night to prevent escape, it is often too late.

Child labor is more than a labor standards or industrial relations issue. Inspecting regularly every workplace is not a viable option. There will never be enough qualified inspectors. In the Philippines, for example, there are only about 300 inspectors for about 350,000 registered workplaces.

The successful prevention and elimination of child labor requires the cooperative efforts of labor, government, employers, communities and, on occasion, international pressures.

In the Philippines, AAFLI, with funding from the AFL-CIO and the U.S. Government, is working with the Trade Union Congress of the Philippines and the Kamalayan Development Foundation, a child advocacy group, to address child labor problems through media, direct actions and coalition building. The KDF has made effective use of the media to raise national consciousness by encouraging TV and radio talk shows to interview former child workers.

The KDF also cooperates with the government on rescue operations. These operations, conducted by Philippine Government authorities based on information provided by the KDF, have resulted in the rescue of children as young as 12 years old from industrial plants, agribusinesses and prostitution dens in and around Manila.

The conditions under which these children worked were horrendous. Many labored up to 16 hours a day, 7 days a week. Some of these had never been paid. Others were required to use their salaries to buy meals and lodging, which was often the factory floor, leaving them with no money. In some cases, children were locked in cells at night to prevent their escape. Others were prevented by armed guards from leaving their compounds.

Children in agribusinesses were fed what was called twice dead meat. This is meat from animals they were tending that died for unknown reasons, but were then butchered for food for the children.

Children rescued from a chlorine manufacturing facility had serious respiratory ailments and suffered from chemical burns on their bodies because they worked with no protective clothing or gear.

Rescue operations, however, are only one element of the program to prevent and eliminate child labor. Once the children are freed and in the custody of the government's social service system, KDF

community organizers, led by KDF's highly dedicated executive director, Alex Apit, visits the villages from where the rescued children are recruited.

With the cooperation of community and church groups, the KDF holds informational programs for community members to inform them about the conditions under which their children labored. Parents of rescued children are given reality briefings. Only after these briefings are rescued children reunited with their parents and placed in local schools.

These efforts are having real life impacts in the Philippines. Some communities have run labor recruiters out of their areas, while others have reported to the authorities the activities of recruiters, which has led to their arrest and at least on one occasion a conviction.

Unfortunately, business associations in the Philippines have not yet seen it to be in their own self-interest to become actively involved. Without their cooperation to allow unannounced inspections of their workplaces, a major element of a complete child labor elimination program is missing. Meanwhile, because of cutbacks in foreign assistance, AAFLI will be forced to terminate its support to the KDF as of this coming October.

Quickly, some of our other experiences in Asia. India, with the world's largest population of child laborers, has the South Asian Coalition on Child Servitude; the Asian American Free Labor Institute has supported some of their activities.

Due to the efforts of SACCS, India was the first country to establish Rugmark, a labeling and workplace inspection verification program for child labor for handmade carpets. The Rugmark program is noteworthy not only as a model program for other industries, but also because it includes the all-important child workers' rehabilitation component.

To the AFL-CIO, Rugmark demonstrates that business and NGO's can work together to eliminate child labor in a cost-effective and political palatable manner.

In Pakistan, child worker estimates range from 2,000,000 to 19,000,000. There again, AAFLI is trying to assist in the establishment of the Rugmark program for products that are being exported from Pakistan, particularly handmade carpets.

Prior to the murder of Iqbal Masih, a child rights activist there, the carpet manufacturers were not interested in hearing from us. Following his murder, exports of carpets to North America and Europe plummeted because of consumer reaction. This caused the employers there, the carpet manufacturers and the Pakistani Government, to now become interested in pursuing the Rugmark program.

In Nepal, there was serious child labor in the carpet industry. With the establishment of the Rugmark program in Nepal, child workers in that industry have plummeted. The number of child workers has plummeted. AAFLI is now also carrying on a similar inspection verification program in the Nepalese garment industry.

My point, Mr. Chairman, is that labeling programs do work.

In Bangladesh, there was an agreement with the Bangladesh Garment Manufacturers Association. Prior to the agreement, there were some 50,000 to 200,000 child workers in the garment industry. Those numbers plummeted after the garment manufacturers

felt threatened because of adverse media exposure in the United States and the introduction of the Harkin-Brown bill. International pressure also works.

Based on our experiences, we believe that a labeling program is an effective tool. International pressure is an effective tool. However, because the conditions and forms of child labor vary from country to country and from sector to sector, there are no easy solutions. Certainly simply firing child workers is not a solution.

Manufacturers and retailers who had economic gain from using child labor are culpable and must be held accountable for past and present business practices. Business codes are a very important element in the effort to combat child labor. We applaud the Clinton administration and particularly the Department of Labor that is encouraging the support for a model code of conduct.

However, we view this code of conduct only as a starting point. We believe that the code must be accepted by the business community as a very real commitment with stipulated responsibilities and that a process of independent verification and monitoring is necessary to ensure compliance.

Simply signing a memorandum of agreement or posting a corporate code of conduct in a supplier's factory has, in our experience, not been effective, particularly abroad where the vast majority of the work force may be functionally illiterate and cannot even read what the code of conduct says.

However, beyond codes of conduct we believe that rehabilitation programs are necessary. These are cost-effective and feasible. For example, with the Rugmark program, the carpet manufacturers pay 1 percent of the cost of the manufacture of the carpet into the program, which funds rehabilitation programs for child workers, provides them with basic literacy training.

Many of these children, as they become adults, under the labor laws of those countries return to the same industry as adults and work and are more effective and more productive producers of carpets and certainly more productive citizens in their society.

Governments, however, have the ultimate responsibility to prevent child labor and to rehabilitate and educate former child workers. Our government should continue to support UNICEF and ILO programs that make possible education and rehabilitation programs for child workers, although these programs must be carefully monitored to ensure they do not become local government smoke screens.

Congress should also make certain that adequate funding is continued to the National Endowment for Democracy and the U.S. Agency for International Development, which have enabled AAFLI and other American NGO's to address child labor issues.

American consumers need to voice more loudly their concerns. Consumers can exert great influence on business practices by choosing what they buy.

Finally, we believe that international pressure and the threat of credible trade sanctions works. We have seen that international action works. The GSP case against Pakistan is prompting the government finally to address child labor in the carpet industry by becoming an active promoter of the Rugmark program.

The introduction of the Harkin-Brown bill forced the Bangladesh Government and the garment manufacturers to action and to pay more than lip service in dealing with the pervasive use of child labor in the garment industries in Bangladesh.

We urge the Congress to enact such legislation. We also urge the Administration to use the tools it has at hand to pressure countries to enforce their own laws and abide by internationally accepted labor standards.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Kamberis appears in the appendix.]

Mr. SMITH. Thank you very much for that very comprehensive statement.

I would like to announce the subcommittee will take a brief 10 minute recess, and then we will hear from Wendy Diaz.

[Recess.]

Mr. SMITH. The subcommittee will resume its hearing.

I would like to invite testimony of Wendy Diaz, a 15-year-old orphan from Honduras. As was pointed out earlier, she began working in the garment industry when she was 13 and has been getting quite a bit of focus on the comments that she has made, which I think have helped all of us gain a deeper understanding over what is truly going on and how children are being exploited.

I would like to welcome Wendy to make her statement.

STATEMENT OF WENDY DIAZ, CHILD LABORER (THROUGH INTERPRETER)

Ms. DIAZ. My name is Wendy Diaz. I am Honduran. I am 15 years old, and I began to work in the Global Fashion factory when I was 13. Last year, until December I worked on the Kathie Lee pants.

In Global Fashion, there are many minors like me. Some are 13, 14, 15 years old. Working on the Kathie Lee pants, they obligated us to work from 8 in the morning until 7 or until 9 at night. On Saturdays, we would work until 12 or until 5 or all night until 6:30 in the morning. This happened frequently with the Kathie Lee pants. The companaros in the packing department almost always had to work these shifts.

Working those hours, I used to earn 240 lempiras, which is \$21.78. My base wage was 334 lempiras an hour, which is 31 cents. Nobody can survive on that wage.

The treatment in Global Fashion is very bad. The Koreans would insult us, scream at us that we have to work very fast. Sometimes they throw the clothes in your face. They would hurt us or push us, and they would oblige us to work more quickly every day. If one day you make the production goal of 850 pieces, then the next day they would raise it even more.

The plant is very hot. It seems almost like an oven, and they do not permit us to go to the bathroom more than twice. It is locked. They do not permit us to talk at work. If they see us talking, then they punish us. The punishment that they give us is an 8-day suspension without a wage.

They even maltreat the pregnant women quite a lot. They send them to the pressing department where they keep them working on

their feet for 12 or 13 hours. They cannot stand working on their feet for so long in the great heat, so they have to resign. When they resign, they do not give them their benefits, the breastfeeding benefits, the maternity benefit, nor do they pay their vacations as they should completely.

Sometimes the Koreans touch the young women in a playful form. They touch their legs or their buttocks. They think that it is playing, but I do not believe that it is that.

Many of us would like to go to night school, but we cannot. We do not have medical insurance, nor do they pay our sick days. We also have to pay for our medicines.

North Americans from U.S. companies a number of times have visited the company, Global Fashion, but they have never spoken with the workers. The majority of the workers at Global Fashion, most of us are young, 16 or 17 years old, up to 23 at the most. Very few are older, I suppose because the Koreans do not like to hire older people because they do not accept the maltreatment.

The majority of us are afraid. Once when we tried to organize, the boss brought us together in a meeting and told us that anybody who tried to organize would be fired immediately. They said that they would not allow any organization inside the plant.

The company hired spies to tell them everything that we talked about in our meetings. When we had a group of 40 of us who wanted to organize, they fired people and they harassed people until they obligated them to resign. Of the 40 of us who were in the group, there are only five or six who are left working.

When we have to leave work at 9 at night, we leave in groups almost running because it is dangerous. It is very dark, and there is a lot of crime.

We minors need to work because we need to support our families. I have little brothers, and I have to help support them because I do not have a father. My father died, and our mother abandoned us. We need the work, but we want it under better conditions. We want our rights to be respected. We want a better wage and better conditions.

I feel very happy because I wanted to meet with Kathie Lee. I met with her. I wanted to meet with her because I wanted to explain personally what was happening. She promised me that she was going to help us and that she was going to talk with Wal-Mart and work with Wal-Mart to return the work to our plant, but with better conditions and also permitting a monitoring group inside the plant.

This is my testimony. Thank you.

[The prepared statement of Ms. Diaz appears in the appendix.]

Mr. SMITH. Ms. Diaz, thank you very, very much for your testimony and for your willingness to come and appear before the subcommittee. We do appreciate it. We will be asking you some questions momentarily.

I would like to invite Jesus Canahuati, the vice-president of the Honduran Apparel Manufacturers Association, to present his testimony at this point.

**STATEMENT OF JESUS CANAHUATI, VICE-PRESIDENT,
HONDURAN APPAREL MANUFACTURERS ASSOCIATION**

Mr. CANAHUATI. Mr. Chairman, Chairman Smith, I want to thank you for inviting me to appear today before the committee.

I am here today as a representative of the Honduran Apparel Manufacturers Association. We represent 170 apparel assembly plants in Honduras which employ over 70,000 workers. As you can imagine, this is a significant work force in a country with a population of 5,500,000. It should be noted that all apparel and related export plants operating in Honduras must be members of our organization.

I am here today to present the facts to you about the apparel assembly industry in our country. The industry is new in Honduras. Ninety-five percent of the plants have been built since 1989. As with anything new, you correct your early mistakes and improve over time.

We believe that in this short 7-year period, our industry has grown into a shining success story of which we are proud. The industry provides \$200,000,000 annually for the Honduran economy, over half of which is for salaries. Honduras is the fastest growing apparel export industry in Central America. The apparel industry in Honduras provides vocational education and training and is thereby creating a career for its workers.

In Honduras, we have one of the most advanced labor codes in Latin America. The legal, social and economic benefits of this law have ensured social stability in Honduras in spite of the fact that the rest of Central America has suffered much political and social unrest.

The labor code in Honduras provides the workers with guarantees such as protection against unjustified dismissal, regulated working schedules, paid vacations—for example, 15 paid vacation days after 3 years tenure plus 12 paid holidays—overtime pay requirements, health and safety regulations, severance pay—the workers receive 1 month for every year worked—workmen's compensation, collective bargaining rights, the right to organize and a 100-day guaranteed and paid pregnancy leave with assurance of returning to the same job.

Another very significant law implemented in Honduras in recent years is the law which requires every Honduran employer, whether government or private sector, to pay every worker 14 months' pay for a 12-month work year.

Furthermore, current child laws guarantee specific labor rights for minors between 14 and 17 years old. Minors of this age must receive written permission from parents and the labor department in order to work. Under newly passed legislation, young people will have stronger protections under our law.

In the Honduran Apparel Manufacturers Association, we strongly believe in protecting the rights of our young people and in following the international age standards for workers. To our knowledge, there are no minors under the age of 14 years old working in Honduran assembly plants. Of course, there may be cases where falsified documents were presented in order to obtain employment.

Mr. Chairman, I would like to talk for a moment about the working conditions and benefits of Honduran apparel assembly plants.

We have brought with us some enlarged color photos of the plants which I manage. I do not believe that you will be able to see the pictures from here, but I will be happy to submit them for the record.

As I stated earlier, 95 percent of our assembly export plants are about 5 years old. These are modern, comfortable and well equipped plants. Virtually every plant has either a medical clinic, a nurse or a doctor available for consultation. Both the consultation and prescribed medicines are free to all workers. In many of the plants, we provide free health care for the children aged one to eight of our workers.

Certain benefits are mandatory throughout the industry, and other benefits vary from plant to plant. Other benefits include mandatory free dinner for all workers who work after 5 p.m. Furthermore, many plants give a free breakfast to the workers and subsidized lunch.

As a new initiative, many plants are now implementing modern day care facilities. Many plants also provide transportation for the workers who live further away from the plant. An overwhelming majority of the plants also provide air conditioning.

Mr. Chairman, I feel obliged to answer a recent outrageous allegation against our industry in the media. I can state clearly that our members are strongly opposed to providing any kind of contraceptive to our women workers. We have not done so in the past, and we will never do so. It is insulting that I have to respond to this. In a survey done this month by our social security administration, it was determined that out of 29,000 apparel women workers, 21 percent of them are currently pregnant.

What we do provide by law to all our workers, including our plant managers, are certain mandatory vaccinations, such as malaria and tetanus.

Finally, Mr. Chairman, I would like to state the general policy on wages for our workers. It is important to keep this issue within the context of other salaries in Honduras, which is an under-developed economy. You simply cannot compare Honduran salaries with U.S. salaries.

For example, a Honduran Congressman earns approximately \$15,000 per year. An average apparel factory manager with a college degree earns approximately the same amount.

Our apparel plant workers are paid according to what she or he produces, but no person is paid less than the mandatory minimum wage. The average worker at the apparel plants earn in take home pay two times the Honduran minimum wage. This is an average salary and does not include benefits such as health care, food and transportation, which are paid by the employer. The faster workers who produce more clothing would receive three times the minimum wage.

Mr. Chairman, in summary, I want to tell you that our association is working every day to make our apparel assembly industry the best in Latin America. We are always exploring new and better ideas to implement in our plants.

Of course, we take all allegations of misconduct seriously, and we are working to investigate and punish anyone involved in abusive or incorrect actions. In fact, since 1992, the government has taken

action to expel from Honduras foreigners who were found to be violating workers' or minors' rights.

The Honduran Apparel Manufacturers Association is in the process of setting up a mediation committee in order to investigate any grievances by our workers. We feel it is in our interest to treat our workers the best we can.

Our entire industry issues an invitation to all of the Members of Congress and your staff to visit our assembly plants. In fact, we urge you to come at your earliest convenience. In the last 2 years, 20 congressional staff members have visited seven different Honduran apparel plants.

Thank you again for your invitation to testify. My delegation from Honduras and I look forward to meeting with you and many of your colleagues this week.

Thank you.

[The prepared statement of Mr. Canahuati appears in the appendix.]

Mr. SMITH. Mr. Canahuati, thank you very much for your testimony.

I would like to now ask Mr. Charles Kernaghan if he would make his presentation.

STATEMENT OF CHARLES KERNAGHAN, EXECUTIVE DIRECTOR, NATIONAL LABOR COMMITTEE

Mr. KERNAGHAN. Thank you, Mr. Chairman.

Just to put some of this into perspective, I think it is important to note that approximately one-half of all the apparel purchased in the United States last year, over \$190,000,000 worth of apparel, was composed of imports made offshore.

In Central America and the Caribbean alone, there are 500,000, mostly young women, producing apparel exclusively for sale in the United States. In Honduras, which has a population of about 2 percent of the United States, Honduras exports to the United States twice as much apparel as the United States exports to four countries in Europe—Italy, Germany, the United Kingdom and France combined.

Honduras has 65,000 to 70,000 maquiladora workers or assembly workers. We estimate that about 13 percent of those workers are between 12 and 15 years of age. In fact, if you go to the free trade zones in Honduras or to the factories, you will see used school buses from the United States are used to transport the workers to work.

If you are out in front of the zones in the morning and you see the used school buses from the United States pull up with the English writing still on them and out come hundreds of kids, you think you are at a junior high school. You are not. You are at factories where workers are going in frequently to work 12- to 14-hour shifts producing goods for export to the United States.

You heard from Wendy Diaz about the Global Fashion plant and some of the conditions in that factory. Of course, they were making this Kathie Lee garment right here, these pants. Not only was it Kathie Lee. They were also making this jacket by Eddie Bauer, which Eddie Bauer said they were not making in Honduras, but I

understand recently they have seen the fact that they are producing there. They were able to finally trace this jacket.

It is not just Global Fashion. You can go down the road to a place called Selin Baracoa where minors 14 and 15 years old are employed in that factory, another Korean-owned maquiladora, producing clothing on the Jaclyn Smith line for K-Mart. It is the same situation, frequently working from 7 in the morning until 9 at night. There are always armed guards at these factories. They are prohibited from going to night school if they must work the overtime.

Other factories I could mention would be Paulsen Garments where this McKids shirt was made. This factory has frequently hired children. The Orion plant in the Galaxy Industrial Park had a lot of minors working in it. They made this Gitano shirt. In fact, I was there in 1995 when the workers went in at 7:30 on Saturday morning and worked 23 hours straight, coming out at 6 on Sunday morning.

It is not by any means just Honduras, and there is no reason to target any country singly like that. Of course, there are minors in El Salvador working. There are minors in Guatemala working. There are children working in Bangladesh and India and Pakistan, everything that you heard today.

In fact, in Guatemala last year a Wall Street Journal correspondent was there and came upon a plant called Sam Lucas where clothing was being made for Wal-Mart for children.

In El Salvador in a place called Gabo in the San Marcos free trade zone, children's clothing was being made by minors. This is a school code label by Dayton-Hudson. Fourteen- and 15-year-olds were making this children's clothing. They also were making this Pebble Beach shirt, which is a Marshall's label. It is a problem that goes well beyond Kathie Lee Gifford.

Of course, in the plant right next door called Mandarin, we found Eddie Bauer again. T-shirts were being made by 14- and 15-year-olds who were sometimes working straight from 7 in the morning until 4 the next day and then sleeping on the ground next to their sewing machines.

This plant also produced for J.C. Penney and for The Gap until The Gap laid down the law with Mandarin and brought in independent human rights monitors working with us so that Mandarin now, this factory in El Salvador, The Gap becomes the first company we know of anywhere in the world which has said to its contractor we have nothing to fear. The Gap has nothing to fear. We want to respect workers' rights. We do not want children working. We do not want to violate human rights. They opened the factory to independent human rights observers and monitors compliance. I think the U.S. people are not interested in purchasing products made by children, by exploited women, by people paid starvation wages, by people working in illegal sweatshops. This has been proven over and over again.

As Wendy said, last week we had the opportunity to meet with Mrs. Gifford and her lawyers and her public relation handlers. It was very interesting because Mrs. Gifford asked Wendy her story, and Wendy told Mrs. Gifford the story of what it was like to work in that factory.

By the time Wendy had finished, Mrs. Gifford apologized to Wendy and said Wendy, I want you to understand. Believe me, I did not know this was happening. I did not know what was going on. She said I am sorry, and I want to give you my word that this will never happen again. I want to work with you, and I want to work with other people that you work with to clean up these factories. If I cannot, I am getting out of the industry.

This is what she told us, and then she went on to Wal-Mart and said to Wal-Mart I want you to return to Honduras. I want my clothing line back in that factory, but I want that factory cleaned up, and I want independent human rights monitors to have access to the factory. I want to pay the workers a living wage, something incredible for Mrs. Gifford to say.

We are waiting on Wal-Mart now to see what response there is, but surely if companies wanted to end these sweatshop conditions or child labor, one area they could do immediately would be to open their factories to independent monitors. If they have nothing to be afraid of, then independent human rights organizations on the ground in those countries should have access to the plants.

Of course, all the other excellent things that were said today about the 'No Sweat' label, this would be a real breakthrough. We could finally purchase clothing and products that we knew were not made by children or not made by exploited women or made in sweatshops and Congressman Moran's law to make countries implement their child labor laws if they are to continue to receive U.S. funding.

There is a bigger problem, to conclude, with the fact that the retailers and multi-nationals search the world searching for misery. They will tell you themselves that where there is the greatest unemployment, you are always going to find the lowest wages.

The Wal-Marts and the K-Marts and Nikes and the mass industries, they trot the world looking for the lowest wages, whether that is in Honduras at 31 cents an hour or Nicaragua at 24 cents an hour, whether that is El Salvador at 56 cents an hour, whether that is Sri Lanka at 18 cents an hour or Vietnam at 11 cents an hour or China at 11 cents. They have these Third World countries competing against each other. Who will accept the lowest wages? Who will have the lowest wages, the most miserable working conditions? The multi-nationals that go into Honduras do not even pay taxes. Wal-Mart, a \$97,000,000,000 retailer, produces clothing in Honduras without paying one single cent in taxes.

It is a system that now is coming back to the United States again. Everybody is beginning to recognize it. The growth of the sweatshops offshore comes back to the United States. We see it in New York and Los Angeles and Boston. We see the retailers telling U.S. manufacturers that they have to meet the same prices that they are paying offshore in these Third World countries, one of the reasons we lost 99,000 apparel jobs last year.

I think that Mrs. Gifford's statement, for example, about the independent monitoring was very brave. She has taken on one of the biggest retailers in the world, the biggest retailer in the world. It will be very interesting to see what Wal-Mart does.

We are calling upon Walt Disney, for example, which pays workers in Haiti who make Walt Disney garments 28 cents an hour,

which is truly a starvation wage. It is not said lightly. You cannot live in Haiti on 28 cents an hour. We are asking Walt Disney to work with its contractors to pay 58 cents an hour. That is what the workers are asking for. It is not such a tremendous jump.

If retailers and manufacturers begin to be paid a living wage in these countries, sweatshops would be a thing of the past, and so would child labor because they could hire their parents. They do not need these 14-year-olds working in Honduras. If they paid a living wage, they could hire their parents, and the kids could go back to school where they belong. It is nonsense to think that companies have to hire children.

About the laws in Honduras. I was very interested in the comments. I have an internal report here from USAID, the Agency for International Development, January, 1993. To quote, "In Honduras where the maquiladora plants work in industrial plant settings, guards in the private sector parks routinely prohibit entry to union organizers and even to labor inspectors. In both Honduras and Guatemala, it is widely believed in reported labor circles that attempts to organize unions in non-union plants will result in dismissal if discovered."

The report goes on. "In any event, with high rates of unemployment, labor inspection all but absent and without unions to protest in-plant infractions, other worker rights dealing with maximum hours, health, safety, women and child labor, etc., have little or no chance of effective enforcement."

The team was repeatedly told that this was, in fact, the case that was being widely violated. The report goes on to say that Honduras has 99 labor inspectors for the entire country. As pointed out elsewhere, they are most often barred, quite illegally, from entering the industrial parks in which the maquiladoras operate.

I have been there with cameras. Right in front of film cameras, the armed guards in the Delba free trade zone prohibited a labor inspector from entering the zone. This is common practice.

Until these laws are implemented in a place like Honduras or El Salvador or Guatemala, the laws will be worth the paper they are written on and not much more.

Mr. SMITH. Thank you very much for that passionate statement.

I would like to ask Mr. Craig Kielburger, a 13-year-old eighth grader and founder of Free the Children, if he would make his presentation at this point.

STATEMENT OF CRAIG KIELBURGER, FOUNDER, FREE THE CHILDREN

Mr. KIELBURGER. Thank you, Mr. Chairman, members of the committee, ladies and gentlemen and fellow youth.

I am here today to represent children, for child labor affects children the most. It is the children who are being exploited, the children who are being abused, and the children whose most basic rights are not being fulfilled.

I personally believe that children should speak out for their rights and that children should be heard when speaking out on the issue of child labor and that children have a special role to play in the solution to this problem.

I recently returned from a 7-week trip through Asia where I met working and street children. I was able to speak to them. I wanted to better understand their reality and to ask them what they wanted to make sure that we were not simply imposing our western culture on these people.

I could tell you stories that would shock you, stories of these children. I have met children as young as 4 years old working dawn till dusk 7 days a week making bricks, children working up to 14 hours a day loading explosive chemicals into fireworks tubes, children working in dangerous glass and metal factories, children physically, verbally and sexually abused.

There are many stories which I will never forget, stories of these children. One child, Nagashar, who worked in a carpet factory as a bonded laborer, had scars which went all over his body—his hands, his legs, his arms, his feet, even on his throat, his voice box—where he had been branded with red hot irons when he helped his youngest brother and one of his friends escape from bondage.

Another young boy who worked as a bonded laborer in a carpet factory had scars which went down the top of his skull where he had been hit with a metal rod when he made a mistake.

One 8-year-old girl named Munianal worked in a recycling plant separating used syringes and needles, taking them apart piece by piece for their plastics. She wore no gloves and no shoes. At one point, we even saw her step on the pile of needles to get to her workplace on the other side. No one had ever told her of AIDS. She simply did not know the dangers of where she worked.

These are all working children, but they are still children. When speaking about the issue of child labor or the exploitation of children, we are not simply talking about facts or statistics because we are talking about real children, real children with real lives, real hopes, real dreams, real hardships, real suffering and real abuse.

Some of you may say child labor is necessary for Third World development. Studies by UNICEF, the ILO and other non-governmental organizations point out that child labor is actually keeping Third World countries poor. Factories prefer to hire children because they are easily intimidated, they cannot organize trade unions and are cheap labor, often working for one-half to one-third of the wage that an adult relative would be earning. The utmost basics of it is that a child at work means an adult out of work.

Mr. Kailash Satyarthi, who won the Robert Kennedy Award for his humanitarian work and who leads a coalition for over 150 organizations working on the issue of child labor, would tell you that in India there are 50,000,000 child laborers, while there are 55,000,000 unemployed able-bodied adults.

As consumers, we all bear part of the responsibility for what is happening. Is it right that thousands of children in Pakistan work 12 to 16 hours a day sewing those famous brand name soccer balls, which they will never get to play with because the soccer balls are shipped to North America for your children, your grandchildren or for me?

It is simply a question of greed and exploitation, exploitation of the most weak and underprivileged. These greedy people include companies going into Third World countries and contracting out to

the cheapest factory that will produce the goods at their standards. This only encourages factory owners to seek out the cheapest labor—children. Poverty is no excuse for exploitation. Poverty is no excuse for child abuse.

We have formed an organization called Free the Children, a youth group dedicated to eliminating child labor and the exploitation of children. Most of our members are between 10 and 15 years of age. We have chapters coast to coast across Canada, and we are rapidly expanding into the United States with chapters in Washington, San Francisco, Idaho, Iowa, Maryland.

We are receiving calls daily from young people all across the world who want to get involved, who want to help their peers, which are now the children of the world.

You do not need a lot of committee meetings to realize something is wrong when children are being exploited. We may be young, but we know that something has to be done to help these children. Children have to be taken out of the factories and replaced with adult relatives, adults who can fight for their rights and receive a just wage and safe working conditions.

Multi-national corporations must be willing to pay adults a just wage so that their children in turn will not have to work to help supplement the family's income. As for those corporations who go into countries for cheap labor, they must be willing to give something back. They must be willing to fund the education and rehabilitation of child workers.

Our Free the Children office has received hundreds of calls from consumers all across North America, consumers all across the world, who are saying that they do not want to buy products made by the exploitation of children. That is why a labeling system with independent monitoring which clearly identifies products made without the exploitation of children is a necessity.

Another solution is to make importers accountable to make sure that the products which they import into North America are not made from the sweat and toil of children because consumers have the right to know who is making the products which they are buying.

In May 1995, UNICEF set an example by including a 'no child labor' clause in its buying policy based on the United Nations Convention on the Rights of the Child.

I have been told that the United States has already passed a Tariff Act in 1930, and Section 307 prohibits the importation of products made by prisoners or indentured labor from coming into the United States. If this is true, then why are soccer balls, clothes and carpets made by children in bondage and slavery still coming into the United States? Why are they not banned under this law?

Child labor, however, should not be used as an excuse to stop trading with a developing country. We are advocating selective buying, not a boycott of all products, which would hurt these children even more.

I personally cannot understand why anyone would not live up to the laws to protect the world's children. Maybe companies, sports and television personalities and maybe consumers until recently could have said that they did not know that child labor or the ex-

exploitation of children existed, but they do now. They have been educated, and knowledge implies responsibility.

You and I—everyone here today—has now been educated, and thus we must now do something to help the world's children. It simply comes down to a question of political will. Why are some governments that are seriously faced with the issue of child labor on average spending 30 percent more of their national budget on the military than on primary education? Are the world leaders truly concerned about helping these children? Where is the social conscience of multi-national corporations?

There are many pictures which I could have brought to show you today. Hundreds. I personally brought only one. This is a picture of children in Calcutta, 250 children marched down the streets of Calcutta with banners chanting "We want freedom. We want an education. Children should not work in hazardous industries. Never again."

Today, we are all here to pass on that message to be their voice. You are such a powerful nation. You do have the power in your words and in your actions and in your policies to give these children hope for a better life. What will you do to help these children?

Thank you.

[The prepared statement of Mr. Kielburger appears in the appendix.]

Mr. SMITH. Mr. Kielburger, thank you very much for your very eloquent statement and for your commitment at such a young age. To have such an empathy with people of your own age is truly remarkable. I think you personally have a very great future ahead of you if you stay with this.

You asked a question about political will, and I think that is a very apt question. I know I have been in Congress for 16 years trying to get previous administrations and the current administration to enforce the Smoot-Hawley Act, the law that you referred to, the 1930's legislation, as it relates to slave labor made goods.

We have had customs officials, including Commissioner VonRob, a previous customs official, who wanted to do just that and ran into a buzz saw of opposition from our own State Department and from other interests who were opposed to that.

That relates also to the former Soviet Union because they, too, used to make items in the gulag that found their way into this country, and I was aghast myself at the lack of responsiveness in previous years, and we are finding it again right now vis-a-vis the People's Republic of China and, of course, regarding this issue as it relates to children who are indentured servants, and most likely fit into the definition of slave labor under Smoot-Hawley.

It is a very good question, and we have run into opposition over the years. I suspect we will run into it again. It is a matter of political will, and I think it is matter of empathy.

Do you care enough to say, "What if these were my kids?" My wife and I have four children, and with human rights questions I always ask, "What if they were mine?" Whether we are in Country X, Y or Z, we are being exploited. That certainly helps my resolve and my focus as to what we ought to be doing to try to help these kids.

I thank you for your statement.

I would like to open it up with this panel for some questions, and then yield to my distinguished colleagues for any questions they might have.

Wendy, you mentioned earlier that you needed to work to survive. You made a strong plea that conditions be made better.

We heard from Mr. Canahuati who made the statement that all apparel and related export plants operating in Honduras must be members of his association. If you could, Jesus, bring us up to date on whether or not Global Fashion was a part of that Association, whether or not the Association took action against them or others and what kind of actions were they? For instance, in a given year, how often have you levied penalties? I do not know what the penalties are. You can tell us.

You also made the point, and Wendy might want to touch on this, that children of this age, talking about 14 to 17, must receive written permission from the parents and the labor department in order to work.

Wendy, if you could respond whether or not you got the written permission from your parents or guardian?

Mr. Canahuati.

Mr. CANAHUATI. Yes. Global Fashion is a member of our Association. We have a list of penalties that have been filed in the labor ministry. It is a big list. For the record, I could submit that later on.

Mr. SMITH. I would appreciate that because that would help flesh out the kind of things that you and your Association are doing.

Mr. CANAHUATI. OK.

Mr. SMITH. In terms of enforcement, I think the mention was made earlier of 99 inspectors. I think that is government inspectors. How lax or how vigorous is the enforcement?

I would invite other members of the panel to respond, but before that, Wendy, if you could respond to whether or not you had permission from your parents to work?

Ms. DIAZ. When I was ten, my father died. Two months later, my mother abandoned us. I had three little brothers younger than me, and I had to do something to help them.

I decided that the best thing to do would be to look for work and to see if I could find it. I went and traveled to San Pedro Sula and went to an aunt. I presented myself at Global Fashion, and they accepted me.

According to what they say, minors, young workers, should only work 6 hours and get paid for 8, but there they demand that we work all the overtime hours. If we do not work the overtime, then they punish us.

Maybe one feels tired or is sick, but they do not give you permission to leave. Because you need the 2 weeks' pay, you stay. You force yourself because maybe you are sick because you need the work.

Mr. SMITH. Mr. Canahuati, how does your Association respond to those kinds of charges?

Mr. CANAHUATI. Yes. Minors under the age of 15—14 and 15 years old—are allowed only to work 6 hours a day.

On the specific case that Ms. Wendy Diaz is presenting here, the Government of Honduras is very aware of the impact of this situa-

tion. They are doing an investigation that is ongoing. When we have the answers, we are going to submit them to you.

Mr. SMITH. Would other panelists like to respond to any of the previous questions?

Mr. KAMBERIS. Yes. Regarding enforcement, one of the things in our experience in Asia is that by and large the labor laws and the child protection laws are quite adequate. Even by American standards, they are quite adequate.

The problem is in the enforcement of those laws. In the enforcement of those laws, of course, the underlying problem there is political will. How do you get governments to enforce their human labor rights laws?

On that basis, we try to develop programs that link child labor to the human rights issue overall because actually child labor, at least in our experience, is only a symptom of the overall problem of enforcement of rule of law and good governance. It involves issues of corruption. It involves issues of ignorance of the law.

Because we are the AFL-CIO, of course, we try to emphasize that trade unions are an excellent mechanism for monitoring in the workplace these laws. Our experience is where there are free trade unions that are allowed to freely operate and organize and have collective bargaining agreements, in those workplaces where these unions exist there is no child labor.

We can say that pretty emphatically. There is no child labor where there are free trade unions operating and where they have been organized in the workplaces. That is true whether they are domestic industries producing for domestic consumption or whether they are industries producing for export.

Mr. HALL. Mr. Chairman, Robert Hall from the National Retail Federation.

I would also add that we have worked very closely with several of the governments, both El Salvador and also Guatemala, and we are happy to work with the Hondurans as well, to encourage the manufacturers there to insist that there be better enforcement from the government. We also are conveying that directly to ambassadors here in Washington. We are doing that in other countries as well.

I know the American Apparel Manufacturers Association has been working with several countries along with us to stress enforcement as being the real key to solving the problem here, at least identifying the nature of the problem and then working at ways to address it.

Mr. SMITH. Thank you, Mr. Hall. Mr. Hall, in your testimony you warn against the voluntary labeling system calling it a band-aid solution. Even if it does not fix the bottom line or the root causes of child labor, is it not at least a small advancement in bringing some light and scrutiny to this?

I think most manufacturers would want to have that label in place, especially if there are some suspicions about the origin or the means by which those products are produced. Why not?

Mr. HALL. Several retailers asked me last fall, Mr. Chairman, to study the labeling issue, and I began doing that. Part of my studying carried me to Geneva to meet with the ILO and others there.

I met with employers. I met with union activists. I met with officials at the ILO.

The Rugmark case, which has been mentioned here several times by a number of individuals, is probably the shining example of the best case scenario for labeling, but I would have to note that in the Rugmark situation, I spoke with Indian officials and others from the country of India, and they warned and told me that counterfeit labels were sold on the floors and in the factories and in the buying houses. I have one example of a stack of counterfeit labels being sold for the equivalent of one U.S. dollar.

Clearly, with any kind of labeling program like Rugmark or another of the labeling programs, you would have to have auditing and other programs that could be sound as well.

The other thing to point out here, though, is there is a draft ILO report that I have on hand today that talks about NGO's and also some of the other groups on the outside. There may be some problems there with their reliability because their ability to be unbiased may be compromised as well.

There are significant problems, particularly in developing countries, on the labeling issue. Germany and Switzerland have led the way here in insisting on the Rugmark, but even at that level there are some problems.

Mr. KIELBURGER. Could I make a brief comment about the statement?

Mr. SMITH. Sure.

Mr. KIELBURGER. You mentioned about Rugmark a bit and how they can be counterfeit, the labels. I have met with many people who have worked on the Rugmark. I personally have not, so I am not the best person to discuss about this, but in regards to counterfeiting of the labels, there is a certain design with the threading which makes it very, very difficult to counterfeit. It also comes with a permit stating the type of rug, the number, the identification, and can be completely checked up in the Rugmark computers if anyone would like to check out.

As for some other allegations that come up, you cannot truly find the working conditions. Rugmark does surprise checks. Rugmark also included clauses. Rugmark also does quota checks, i.e., so many people working so long, so much product is produced, is it all feasible, does it all work out. They actually have designed a computer program which can do this.

Rugmark, as you mentioned, is the shining example. Perhaps others have not worked as well. Let us move from Rugmark. I know that importers do want Rugmark because I personally met with some Canadian importers since I am from Canada.

They are saying yes, we want Rugmark. We want to take it on, the reason being that consumers are coming up to them and asking them how can you prove to us that this product is not made by child labor or the suffering of children. We want to know. These importers are actually telling this to us. They want Rugmark because they have no choice. They want to bring it on.

Mr. HALL. Just one thing I might say. The Oriental Rug Importers Group out of New York has met with the Rugmark officials here in the United States as well. Until they are satisfied that the

labeling program is one that is free of any sort of counterfeiting, they are not going to permit it here in the United States.

Mr. SMITH. Mr. Kamberis, your testimony states it is difficult to get reliable statistics on child labor in the People's Republic of China. Are you aware of credible reports of this problem existing in the PRC?

Mr. KAMBERIS. Yes, we are. We do support programs with trade union activists based in Hong Kong and in Taiwan. As you know, Han Dong Fang, we support his activities.

There is credible reporting from South China that there is a growing problem with child labor as these industries pull people out of the rural areas in central and western China to the industrial zones of southern China. We do not have really a total picture, only anecdotal evidence.

Mr. SMITH. Just let me ask about restrictions on foreign assistance, and you might want to begin in answering this. Would that be advisable, or would a more targeted approach be the way to go if it were decided that is what we should do?

We always find ourselves in a Catch-22. Child survival programs, other basic humanitarian assistance, food assistance are all things that are desperately needed by impoverished nations, and yet how do we get the attention of the capitol, of the government, in order to make some changes and reforms?

We recently, as part of an attempt to influence the behavior of Turkey, conditioned ESF funds and held harmless the other funds like child survival and other important humanitarian programs.

What would be your feeling on that?

Mr. KAMBERIS. Most of our activities in this regard are funded by the U.S. Agency for International Development. Of course, they have their strategic objectives. In these strategic objectives, they earmark funding.

One of the issues that we have tried to discuss with them is sustained economic development. We believe that those kinds of programs should have as an underlying principle that sustainable economic development be equitable and address these labor rights issues of which child rights is one part of that.

Also, in the democracy programs there are sustainable democracy objectives. We believe that there should be more emphasis on labor rights and standards and an international application of labor rights and standards.

We try to craft programs that meet both the agency's objectives, as well as our own interest in this field.

Mr. SMITH. Let me just ask Wendy Diaz one final question, and then I will yield to my good friend, Mr. Moran, from Virginia.

You testified that the bathrooms are locked and only twice daily were people allowed to use the bathrooms. How many children were employed at Global Fashions? It would seem to me that these horrendous conditions would lead to kids getting sick or perhaps having accidents.

You mentioned how some of the women were touched. Does that also apply to the children? Were they abused in any way, shape or form with physical touch?

Ms. DIAZ. Yes. The bathrooms are kept locked. They bring us together in a meeting, and they tell us that we can only go twice a day. If we are able to go more than that, it is because we sneak.

Also, there are a lot of minors. The majority of workers are very young. It is not important to them whether they are girls or young women or adults for touching them.

It does not matter to them if you are sick. They do not give you permission. They do not give you sick days. The only thing that matters to them is that you work quickly so that the export will go out.

Mr. SMITH. Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman.

First of all, I want to submit for the record some documents from the Walt Disney company because they have been mentioned in this context. One is a compliance certificate. I want to share this with you, Chris. It is an agreement that has to be signed between those who are licensed to produce the manufactured product. The Disney company does not do it themselves. They sell the license.

Those licensees are required to sign a form that certifies that they do not use child labor, that the employees are provided with a safe and healthy workplace, that their presence is voluntary and that there is no corporal punishment or other forms of mental or physical coercion as a form of discipline of employees used, that the manufacturers comply with all applicable wage and hour laws and that they comply with all environmental laws.

Mr. Chairman, that might be useful. It looks like the kind of form that we would like to see generally signed, whether it is a licensee or a direct manufacturer, particularly in this out sourcing.

Mr. SMITH. Without objection, it will be made a part of the record.

Mr. MORAN. Thank you, Mr. Chairman.

There is also a letter here from the ambassador of the United States to Haiti, Ambassador Swing, who at the request of the Walt Disney company inspected the conditions in the Haitian assembly sector and found that there was consistent compliance, that factories were adequately lit and ventilated, warm but not oppressively hot.

The conditions appeared to meet international standards. It talks about the fact that the health benefits varied a great deal among manufacturers, but some of them were quite good.

I think this might be useful to submit as well, Mr. Chairman. Thank you, Mr. Chairman.

The conditions that we are uncovering here I know exist. I do not know how pervasive they are, how typical they are. We are told that there are 100,000,000 to 200,000,000 children employed in unacceptable conditions around the world. Obviously that is a pretty round, wide figure. The existence of child labor is substantial and is increasing, as best as I can determine, because it is profitable.

What we want to find out, and I trust that I am speaking consistently with the Chairman's point of view—I am quite confident I am really—is we are trying to figure out how to act constructively here, how to prevent it, not to lay blame other than where it will produce a constructive reaction, but to figure out what we can do about it, particularly in situations where we are complicit by not

asking questions or demanding compliance where we might be able to do so.

I would like to ask Mr. Hall if the Retail Federation has considered endorsing a bill such as we have suggested that would require some type of certification? This seems to be what you and those who you represent want. As you have said in your testimony, they do not want products made by child labor. Would you endorse such a bill, Mr. Hall.

Mr. HALL. Congressman Moran, it is too early for us to tell. Our sense is certainly we would endorse some sort of certification. We would prefer to see that either industry or government led within the host country wherever the products are being made, not as a separate independent monitoring group that would be the United States and other groups of a multi-level that are involved.

We can certainly study your legislation and prepare an answer and give you a full analysis. I am happy to do that.

Mr. MORAN. We discussed that when we met earlier.

Mr. HALL. Right.

Mr. MORAN. I am sure you have enough people that can study it. We are looking forward to seeing your conclusion.

Mr. HALL. I will get back with you.

Mr. MORAN. Thank you, Mr. Hall.

Now, Mr. Canahuati. Is that close enough?

Mr. CANAHUATI. Very close.

Mr. MORAN. Thank you. Mr. Canahuati represents the Honduran Apparel Manufacturers. We seem to have a disconnect here between what you are telling us. All the conditions that do not exist in the Honduras was pretty much your testimony, all the situations, the conditions that you require compliance with. We have a disconnect with the witness who is actually working in those plants.

Now, you have said that the government is going to study the situation in the plant where Ms. Diaz is employed, but this information has now been available for quite some time. I do not know how much time or how many people it takes to send somebody out to look at the situation in this assembly plant and to come back with the information.

I have to conclude, sir, that that is a dodge. You have had a lot of time to check out this plant. You are dealing with a major trade relationship with the United States. This has been as visible an issue as any issue affecting Honduras.

The Ambassador is aware. Your entire Embassy is aware. I suspect your government is aware. It seems to me that you ought to give a more credible answer to this committee as to what you are going to do about the situation.

This is the only situation we are currently familiar with. We have a real-life example. The reason why Ms. Diaz was brought before us is that we had a big, blown up photograph. When Mr. Kernaghan used that, we were told, and I guess this is Mrs. Gifford's group—maybe it was her or somebody in the company—said oh, no, they are not people employed. There is the photograph we are referring to. Oh, no. Those women are not employed at our plant. That must have been a school picture or something, they said.

Then it turns out that the people who presented the photograph went back and got one of the members who clearly is in that photo and who has just told us, unless you want to tell us that she is lying. She has described all the conditions, so that dodge did not work.

Now, you have told us all this long list of wonderful things that the Honduran Government is requiring. The only evidence we see completely contradicts that. Your response is, well, we are going to do an investigation. Can you give us a little more credible response?

Mr. CANAHUATI. Yes.

Mr. MORAN. Good.

Mr. CANAHUATI. Maybe I did not say it right. We will not do an investigation.

Mr. MORAN. You will not do an investigation?

Mr. CANAHUATI. Our government will do the investigation, and it is already doing the investigation.

I am not putting less credibility on what Ms. Wendy Diaz said. I came here to show the general picture of our industry. Because of what she has presented, our government has taken this very, very seriously and is taking steps on investigating that specific plant. Moreover, they are investigating the 170 plants.

We will have findings on that. We do not have them yet. That is why I am not presenting them yet.

Mr. MORAN. It has been weeks since it was first announced. I know it has gone to the highest levels of the government. Can you at least verify that what we have heard is the case? Has anybody looked into this plant, this particular plant?

It seems to me that is the first thing you would do. Somebody in authority would say get over there and see if these conditions exist. Is that not the first reaction? Is that not what you would do?

Mr. CANAHUATI. Yes, but we do not have the final findings from the government. We will have them pretty soon, I guess.

Mr. MORAN. You guess pretty soon. That is not an acceptable response. I mean, it is OK if that is what you want to leave it with. It is just disappointing because you have known. It does not take much to at least check out this.

The problem is, and I think that you are representing the problem, we have laws on the books in Latin America, in Asia, in Africa. Countries will say look what we have. Look at this manual. Go take a week and read this manual. See how extensive it is. We have everything down here in this manual.

That does not mean bananas when it comes to what is the reality of the workplace. That is the problem. These manuals, this nice rhetoric and stuff, has less and less credibility as we look into this.

The problem is that there is no enforcement. It is not taken seriously enough that people are going out and looking into the plants, you know, at least to look at this one. This has been international news. It cannot be that far removed that somebody in the government could walk over or drive over and walk into the building—it is not a big deal—and to maybe unlock the bathrooms to show a little progress. It has not been done, and that is what is disappointing.

I think that is the problem that we have across the board here. The governments say one thing and allow people to do another. That is why we need some type of certification with an international monitoring capability that would have some credibility.

The natural reaction is I would do the same thing if I was representing the Retail Federation. I would say let's do it within the country. We would do that if we thought it would be done, but there is a disincentive to do it, to clamp down.

In some countries like India and Pakistan and a lot of others, there are payoffs to the police. The police are going to do whatever the person with the most money to hand out is going to ask them to do. They are certainly complicit. Well, more than complicit. They are a major part of the problem when they go and track these kids down and bring them back to the plant instead of turning in the people who are violating the law.

Mr. Hall.

Mr. HALL. Congressman, just a point. I understand and share your concern about the enforcement of laws by our various trading partners, but I think it really cannot go unnoticed here, and I think we ought to make a strong plea as well that here in the United States our own Department of Labor, our own INS and other divisions should enforce their laws as well.

I had the privilege, and use that word advisedly here, but I also, quite frankly, had a very eye-opening experience when I traveled to El Monte, California, last August where the U.S. Department of Labor, the INS and the California Department of Labor monitored for 2 years slavlike conditions in this country before raiding that place and opening up a horrific situation.

While we are passing out blame, we need to talk about enforcement both here in the United States and also internationally because I do not think it is quite fair to level it all on our trading partners.

Mr. MORAN. That is a good point. That is the kind of thing maybe the subcommittee would think about sending a little letter to the INS. Why did it take you 2 years before clamping down and doing something about it?

Mr. SMITH. It would not be the first time we have disagreed with the INS, believe me.

Mr. MORAN. That is a very good point. That is a point well taken, although I think you would have to agree that generally labor laws are reasonably well enforced. In fact, I doubt that you would be anxious for us to enforce them to a much greater degree.

Mr. HALL. That is not the case at all. That is not the case at all, Congressman. We have urged very strongly the Labor Department to enforce them to the full extent of the law.

Mr. MORAN. All right.

Mr. HALL. That is simply not the case.

Mr. MORAN. So you would be in favor of hiring more monitors?

Mr. HALL. Absolutely. As a matter of fact, the Retail Federation in California went on record and sponsored legislation to up by several million dollars the enforcement budget of the California Department of Labor.

Mr. MORAN. Very good. That is appropriate. I am glad to hear that. It is encouraging. We ought to find out why it takes 2 years. There is no excuse for that.

Nevertheless, I think that there is some justification for us concluding that what a government may tell us is not necessarily consistent with the facts. Until we can see some evidence to the contrary, we have to assume that the situations that have been exposed in this hearing and in other forums are reflective of a condition that needs to be addressed.

The other thing I wanted to ask about is that Honduras, Guatemala and El Salvador all have a pretty much consistent level of poverty, pretty bad poverty, pervasive poverty. Honduras and Guatemala have significantly worse child conditions than does El Salvador from the information we can see. Now, why is that?

You are representing the Honduras Apparel Manufacturers. I do not know who, unless Mr. Kamberis. He is an Asian American labor. Maybe Mr. Kernaghan. Can you shed some light on that? How does El Salvador do a better job than two other countries who have an equally problematic situation?

Mr. KERNAGHAN. We do not see a great difference. The wages are slightly higher in El Salvador because the living standard is that much higher. The 56 cents an hour wages in El Salvador provide about 18 percent of the cost of living. The 31 cent wages in Honduras provide maybe about a third of what it would cost to survive.

We did a survey in Honduras, and 100 percent of the workers surveyed in their homes by the Committee for the Defense of Human Rights away from the factory told us they would be fired by the company. One hundred percent of the maquiladora workers would be fired by the company if the company even suspected them of desiring to form a union.

We see similar cases in Guatemala and in El Salvador. It is pretty much the same.

I want to comment just briefly on the laws in Honduras. For example, there is a law that factories with more than 20 employees have to have a child care center for workers' children 3 years old or younger. They do not have it, but it is on the books.

The factory, Global Fashion, could provide health care to the workers and their children. Free health care. It would cost the company three cents an hour to join the government program to provide health care to the women and their children. Free medicine, doctor consults and hospitalization.

Well, Global Fashion and Wal-Mart chose not to pay the three cents an hour, so the workers have no health care. We could go on about these conditions.

If I could just make one statement about Walt Disney since it did come up, we never said Disney used child labor because in Haiti they do not use child labor in the maquiladoras. They use adults.

In August when we were there, Walt Disney was paying wages well below the minimum wage; not Walt Disney, but the contractors were. We found shops paying 11 cents an hour that were producing Disney garments. That is no longer the case. Now the four Disney subcontractors in Haiti are paying 28 cents an hour. What we are saying about the 28 cents an hour is that that is a starvation wage. You cannot live on it.

As far as other rights go, there are not any in the factories. The workers are frequently screamed at and yelled at, very similar to Honduras or El Salvador. Again, they are anti-union. You would be fired within 1 second if you ever even mentioned that.

Also, with Honduras we are very proud of the fact that we have put U.S. companies back into Honduras. When Liz Claiborne pulled out of Honduras, it was the National Labor Committee that worked with Liz Claiborne to have Liz Claiborne go back into the country. We are not interested in taking jobs away from Honduras or El Salvador or Guatemala.

We did the same thing with El Salvador when The Gap pulled out. We pressured The Gap to return to El Salvador, and we are doing the same thing with Wal-Mart right now.

Wendy is under attack in Honduras for being unpatriotic when she is in this country fighting for Wal-Mart to return. Wal-Mart blacklisted Global Fashion. They said we will never deal with that company again. They sent an unannounced inspector on April 1 into the factory. The inspector from Wal-Mart certified 100 percent what we were saying and blacklisted the factory.

Fifteen-year-old Wendy has turned that around, so now Wal-Mart is going to recertify Global Fashion and help improve the conditions. Meanwhile, she is helping return the largest retailer in the world to Honduras, and she is under attack in Honduras as being unpatriotic and harming the country.

I would say right now Honduras is under review for its trade benefits program for continued tariff benefits. We support increased tariff benefits for Honduras. We do not want Honduras to lose its tariff breaks. We will argue with the U.S. trade representative over that.

In November, 1995, the U.S. trade representative had a delegation in Honduras. By chance, they made a visit to a factory called Honlin in the San Miguel free trade zone. To their great embarrassment, half the people in the plant were kids. This was the U.S. trade representative official delegation in November, 1995.

There are huge problems there, but we do not think the companies should leave, and we do not think the U.S. Government should withdraw aid to Honduras or take away tariff benefits. There are other ways to work on this.

Mr. MORAN. I am sure Mr. Canahuati is going to rectify this situation and make sure that Ms. Diaz is appreciated for bringing in more industry to her company than perhaps some of your colleagues ever will in their lifetimes and make sure that she is not punished. I am sure that you are going to tend to that, Mr. Canahuati.

Let me just try to end on a somewhat positive note. Bangladesh. I understand that Bangladesh has been working with the U.S. Embassy and non-governmental organizations to provide schooling for children. They provide them half day if they will go to schools.

I think this may be a model. It is a very poor country, and it is a lot of initiative that they are showing. Let me just ask a very simple question. Is it working as we would hope it would?

Mr. KAMBERIS. Yes, sir, in part. When the negotiations first started for the memorandum of understanding with the Bangladesh Garment Manufacturers Employers Association, AAFLI

was involved in the process. We pulled out of the process because we felt that without independent verification of the enforcement of the MOU that there would be problems. In fact, our predictions are true.

Although there was an initial wave of enthusiasm and there was some support for this memorandum of understanding, what happened was that the manufacturers quickly began firing all the child workers without their first being registered as part of the program so that they could be put in schools that the manufacturers themselves were going to pay for.

They fired the children because it was an economic burden to them. For each child that they had in their factory, they would have to pay a stipend for the child to go to a school. Since that time, also they have been rehiring child workers. We are beginning to get evidence that they are rehiring child workers.

One of the problems in Bangladesh is that there is an extremely strong anti-union sentiment among the Bangladesh garment manufacturers that has prevented the formation of independent trade unions in that industry that could serve as a monitoring mechanism.

In addition, they have refused any kind of an unannounced type of inspection program. With the ILO and the UNICEF and them, it is an announced program of visits. If you announce you are coming 3 days in advance, you as a manufacturer can certainly get rid of your child laborers.

We believe that one of the conditions for having an effective anti-child labor program is to have built in a mechanism that allows for unannounced factory inspections.

It is a start. I want to put a little positive on this.

Mr. MORAN. Yes.

Mr. KAMBERIS. It is a start. It is an idea that manufacturers are willing and can sit together with NGO's and try to craft some kind of an understanding. This is why we support enforced codes of conduct, but there has to be that inspection mechanism built in.

Mr. MORAN. I thought we were going to leave on a more positive note than that.

I do want to say that our objective here with the committee is not to unionize these plants. I think that manufacturers are eventually going to come to the realization that unless they take initiative on their own to provide at least minimally acceptable conditions, they will be unionized.

You know, this is what invariably happens. It is what happened in the United States. It was a reaction to intolerable conditions. We have a lot of intolerable conditions around the world that we are sustaining because we are the buyers of these products. We have some right and, even more, some responsibility to influence the production.

These manufacturers who are not complying with what would reasonably be considered acceptable working conditions not only are going to wind up being punished by losing their profit because we will not trade with them and the U.S. manufacturers and retailers will not use their product, but, if they continue, undoubtedly the workers are going to realize their only recourse is to be union-

ized and to engage in some confrontation. These are inevitable things. The dynamics just continue to happen around the world.

What we are trying to do is to develop a constructive response, some minimal conditions that ought to be met if the United States is going to continue to be a major purchaser of many of these products.

Let me just conclude. I know you have something very worthwhile to say, but I think I am holding up the Chairman. This has been a long hearing. I am going to end at the same place I began by thanking the Chairman for having this hearing. I think it has been very informative. It has been appropriate, and I hope it might lead to some constructive legislation.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much, Mr. Moran.

Before we conclude, I without objection will include a number of letters we have received from the ambassadors of El Salvador, from Honduras and other interested parties so that the record is as complete as possible.

[Materials submitted for the record appear in the appendix.]

There was a letter or a press release that we got from Honduras which made this statement. "Ms. Diaz has alleged serious violations of Honduras labor laws which, if proven, will result in heavy penalties against her former employer," said Ambassador Flores.

He added that Honduras has expelled two Korean companies in the past 2 years for labor law violations.

Mr. Canahuati, if you could perhaps enlighten us on what those Korean companies did that was so egregious that led to their expulsion from Honduras?

Mr. CANAHUATI. I do not have the specific cases, but we have all of the documents. You asked me at the beginning to submit that for the record. Along with that, we are going to submit additional complaints that have been filed and the resolutions in favor of the employee or in favor of the employer and the ones that have not been resolved. I am going to send all documents on that.

Mr. KIELBURGER. If I can make just one quick comment?

Mr. SMITH. Let me just finish, and then I will yield.

Mr. KIELBURGER. OK.

Mr. SMITH. I think it is important that that be done because it was not until I saw that press release that I was aware of those two companies.

I think what we have striven to do in a bipartisan way is to get to the truth, to strip away all hyperbole and get to the facts.

Mr. CANAHUATI. OK.

Mr. SMITH. If indeed these cases in any way parallel what Ms. Diaz has gone through, that provides additional hope for all of us that Honduras is really doing all that it can do.

We have major violations of every law under the books in our own country. We never want to paint a caricature of what is going on in any given country. Otherwise you lose credibility, and you do an injustice to that country.

I think it would be very helpful if you could provide that to us.

Mr. CANAHUATI. OK.

Mr. KIELBURGER. I just wanted to make one quick comment. We have been speaking quite a bit about products that are produced

for export. Just to remind people, children are also working domestics and agriculture and on the streets in the sex trade.

Just to dwell a quick second on the question of education, you mentioned to leave it off on a positive note. Just to show the value of education, one state in the southern part of India, Karola, made education a priority, put all children in primary education, and 88 percent of children are in secondary education.

Now there is less than 3 percent child labor. It has the highest literacy rate in all of India, and their economy has greatly improved. We have members of our organization from the southern part of India from Karola, and they can testify to this.

There is a change coming about. Unfortunately, it is agonizingly slow. It is a complex change. It is a very complex problem, but that cannot be used as an excuse to not take action.

Mr. SMITH. Thank you, Mr. Kielburger. That was a very good statement because it is true that if enforcement of compulsory education were widespread, it would certainly bring down the exploitation of children. As those children move into adulthood and are more employable and can provide more in terms of what they can contribute to their economy and to themselves and their families. It would help break that cycle of poverty.

That is part of the message that we need to convey globally as well. Enforce your compulsory education laws.

I would also like to inform members of the panel that we have some questions Mr. Salmon has asked be answered for the record. If you would like to, please take a copy and respond to the subcommittee.

Without any further ado, I do want to thank you for your fine testimony. It has been very helpful and enlightening.

The subcommittee is adjourned.

[Whereupon, at 5:24 p.m. the subcommittee was adjourned, to reconvene subject to the call of the chair.]

CHILD LABOR

MONDAY, JULY 15, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN
RIGHTS,
Washington, DC.

The subcommittee met, pursuant to call, at 2:40 p.m. in room 2172, Rayburn House Office Building, Hon. Christopher H. Smith (chairman of the subcommittee) presiding.

Mr. SMITH. The subcommittee will come to order. Good afternoon, ladies and gentlemen.

This hearing on the problem of international child labor is the continuation of a hearing convened last month. At that hearing, expert witnesses from the U.S. Department of Labor, as well as from labor, business, and human rights organizations, testified about the nature and scope of this terrible problem and about possible solutions. We also heard from Wendy Diaz, a 15-year-old girl who testified that she herself had been subjected to child labor in violation of international standards.

Today, in addition to the Secretary of Labor Robert Reich, we will hear from four distinguished witnesses whose schedules precluded their participation at last month's hearing. Thank you for taking the time and effort to provide your insights and counsel to our subcommittee.

According to the ILO, the International Labor Organization, between 100 to 200 million children around the world are being robbed of their childhood for the profit of others. In our inquiry, this subcommittee has encountered heartbreaking images of some of them: A 3-year-old girl forced to stitch soccer balls for hours on end; children walking barefoot amidst piles of used syringes, removing hypodermic needles in preparation for recycling; boys and girls removed from their homes by abusive masters as human collateral for loans that can never be repaid.

Many of us in this room are parents. Imagine your own children in those circumstances, and you can begin to imagine the human misery caused by this exploitation.

Even in its less overtly abusive forms, the full-time employment of young children denies them the opportunity for basic education, their primary hope of escape from their poverty. It reduces the demand for the labor of adult wage-earners, often in areas where there are high rates of adult unemployment. In addition, it allows those who use child workers to profit at the expense of those com-

petitors who have chosen not to exploit this vulnerable source of cheap labor.

We must work to make more than a media event out of the attention currently focused on this problem. We have an opportunity and an obligation to make permanent progress in the protection of children around the world. As I have said before, this problem is vast and complex. It will defy a quick solution. But if those who exploit children listen only to our dollars and cents, then let us begin speaking—loud and clear—in a language they understand.

On Friday, I introduced the International Child Labor Elimination Act, H.R. 3812. This legislation enjoys broad, bipartisan cosponsorship. Among the cosponsors are three members of this subcommittee: Congressmen Henry Hyde, Tom Lantos, and Jim Moran. Other original cosponsors of the legislation include Congresswoman Ileana Ros-Lehtinen of Florida and Congressman Joe Kennedy of Massachusetts. This legislation will turn our conscientious concern into an engine for international human rights reform, using all the tools at the disposal of the Government of the United States.

First, it will ban the import of products made by child labor. Second, it will prohibit foreign aid, other than humanitarian aid, to countries that do not have or do not enforce child labor laws. Third, it will prohibit loans from the U.S. bilateral lending agencies to businesses or projects that use child labor, and will direct our representatives to the World Bank and other multilateral institutions to oppose the provision of funds to industries that use child labor.

Last but not least, it will provide needed funding, \$50 million over 5 years, to the International Program on the Elimination of Child Labor (IPEC) of the International Labor Organization. So far, the United States has contributed only \$3.6 million to this program. Germany, the largest contributor, has donated \$65 million. Even Spain, whose economy and national budget are far smaller than those of the United States, has contributed \$12.5 million, almost four times the amount we have provided. I was shocked and disappointed to learn that the United States is not paying its fair share to this comprehensive and promising effort to end child labor. Indeed, the Administration's budget request does not even suggest that Congress authorize these funds. Obviously, it is not enough to make a contribution to an international program. We must do far more. But it is a beginning, and it is long overdue.

Just last Tuesday, Pope John Paul II discussed the plight of children in various part of the world, and challenged governments "to intervene strongly ... against those who harm and scandalize the most defenseless among us." In his words, governments must act "with all the force of law" to stop the exploitation of children. This is exactly what we intend to do. In its abusive and coercive forms, child labor is an evil that must be fought as an enemy. It is time to join the battle and to fight for these forgotten children. When the International Child Labor Elimination Act becomes law, countries and companies will no longer be able to profit by neglecting the internationally recognized human rights of the most vulnerable people on Earth.

I am pleased to welcome our witnesses who will be testifying today. We are honored to be joined by the Secretary of Labor, Mr.

Robert Reich, Anthony Freeman of the ILO and Françoise Remington of the human rights organization, Forgotten Children, are among those who have been working to find solutions to the child labor problem.

We are also pleased to be joined by Kathie Lee Gifford. In addition to her careers as a television host, a singer, and a mother, Mrs. Gifford has long been noted for her efforts on behalf of children's charities. When it was revealed that the Wal-Mart clothing line bearing her name may have been produced in part by underage Honduran laborers, Mrs. Gifford was as shocked, dismayed, and angered as anyone. The attention focused on Mrs. Gifford as a result was, in my opinion, harsh and often unfair. Undeterred, she spoke out and set in motion the establishment of a program of independent third party monitors of plant conditions. Under the auspices of Cardinal O'Connor, Mrs. Gifford met with Wendy Diaz, the 15-year-old girl who testified before our subcommittee, and with child labor advocates.

Mrs. Gifford has become a strong and determined advocate for working children. Her willingness to go beyond merely defending herself and to confront this issue directly, to be a catalyst for meaningful reform, has helped to focus our Nation's and the world's attention on the child labor problem in a way that it almost certainly would not have been otherwise. For that, all human rights advocates, and especially exploited kids, should be grateful.

I would remind members, and members know this, that when we began this hearing in June, very few from the media were here to cover that. That has changed in a very demonstrable way today. All of us who care about human rights, all human rights advocates, especially those who want to help exploited children, are grateful for the work she has done.

Mr. SMITH. I would like to yield to my very good friend, the distinguished gentleman from California, the very distinguished ranking member of this subcommittee, Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman. Let me commend you for holding this hearing. Let me commend you for the legislation that you introduced that I am pleased and proud to be an original co-author of, and let me try to put this hearing in some kind of perspective.

Several years ago, when I had the privilege of chairing the Oversight Subcommittee that deals with the Department of Labor, we had a series of hearings on child labor in the United States. While today our focus will be on international child labor abuses, I think it is extremely important that we do not view this issue as an issue which is present outside the boundaries of the United States.

One of the most moving moments of my congressional career was to have as a witness a wonderful lady whose only son was killed when he was illegally employed as an underage worker trying to deliver Domino's Pizza in less than 30 minutes on a slippery and dangerous road, and he was killed in the process.

Every year here in the United States there are countless instances of children being illegally employed in a wide variety of industries. As we focus our attention on international abuses, it is extremely important to say publicly it is our crime as well; it is a major crime of this society. I am very pleased to be able to com-

mend our most distinguished Secretary of Labor, who has been in the forefront of fighting child labor abuses here in the United States, as indeed he has abroad.

Let me also say, Mr. Chairman, that while the examples you gave are potent and colorful and important, as one who has almost a dozen and a half grandchildren, I cannot help but comment on the most outrageous child labor abuses that we find internationally, namely the forcing of children into child prostitution. It is a nightmare to see a child lose his or her eyesight working on a delicate carpet. It is a nightmare to see a child working under the most dangerous and outrageous and preposterous working conditions in mines and factories and in fields. But there is really nothing comparable to children being forced into prostitution and whole tourist industries in a number of countries, some of them friendly to the United States, being predicated on child prostitution as the major attraction of the tourist industry.

I think it is important for us to place this issue much higher on the national agenda than it has been for a long time, and I want to join you in commending Kathie Lee Gifford for becoming a spokesperson for this very important cause. It clearly is mandatory in a society that honors celebrities to have celebrities on your side, and I am pleased and delighted that both her husband, Frank, and Kathie Lee Gifford are on our side in this battle.

This Administration and this Secretary of State have led the way internationally to fight child labor abuses. I am delighted that Secretary Reich is here with us, and I want to pledge to him my unceasing effort to work with you, Mr. Secretary, to eradicate this monstrosity both in this country and abroad.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much, Mr. Lantos.

Mr. SMITH. Mr. Moran.

Mr. MORAN. Thank you very much, Chairman Smith.

I want to begin by discussing a comment that was made in an article in today's Washington Post. It is a comment by Bud Konheim, who is Nicole Miller's spokesman. Mr. Konheim says that eventually we will run out of people like Kathie Lee to bust.

If we are here to bust anyone, it is certainly not Mrs. Gifford. She is virtually the only celebrity figure who is acting responsibly and working to help eliminate the problem of child exploitation. I say that not just because of the impassioned defense on the part of her husband, although I must say many of us would be well served to have a spouse who defended us as passionately and effectively as Mr. Gifford.

But the fact is that his comments have been echoed by the very people who originally accused Mrs. Gifford, the people in the international labor community, who have made it clear that she has moved from being perceived as part of the problem to clearly being part of the solution.

We are not here to bust anyone, we are here to advance important legislation. But there are those who continue to arrogantly turn a blind eye toward child exploitation. Celebrities like Michael Jordan and Jaclyn Smith have passed the buck to Nike and K-Mart. They pretend they are victims of attacks by the media. It is clear that there are some very real victims in this issue.

I think it is important that we focus on some of those real victims. Nine-year-old Shadab is a real victim. Since he was 6 years old, he spent 12 hours a day, 6 days a week squatting in the semidarkness on damp ground polishing metal in a brass factory. The air in the factory is visibly thick with metal dust. The temperature is 120 degrees, no air conditioning, no fans. The bare floor is damp with acid that sloshes from big vats onto the ground.

Three-year-old Silgi is a real victim. She sits today on a mud floor in a filthy dress, stitching soccer balls bound for Los Angeles, with needles actually longer than her fingers. Her stitching is adequate, but her hands are so small that she can't manage the scissors that she needs to cut the thread, and so she has to get assistance from a fellow employee, her 6-year-old sister.

Nine-year-old Anwar is another real victim. He started weaving carpets at the age of 6 or 7. He was told repeatedly he couldn't stop working until he earned enough money to repay an alleged family debt. He was never told who in his family had borrowed or how much money they had borrowed. Whenever he made an error in his work, he was fined, and his debt was increased. When he was too slow, he was beaten with a stick. Once he ran away, but he was caught by the police, who forcibly returned him to the carpet looms. In order to get a break, he had to injure himself severely by cutting his own hand.

Forced labor is illegal in most parts of the world. Yet it is on the increase in Asia and Africa and in Latin America. The reason is simple: Exploiting children is both easy and profitable.

Most U.S. manufacturers genuinely do not want to exploit children, but U.S. businesses that do not use child labor are at a competitive disadvantage. We as consumers are really at fault because we continue to demand cheap, handmade products without considering or asking whose hands made those products.

Unfortunately, there are those willing to turn a blind eye toward this sort of abuse. We need to take direct action against those individuals that tolerate and even condone the buying and selling of children as commodities.

One Moroccan carpet manufacturer said he prefers to get them when they are about 7. Their hands are nimbler, and their eyes are better, too. They are faster when they are small.

Over the weekend Pakistani authorities rescued 50 slave laborers from a factory in Karachi. They caught four of their employers. Pakistan is to be commended for taking action against these modern-day slave drivers. Let us hope justice is swift, certain and severe, so others will be deterred.

Mr. Chairman, I really want to commend you for your non-partisan leadership on this issue. When I offered the Working Children's Human Rights Act, I knew that the chances were very small, particularly being a Member of the minority party in this Congress, and I knew there were a lot of things on the table. But you have taken the most important provisions of my bill, you have put it into this bill that we are having a hearing on today. I shouldn't be surprised, because you have consistently shown a truly sincere, determined commitment toward addressing the most severe human rights problems in this country, as has Mr. Lantos.

The exploitation of children is not a partisan issue. It should never be, and we cannot let this issue fall prey to partisan posturing. There are very few legislative days left this year, but this is one issue that has, in fact, been embraced by both the Democratic and the Republican leadership. There is no reason why Congress cannot take the first step toward combatting child labor by passing this legislation immediately. I greatly thank you for taking the initiative and showing the leadership that you have.

We have heard that by depriving children of an opportunity to work, we are condemning them to a life of poverty. On the contrary, enforcing child labor laws will create more job opportunities for parents and appropriate breadwinners around the world to become compensated participants, rather than pawns in the globalization of our economy. Most of us have been blessed by the accident of birth, but such good fortune ought not relieve us of some personal collective responsibility to those who have not been so blessed.

I appreciate the hearing, Mr. Chairman.

Mr. SMITH. Thank you very much, Mr. Moran, for your kind comments and work on behalf of exploited children and your legislation.

Mr. SMITH. I would like to introduce and recognize Bob Underwood, the delegate from Guam.

Mr. UNDERWOOD. Thank you very much, Mr. Chairman.

I don't have a prepared statement other than to congratulate you and the work of the committee on this very important issue. It does seem very significant to me that when we deal with issues of this nature, that there are people in the world who continue to place profit above principle, and yet we have in our midst certainly the work of Kathie Lee Gifford on this issue, which has been directed toward exactly the opposite, and that is putting herself and reputation on the line and putting principle above profit.

Unfortunately, the world is full of people who are willing to rob children of their childhood and adults of their dignity in the pursuit of profit and in the pursuit of cheap consumer goods.

I just would like to put in one brief comment about our own individual participation as consumers in this process. There is one series of commercial outlets in a sense which the U.S. Government does run, and that is the commissary and exchanges of the Department of Defense, which totals over \$9 billion of total sales annually. It is one of those, as a member of the MWR panel and a member of the National Security Committee, I am looking into that issue as well in conjunction with your own fine efforts.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much.

Mr. SMITH. Mr. Secretary, Robert Reich, welcome to the Subcommittee on International Operations and Human Rights.

Prior to being appointed to his current post by President Clinton, Secretary Reich was on the faculty of Harvard University's John F. Kennedy School of Government. He served as Solicitor General in the Ford administration and headed the policy planning staff of the Federal Trade Commission in the Carter administration.

Mr. Secretary, welcome to the subcommittee. Please proceed as you would like. Your full statement will be made a part of the record.

**STATEMENT OF HON. ROBERT B. REICH, SECRETARY, U.S.
DEPARTMENT OF LABOR**

Secretary REICH. Thank you very much, Mr. Chairman. Congressman Lantos, members of the subcommittee, with your permission I would like to provide the committee with my formal statement and give you a brief summary, and then answer any questions you may have.

Let me just say a few things. The problem, or should we say scourge, of child labor around the world does appear to be growing. The International Labor Organization estimates that at least 87 million, probably more like 100 or 150 million, young children are working full time, some of them in intolerable conditions.

The U.S. Department of Labor over the past 2 years has chronicled in reports to Congress some of what we have discovered, some of the data that had been made available to us, about child labor around the world, and it is truly disturbing. Some of it is despicable.

We do know that there are very young children working full time, for example, in glass factories in India, where the temperatures hover around 80 or 90 degrees constantly. They are there 6 or 7 days, all day, every day.

We know, for example, that there are other children in brick factories in Bangladesh and India, again 6 or 7 days, every day. Some of these young children are sold into slavery, into bondage.

We know that there are children sold into prostitution, and this problem, again, appears to be growing.

I do not want to give you the impression that there is any easy or quick solution that is capable of being legislated by the United States. There are many things we are doing, many things that we can do.

We also, Mr. Chairman, members of the committee, have a problem in the United States, and, Congressman Lantos, you referred to the problem. It is not just child labor. We don't have a child labor problem nearly as extensive, as serious, as awful as we find in poor nations around the world. But we do have what might be termed a sweatshop problem.

Almost a year ago in El Monte, California, we discovered a group of workers who were virtually enslaved in their compound, here in the United States of America. There was barbed wire around that compound. They were told that they dare not leave under penalty of death. I am pleased, if we use the ironic word "pleased," to say that the owner of that sweatshop is now behind bars. But since then we have documented many other sweatshop conditions.

And before then we documented many other sweatshop conditions. Just last week, on Thursday, I walked up Seventh Avenue in New York City with some investigators from the Department of Labor, and we randomly went into cutting and sewing shops in the garment industry, and one out of three that we saw was violating the laws, minimum wage, overtime, unsanitary conditions, unsafe conditions. It is not that different from what we saw at the turn

of the century in the 1890's, 1900, in 1910; in 1911, the great Triangle Shirtwaist factory fire that focused public attention on this outrage.

And, Mr. Chairman, let me return to the word "focus" with regard to public attention. You used it. Kathie Lee Gifford has helped focus public attention. The outrage at El Monte, California almost a year ago focused public attention; when we find soccer balls made by young children from Pakistan, young children who are working 6, 7 days a week, soccer balls that our own children are using. A few weeks ago you helped us kick off, as it were, to use the term, a campaign against that kind of importation.

But the focusing of public opinion is critical here. There is no way we can deal with the problem of sweatshops in the United States or child labor around the world without an informed and concerned public. And there is no way we can solve this problem without responsible corporations backed by that informed and concerned public.

Now, tomorrow we are going to have a meeting of the major retailers and major manufacturers in the garment industry, and we are going to look at the progress we have made over the past year in combatting sweatshops here in the United States. Before we can point a finger of blame at foreigners, we have to make sure our own backyard is clean.

We are going to look at the progress we have made. It is not just a government responsibility, because you know as well as I do that with 800 inspectors, even including State inspectors, 1,500 total Federal and State inspectors, there is no way we can police perfectly against sweatshops or child labor here in the United States. We need the industry with whom the sweatshops are contracting to be actively engaged as well.

You see, Mr. Chairman, members of the committee, we can follow where those particular labels go. We can find a sweatshop, and we can see exactly where the invoices lead. And when we have found where the invoices lead, we have published the names of the major manufacturers and major retailers on whose shelves those sweatshop garments have found their way. And the public is concerned. And many of those retailers and manufacturers are changing their ways. They are beginning to police and monitor and inspect against sweatshops here in the United States. Some of them are doing it with regard to their foreign production as well, and I salute them. We need to encourage more of it.

Now, what else can we do as a nation? First of all, as Justice Brandeis said, sunlight is the best disinfectant. We will continue to report on what we find internationally with regard to child labor. We are now working on a report looking at the 20 major importers of garments, garments into the United States, and looking at their codes of conduct and their patterns of employment around the world. What are they doing about the scourge of the employment of very young children around the world? We will report to Congress in October.

Second, the International Labor Organization, International Program for the Elimination of Child Labor to which you referred, is helping move these young children from the factory to the school. If we just close the factories, there is a danger these young children

will find themselves in an even worse market, into prostitution or worse. We must help these nations educate these young people, and that is what we are doing through this international program, the elimination of child labor.

Third, Mr. Chairman, the International Labor Organization can also take an active role. At my request a few weeks ago the International Labor Organization, headquartered in Geneva, spent a day with ministers of labor from all over the world, including many developing nations. We focused on what those nations can do to enforce their own laws better and more strictly; because, as you said, child labor, the employment of very young children, slave labor, bonded labor, these things are already prohibited by the laws of most of these nations.

What can they do to more effectively enforce the laws? What can the International Labor Organization do to help them more effectively enforce the laws? We focused on that; we have launched several projects.

Our support for labeling initiatives also may be another pathway. You are aware undoubtedly of the Rugmark initiative. That little mark that appears on carpets coming from South Asia has become a standard for consumers who are concerned about child labor in the carpet industry. Consumers who do not want to purchase rugs made by young children in South Asia know they can look for that mark. There is a third party that is hired to police the industry and award that mark only to carpet manufacturers that are not using young children.

Similar labeling programs might be appropriate here. We talked a few weeks ago about the soccer ball industry and the monitoring program they already have for quality. Why can't they monitor also to make sure that no children are being used and put a label on so consumers can know there are not children being used in the production of soccer balls?

We need to explore and are exploring other labeling alternatives.

International trade. We are pressing for a working party on trade and labor standards in the World Trade Organization. We are making a bit of progress. It is slow going. To be perfectly candid with you, most other nations are not with us on this, but it seems to me we cannot talk about trade without talking about labor standards at the same time.

We use existing trade laws and are using existing trade laws, such as the Generalized System of Preferences, to assure that we are not now subsidizing the import of products made by child labor. In fact, quite recently the Administration announced that due to child labor violations, certain products from Pakistan, including sporting goods, carpets, and surgical instruments would no longer receive GSP tariff preferences.

And we will continue to work with you, Mr. Chairman, members of the committee, we would like to work with you, on your legislation. It seems to me that is very important. It is the right direction to go in.

In conclusion, let me just say again that there are no easy answers to the problem of child labor around the world or the scourge of sweatshops in the United States. Industry has a major role to play. Consumers have a major role to play. We will continue, with

regard to our laws in the United States, to enforce them vigorously, and we have enforced them vigorously. We have enforced them to the extent that we have traced the invoices and published names. And if we have embarrassed some members of the industry, I am sorry, but maybe that is necessary in order to get their cooperation.

I salute you, Mr. Chairman. Let me congratulate you and this subcommittee for your continued concern about this issue, the exploitation of children. Let me thank you for your support, the support you have given to us in our efforts to eliminate not only child labor, but also sweatshop labor from the United States. I can assure you that as Secretary of Labor, we will continue to do whatever we can to eliminate this disgrace, and we will continue to do whatever we can to work with celebrities and others who put the spotlight of public opinion where it belongs, on this problem.

Thank you.

[The prepared statement of Secretary Reich appears in the appendix.]

Mr. SMITH. Thank you very much, Mr. Secretary, for your very eloquent remarks. I know personally you have a very strong commitment to this issue, and it has been an honor to work with you, having joined you at the Foul Ball campaign over at the Department of Labor recently.

Two of my children are here, Michael and Elyse. We have four children. They all play soccer. My wife, Marie, is here as well. I remember when I first discovered that the balls being made in Pakistan were being made with child labor. I immediately at the next game looked at the balls and, sure enough, every one of them was made in Pakistan.

For those soccer balls to be enjoyed by U.S. children, they ought to be made by adults, not by kids. We need to red card these balls, as was pointed out repeatedly during the course of that hearing.

I thought that was a very good effort, and many of the other things you are doing are right on the mark.

Let me ask you about the Child Sex Abuse and Prevention Act, which was passed previously with broad bipartisan support. What are we doing to enforce that? Mr. Lantos spoke about the extreme tragedy of children caught up in childhood prostitution, who are wasted and often dead before their 21st birthday because of that cruel exploitation which is often fed by dollars coming from abroad, including from the United States.

Secretary REICH. Mr. Chairman, with regard to our abilities here in the United States, what the Department of Labor can do is continue to focus public attention, to reveal the extent of the problem, reveal what is going on. Our power right now is limited to getting the facts and making those facts public in terms of outside of the United States. I am not talking about inside the United States, I am talking about outside the United States.

Inside the United States again we have an active enforcement effort with regard to child labor and sweatshop labor. The Department of Justice enforces and will continue to enforce as vigorously as it can the provisions of that particular statute.

Mr. SMITH. Perhaps Justice could also provide some information on that. I am sure there have been crackdowns on those kinds of sex tours, which I find absolutely an abomination, and the legisla-

tion certainly is there to crack down on those who would prey on children in that way.

With regard to the World Bank and other multilateral lending institutions, testimony previously submitted to our subcommittee by your Department emphasized the need to look at these institutions. Our legislation directs our representative on the World Bank to cast votes against those kinds of projects where child exploitation by way of child labor is likely. It seems to me that, at a minimum, U.S. taxpayer dollars being used in that way in a developing country ought to be tied to human rights conditions. Right now the World Bank has no such conditions.

What would be the Administration's view on conditioning our funds so there is a very strong human rights component to the money that we lend or give for lending?

Secretary REICH. There should be a very strong human rights component. We should not be subsidizing the employment of very young children. We should not be subsidizing child exploitation in any way, nor slave labor nor bonded labor. These are considerations that ought to be of concern to international lending institutions, and our representatives have already expressed those kinds of concerns.

Again, let me underscore one thing that I said before that I want to make sure is in the record: Simply stopping this production, simply closing these factories, may have the unintended consequence of forcing these children into an underground economy in which they are treated even more abominably. We must make sure that these children are in school. Education for these young children is the answer. It is the answer for many of these developing nations. It is not good for them to have entire segments of their population subjected to forced labor, slave labor, bonded labor, or even to young children who are working 12 or 14 hours a day every day.

But the International Labor Organization, development institutions, international lending institutions, all play a part in building the schools and helping them move from the factory to the school. We can help them to do that and are beginning to.

Mr. SMITH. I know you bring a tremendous amount of commitment and energy to this issue, but I also know both in Congress and the executive branch, one person's commitment doesn't always translate into policy. We know the work OMB does when budgets are submitted to it. I have been here 16 years and seen this many, many times.

Many of us were chagrined to discover that the International Program for the Elimination of Child Labor, which last year got a \$1.5 million allotment, was cut down to \$1 million in the Administration's request. We need to beef that up. Hopefully some administration action coupled with congressional action can do that. We have checked with the ILO, and they suggested that \$35 million over 5 years is required to meet the objectives of the ILO.

All of us in the House, Senate and executive branch need to put our money where our mouths are. Our bill would provide \$10 million each year over 5 years for a \$50 million total.

Would you perhaps give us some insights as to where we are going with funding, why it was cut, and whether or not we can ratchet that up?

Secretary REICH. We would like to work with you in finding additional sources of funding for this extremely important program. But as you know, every dollar that we devote to this is a dollar that comes out of another very important priority, so that the struggle we have, and it is the same struggle that the House Budget Committee has, is to come up with a budget that reflects all of the priorities. If we can find additional funding, we would like to try to do that. We are very desirous of working with you to that end.

Let me mention, by way of passing, that we have asked for increased funding for our inspectors against sweatshops in the United States. The Administration asked for increased funding, but we are not getting increased funding. In fact, in 1996, we had a cut in funding for the inspectors that go out to prevent sweatshop employment in America.

Again, we are very interested in working with you and other committees here in the House to increase overall funding so that there is not child labor abroad, and there is also not sweatshop production, abusing workers right here in our own backyard.

Mr. SMITH. I thank you. This is an area where we need to have increased cooperation between us. I thank you for your fine answers.

Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman.

Before raising my questions with the Secretary, I want to commend my colleague, Congressman Moran, for a particularly eloquent and powerful statement with which I fully associate myself.

Mr. Secretary, I would like to broaden the discussion a little bit. We are living in a period of public apathy, cynicism, and mistrust of government and public institutions, where it takes some overarching issues for our partisan differences to fade into insignificance, so we can take some action and in the process restore public confidence in the governmental process.

We recently had this tragic wave of setting on fire places of worship, and the American people, irrespective of faith or political commitment, were outraged and supported the Administration's effort to deal with this horrendous series of events.

In a few days the Olympics will open, and we still remember the terrorist attack at the Munich Olympics a generation ago; and, of course, in Atlanta the most complex preparations are underway to prevent international terrorism, again with full and broad and bipartisan support of the American people.

May I suggest that the Administration, with your leadership and with the President's personal involvement, place this issue, the fight against the exploitation of children across the globe, very high on the agenda and invite former Senator Dole to join the Administration in seeing to it that this is pushed through both the House and the Senate. It is not a Democratic issue, and it is not a Republican issue. It is an issue behind which the American people can unite, and in the process of doing something good, we will have the additional benefit of beginning to restore public confidence in the actions of public bodies.

Before asking you to comment on this very serious and specific suggestion, I would like to raise another issue which relates to the question of unilateralism versus multilateralism. Many of our

friends and allies, some of them powerful democratic nations in Europe, are highly critical of us when we take punitive actions in the trade field against countries such as Iran that support terrorist activities. And they are responding to our actions here in this body by legal arguments involving extraterritoriality. When members of the European Parliament met with some of us here in this room a few days ago, I pointed out to them that the legal issue of extraterritoriality fades into insignificance in the face of international terrorism, something which has arrived on our own shores, at the World Trade Center, and something which has impacted on our own military in Saudi Arabia.

Here we have another issue. Clearly we would like to have our friends and allies in the international community join us in fighting child labor, child prostitution, child abuse globally. But if they don't, are we prepared to go unilaterally, as I hope we are, because I think it is absurd to set as our yardstick the lowest common denominator, that we can't move until everybody else moves.

I would like to ask you, if I may, to deal with both of these issues, the question of raising the visibility of child labor internationally, to the highest level, to the level of the President. I support his program on school uniforms, but with all due respect, this is a much more important issue than school uniforms. This is the issue of child exploitation and child prostitution on a grand scale.

I would be grateful if you would deal with the issue of unilateralism and multilateral action.

My final item that I would be grateful if you would comment on is the role of the American labor movement as you see it in this effort. The American labor movement has been in the forefront of fighting for decent and humane working conditions, both here and abroad. This is not just an issue involving children. There is slave labor, prison labor, in China and elsewhere, and products are coming in from China and elsewhere produced under wholly unacceptable slave labor conditions.

I would like to ask you to tell us what your Department is doing to work with the American labor movement to deal with this issue, of which international child labor is merely a subset.

Secretary REICH. Congressman, several points: First on visibility, I went to Geneva last month, to the International Labor Organization, at the request of the President, to make the issue of international child labor more visible, to make sure that the nations of the world not only faced this scourge, but also agreed to do something about it.

The Department of Labor for the last 3 years has been researching, gathering data, investigating, making public our findings around the world, because it is such an important issue, and because visibility is so critical. The only way we are going to begin to deal with this scourge is if it is visible and if people understand its dimensions.

Now, here is where you come in. Here is where Kathie Lee Gifford comes in. Here is where, sadly, revelations like slave labor in El Monte, California, come in. Something can be quite visible for a week or 2 weeks or 3 weeks, but then other things crowd it out. The Olympics are coming up shortly, and while many people may be terribly troubled right now about child labor, or sweatshop labor

in the United States for that matter, will they be troubled 2 weeks from now? A month from now? Six months from now?

It seems to me it is our responsibility, and the responsibility of all of us, and celebrities, and those concerned about this issue to keep this issue alive, to make sure that people cannot forget about the scourge of child labor, cannot forget that the goods that we are buying are made by children who are working 7 or 6 days a week all day long, cannot forget about sweatshops in our midst here in the United States. And we are going to do everything we can to make sure that people get the information they need and that it maintains the visibility it now has.

Now, as to your point about multilateralism and unilateralism, it seems to me that it is very important where possible to get a multilateral approach. It is a much more powerful approach. Although we are obviously a major trading Nation, the more that other trading nations join with us, the more pressure is going to be brought to bear. That is why the International Labor Organization is such an important vehicle, why we have already made some progress.

We have asked the ILO to consider a new convention, specifically dealing with the exploitation of very young children. There is no ILO international treaty directly on that subject right now. The ILO is now accepting our invitation, considering the development of that international treaty obligation.

I would like to try to exhaust all the areas we have through international lending, through international treaties, through various other international forums that we have, because it seems to me those multilateral approaches are very, very powerful.

The opinions of mankind speaking together are so much more eloquent than the unilateralist opinions of one nation, particularly when that one nation also has problems itself. People say, who are you to cast a stone? You have sweatshops. You are exploiting people. You must mend your own ways.

Finally, your point about the labor movement. We are working very closely with American labor unions, such as UNITE, the garment workers union, to eliminate sweatshops from these shores and also to identify other nations that have major problems. I would like to commend UNITE and other unions that have offered us so much help in that regard.

Mr. LANTOS. Thank you very much.

Mr. SMITH. Mr. Moran.

Mr. MORAN. Mr. Secretary, I met recently with the National Retail Federation. I was prepared to give them hell over this issue, but their response was, we like your bill; we want more laws, and even regulations, in this area. But more importantly than that, we want those laws and regulations that do exist to be enforced, enforced much better than they are today.

Now, we have talked about the sweatshops that we have uncovered, and you eloquently addressed that problem. But isn't the principal reason we have that problem that these people have no legal resource, because they are illegal themselves? Haven't we found that most of the people in these sweatshops, in fact, are illegal immigrants, and, if so, how do we handle that? Do we deport them? If we don't deport them, there is little question but that they

are going to find their way back into other forms of labor that do not meet acceptable American standards because they still have no recourse to our judicial system.

Would you address that?

Secretary REICH. Yes, Congressman. Many of the individuals working in sweatshops in the United States, if not the majority, are indeed undocumented aliens; but not all by any means. I have personally met with a number of sweatshop workers who had not been paid for weeks or months, or never paid—their sweatshop simply closed up without paying them—who were subjected to unspeakable conditions, who were American citizens. It is true they had language difficulties, they were recent immigrants, but they were legal immigrants to these shores. Because of their language difficulties, they were easily exploited. That is point No. 1.

Point No. 2, employers in this country who are unscrupulous, there are a few unscrupulous employers, particularly in the cutting and sewing end of the garment industry, they are willing to take the risk of being penalized for being found to be employers of undocumented aliens for the sake of employing people who will not complain; as you said, because they know their people will not complain. They are too frightened to complain about these kinds of unhealthy, unsanitary, illegal conditions.

One way to reduce the magnet of undocumented aliens to our shores is to ensure that sweatshops are eliminated, because the sweatshops are becoming a magnet. People are coming here illegally because of jobs, and those jobs increasingly are jobs in sweatshop production.

So if we are able to enforce the laws and get major retailers and manufacturers to help us enforce the laws vigorously, then we can reduce that magnet.

Mr. MORAN. Mr. Secretary, it seemed to me the retail manufacturers had a point. When the Department of Labor finds abuses where employers are clearly exploiting employees because they are illegal, they know they have no recourse, do you work with INS to deport people? Is there that kind of coordination? Because it is unfair to the retail manufacturers as well, and certainly to the laborers, particularly in industries like the textile industry, to have to compete with sweatshops or with child labor, and they shouldn't have to. But I am not sure that we are enforcing every law in every way that we could to be on their side, to try to do our part to prevent this.

Secretary REICH. Remember, the President is vigorously cracking down on undocumented aliens in the United States. We are doing our part. But let me just say that we rely upon these workers to notify us of abuses. If they thought that we were immediately going to turn them over to the INS, we would not know nearly what we now know. We would not be able to target our resources nearly as well.

We want to go after the magnet, which is the sweatshop, because even if we were—and we do cooperate obviously—but even if we were to send every one of these workers back, as long as that magnet remains, new workers will come to fill their spots. We have got to go after the magnet of sweatshop production.

Let me say one more thing, Congressman. Some major retailers and major manufacturers are doing an excellent job. They are monitoring, policing, regularly inspecting to root out sweatshops. In fact, a recent survey we did, a random survey in Southern California, found that half of the cutting and sewing shops are now being regularly monitored by major retailers or major manufacturers. That is tremendous improvement over what we had just a couple of years ago. And those monitored shops have a fraction of the legal violations and the seriousness of the illegal violations of the non-monitored shops.

What I say to those retailers and manufacturers who do not want to monitor, who say to us it is your responsibility, it is not ours. I say to them, you are the same people who often say get government off our backs. You are the same people who say government cannot do it all. If you were sincere about giving all the responsibility for policing against sweatshops to our inspectors, would you be up on the Hill lobbying for more resources to do the inspections in the Department of Labor? That is usually where the conversation ends.

Mr. MORAN. I understand that. I think the self-policing is commendable. But the answer, though, is that you are not coordinating with INS. You don't deport any of these people. And the problem is that they can't find any legal labor, so they are going to migrate into some form of unregulated labor just to support themselves and their families, and a new sweatshop will be developed.

I understand you are in a conundrum, but I think personally you are going to have to coordinate with INS when you discover these sweatshop conditions. The people, when they are illegal, they have no choice but to go into unregulated labor really.

But we will continue that another time. I think we need to get on with the hearing. Thank you, Mr. Secretary.

Mr. SMITH. Mr. Underwood.

Mr. UNDERWOOD. I have no questions.

Mr. SMITH. Mr. Secretary, before inviting our next panel, let me thank you for your testimony.

Mr. Lantos brought up the issue of gulag or slave labor, particularly as it relates to the People's Republic of China. I have been in one of those slave labor camps in Beijing a couple of years ago and saw shoes and socks being made for export. The MOU, the memorandum of understanding, that was negotiated under the previous administration and is often touted as proof we are trying to do something, I respectfully submit, is not worth the paper it is printed on.

There has been in practice no enforcement of that MOU. The products that are coming onto our shores, ending up on our shelves, despite the efforts made by human rights and religious freedom activists, is unconscionable.

You made a very good point about loss of attention. Very quickly our focus shifts—out of sight, out of mind—and the next thing you know we don't care. Just as in China, many of us were outraged at the Tiananmen Square massacre and all of the human rights abuses there. Those abuses continue to this day, and those goods continue to be made and exported.

I urge you, please enforce the law. The laws are on the books. We need vigorous enforcement of the MOU and the underlying Smoot-Hawley Act upon which it is based.

I would like to ask our next panel, if they would come to the witness table.

Our first panelist will be Kathie Lee Gifford, a cohost of the syndicated morning television program "Live with Regis and Kathie Lee." In addition to her extensive television and singing careers, Mrs. Gifford is the mother of two children and has supported numerous children's charities, including the Cody Foundation, which provides shelter and care to HIV-positive and crack-addicted children.

As I said in my opening statement, we are all very indebted to her for the good work she has done for bringing light and scrutiny to this issue. As you pointed out, Mr. Secretary, the greatest disinfectant is light. I think Kathie Lee Gifford has done that very well.

Francoise Remington is the founder and director of Forgotten Children, a nonprofit organization working with child laborers in South India. Ms. Remington previously directed the India Program of the American Adoption Agency and is the parent of three children adopted from India. She has traveled extensively in South Asia and has published many articles on child labor. She holds a Master's degree in International Relations and Economics from Johns Hopkins University and a Doctorate from the University of Paris.

Anthony G. Freeman is the director of the Washington Branch of the International Labor Organization. Before joining the ILO, he was Deputy Assistant Secretary of State for Democracy, Human Rights, and Labor, and a U.S. delegate to the ILO's annual International Labor Conference. Mr. Freeman received a BA from Rutgers University and Master's degrees from Princeton University's Woodrow Wilson School in Public Affairs and Politics.

I want to say to all three of our panelists, welcome, and we look forward to your testimony.

Mrs. Gifford.

STATEMENT OF KATHIE LEE GIFFORD, TELEVISION HOST

Mrs. GIFFORD. Thank you, Mr. Chairman.

Mr. Chairman and all members of the committee, I would like to thank you very much for your invitation to appear here today.

Mr. SMITH. Would you bring the microphone a little closer, please?

Mrs. GIFFORD. Yes. Usually I don't have trouble being heard.

I want to thank you for your invitation to be here today; especially thank you for your willingness to accommodate my schedule. Regis is lost without me, and so I appreciate it very much.

I believe this committee has the means to formulate a real and very important change as to how garments are made for the American consumer, and I am very, very grateful to be even a small part of that process.

Mr. Chairman and members of the committee, I would be very less than candid with you if I did not tell you that just some 2 months ago I was little more than an entertainer, and very happy

being one. I associated my name with a line of clothing so that a portion of the dollars raised could go toward helping AIDS babies and crack-addicted babies in New York.

That fund-raising effort worked beyond my wildest dreams. Today Cody's House and Cassidy's Place have become national models for how to bring sunlight into the lives of children who have been seared by pain in our own country. Other charities have also benefited from this effort.

And so it was nothing less than an assault on my very soul when a witness before Congress suggested that I was using the sweat of children to help other children. I would submit to this committee that it was in that single instant that I was introduced to the unforgiving and often unfair cauldron of public policy.

Today I am still very far from an expert on this subject, although in the last several months I have learned far more about the garment industry than I ever thought possible.

This is what I have come to believe; that every one of us, from the entertainer, the sports figure, whomever, who lends their name to the consumer in the store that buys the products, has an obligation to know how and why a garment was made.

This consumer has learned from people like young Ms. Wendy Diaz that we are now morally compelled to ask, each of us, what can we do to protect labor rights in factories around the world and right here in America?

Fortunately, there are those seeking to identify and penalize abusers. Wal-Mart, which distributes my fashions, has prevented some 100 factories in 16 different countries from working on their garments, our garments, because of violations they discovered. And Wal-Mart is stepping up their oversight in coordination with my own plans for onsite inspections.

I have discovered that this is not a problem that has cropped up overnight. Experts tell me that it is pervasive in the garment industry, and our report suggests that the sweatshop never really left us.

I am also discovering that there is no one overnight solution to the problem, but we are beginning to create a framework for solutions, as the Secretary said. For starters, working with Wal-Mart, I plan to implement a plan whereby any Kathie Lee fashion will be done in factories willing to submit to surprise inspections by an independent Inspector General team. Their mission will be to ensure that safe and responsible working conditions are met. Factories that refuse inspection or ignore warnings will be dropped as a manufacturer.

Yet taking work out of the factories that abuse their employees puts those employees, as we know, on unemployment, if it exists, which in many of these countries, of course, it doesn't.

I would ask this committee, what real power does the retailer or a talk show host have when the only means to get the factory in compliance is moving the work elsewhere?

Ironically, the factory in Honduras where Ms. Diaz worked continues to employ what we believe is about 1,000 workers, even after Wal-Mart pulled their work that carries my name. And, interestingly, just this past Friday, in the desire to return work to the Global Fashions plant in Honduras, which I had promised Ms. Diaz

I would try to do when we met, we were turned away at the door. They said we were denied access to inspect the plant.

So as much as we would like to take work back there, and help that area, and encourage those people, and right some of the wrongs that have been done, when we are denied access into the factory because they don't want us to see what is going on, we can't in good conscience take work back there.

So other manufacturers, we were discovering, didn't seem to have a problem with these reports that the dreadful conditions do exist, and punitive actions don't seem to faze some of the owners of this particular factory.

I have also discovered that implementing an Inspector General program is not at all as simple as I had hoped it might be. It is not as simple as just hiring a team of investigators. Local laws are often muddly, and following the trail of subcontractors, where much of the abuse takes place, is difficult at best.

In addition, employees are often wary of independent inspectors, so decisions have to be made that identify responsible, local human rights organizations where there is only one agenda, creating an environment where one can work in dignity.

So while an inspector general program is a responsible start, we recognize that it is not a panacea to any problem. It may, in fact, just be the beginning of the beginning of solving the problem.

So allies, any friend we can have and find in this, is nothing less than critical in our fight. That is why I would welcome, Mr. Chairman, your proposal that would bring the full weight of the American Government to bear on international child labor violations. I will help you in any way I can with that, sir.

Mr. Chairman and members of the committee, I would also not be so presumptuous just to comment on the specifics of your legislation, but there are things that I believe I do understand about it and please let me know if I am wrong about this.

No. 1, the proposal would allow the U.S. Labor Department to create an accreditation process to monitor working conditions overseas, which would be of enormous value in stopping this practice. It becomes obvious to me that while my fashions can create an oversight program on our own, it can easily be dismissed by factories who are indifferent to the issue if they have other paying customers lining up to work in that very same factory.

In addition, this proposal becomes a potent weapon because it elevates the problem from just one factory in one city in one nation to an issue where entire governments must get involved or then risk damage to their own economies. Much the way the Human Rights Watch list has added muscle to our intolerance of abuses abroad, I would hope that this legislation would ensure that child labor becomes equally repugnant to everyone.

I would welcome an opportunity to work with the Chairman and members of this committee if you believe that my support can in any way enable you to not only pass this legislation, but enforce it as well, sir.

In the last 2 months I have met people from all walks of life and, happily, both sides of the political aisle who are seeking to solve this problem together. From Wendy Diaz and Archbishop Cardinal O'Connor—who was very helpful to us, and I am very, very grateful

to him—to Jay Mazur of UNITE, New York Governor George Pataki and Attorney General Dennis Vacco, I find a common thread of decency that they all share to end the practice of sweatshops and child labor abuse.

Tomorrow I look forward to attending this summit on the issue convened by Labor Secretary Robert Reich. It is my hope that this hearing and tomorrow's summit will ensure this issue is dealt with in a meaningful way, and we can really make some progress.

Mr. Chairman, I am an entertainer who had a simple idea, to create fashion wear with my name on it in the hopes of raising money for children. In hindsight, I would conclude that an explanation of quantum physics is easier to do. This much is clear to me: I have learned that each one of us, whether we are in Congress, in corporate America, in a television studio, or in a shopping mall, has a moral imperative, and we need to address this issue. I don't have many answers as yet, but I certainly am learning to ask the right questions, and I welcome any question you might have of me.

Mr. SMITH. Mrs. Gifford, thank you very much for your outstanding testimony. Many of us on this panel find that human rights work, and I am sure Ms. Remington and Mr. Freeman feel the same way, is very often lonely work. You have helped to bring the light to it that is so necessary, and I think it is mobilizing public opinion.

The key now is to keep it sustained through the Olympics and through the elections. And whether or not this legislation passes this year, I know I and Mr. Lantos and Mr. Moran and Mr. Hyde and others are in this for the long haul, as I know you are.

I want to thank you for your good work in getting this critical mass together to make this a reality, because very often we are out there whistling in the wind, and very few people listen. You have helped to mobilize public opinion. Thank you very much.

[The prepared statement of Mrs. Gifford appears in the appendix.]

Mr. SMITH. Mrs. Remington, please proceed.

STATEMENT OF FRANCOISE REMINGTON, EXECUTIVE DIRECTOR, FORGOTTEN CHILDREN

Ms. REMINGTON. Mr. Chairman, Mr. Ranking Member, members of the subcommittee, thank you for the opportunity to appear before you. My name is Francoise Remington. I am the founder and executive director of Forgotten Children, a 501(c)(3) nonprofit organization based in my home in Arlington, Virginia. I and my husband are the adoptive parents of three orphan children from India, two of whom come from Mother Teresa. I have personally witnessed many examples of child labor in India.

The growth in child labor worldwide is the result of globalization, and we all bear some responsibility for its growth. Child labor is clearly within the jurisdiction of the U.S. Congress, especially in circumstances where the American taxpayers or consumers contribute to its growth.

I appear before you to advocate that the World Bank, which is sustained in part by U.S. taxpayer funds and which contributes directly to increases of child labor, no longer deny its responsibility and participate in a solution. Either by legislative mandate or by

congressional request, the Bank should incorporate a child labor policy in its financed projects.

In 1988, I first witnessed child labor in the match factories of Sivakasi, Tamil Nadu. As my network of Indian child welfare activists grew, my first visit was followed by others. I ultimately visited the lock factories of Aligarh, Uttar Pradesh where more than 10,000 children daily toil in terrible conditions.

In Manali, Himachal Pradesh, I visited a Buddhist Lama, Lama Gondup, who operates a school for children who cut stones manually for road construction. As they work, the children breathe the polluted air caused by passing trucks, buses, and boiling tar. While agreement does not exist for the exact number of children working at cutting stones at roadside or quarrying, according to the 1991 census of India, there are over 23,000. Local activists give a larger number. For example, in the State of Kerala alone, which has the lowest number of working children, 20,000 children work in stone quarries.

In spite of this sad reality, without any child labor provisions, the World Bank is financing a project, INPA9995, with an IBRD loan of U.S. \$95 million for the construction of 800 kilometers of major roads in Haryana State. No one can deny that roads must be improved in India, but it is certain that children will be working on road construction activities as a result of this project.

In January 1994, I accompanied Dr. M.K. Patra, director of the Asian Workers Development Institute in Rourkela, Orissa, on a tour of the dumping yard of the Rourkela Steel Plant. Dr. Patra observed: "There are no working children in the plant. It is in the dumping yard that you will find the working children. That place is like hell. Accidents occur there often, mainly bad burns. And, most of the children there suffer from respiratory disease."

He was right; the place is a living hell. Children, estimated to be about 300 in number, ranging from ages 8 to 15, hold iron hooks or hammers to pick up burning pieces of molten steel. The children work from 4 a.m. to 5 p.m. outdoors in the burning sun and among the acrid smoke. Many of the children come from tribal families who have been displaced as a result of modernization. The plant management denied any responsibility for the working children; they are not employees.

With more time, Dr. Patra would have shown me mines in Orissa where the same facts are replayed: Children working in mining activities; officially the management can rest in peace, there are no children working in the mines. Yet, in Orissa alone, the number of children working in exploited situations is estimated by UNICEF to be well over 600,000. In Cuttack City, it is estimated to be over 33,000, among whom 3,600 children are engaged in mining and quarrying. Furthermore, just in Cuttack, approximately 1,500 children are construction workers. Most of them work at least 8 hours a day.

Before turning to the role and responsibility of the World Bank regarding child labor, I would tell you that my personal experiences in India could be replicated in other developing countries from South to Central America, from Africa to Asia.

In spite of these facts, the World Bank is currently financing two important projects in Orissa in which child labor will be stimu-

lated: First, the India-Orissa Water Resources Consolidation Project which has given a loan of U.S. \$290.9 million to the Government of India from IDA Credit; and second, the Coal Sector Environmental and Social Mitigation Project, which is granting U.S. \$500 million to India Coal to open 33 mines in Orissa, Bihar, Madya Pradesh and Maharashtra and an IDA credit of U.S. \$50 million for financing environmental and social impact action programs. In both cases, legitimate development needs are met, but should it be at the expense of child labor?

Little hands will be working in the construction of the Naraj barrage (dam), near Cuttack, which will require 130,000 cubic meters of earthwork and 320,000 cubic meters of concrete.

Tribal children will no doubt be found working in the backyard of the new mines of India Coal, which is going to displace 10,445 persons, many of whom are tribal people. Resettlement is provided in the package deal. India Coal will provide employment for 18 percent of displaced persons, and the remaining 82 percent, 7,549 persons, will be entitled to assistance for self-employment with the help of five NGO's selected by India Coal. The four States where the mines will be located are known for their large numbers of working children. The majority of working children are to be found among the "migrant families at construction sites, brick kilns and mines."

Not only do World Bank-financed projects contribute to the growth of child labor, but often the industries which rely on child labor are given as examples of success in a World Bank's discussion paper. The fact that India has become the largest exporter of cut and polished small diamonds is described as a success story because "India's large pool of low-cost artisans gives it a strong competitive advantage in this industry." No field study was made to verify who were these artisans: About 13,600 children below the age of 14 years old work in the gem polishing and diamond-cutting industries. One expert has observed: "The influx of child labor into the industry is a relatively recent phenomenon that has occurred because the international demand for gems has risen sharply. When the demand for gems was not very high, child labor was not widely prevalent."

In the same World Bank paper, the authors praised Bangladesh's successful exports of garments and the fact that "about 90 percent of workers are female." However, according to Pharis Harvey, there are about 300,000 children working for the Bangladesh Garment Manufacturers. These females, often girls 8 years of age or less, work like slaves.

On March 27, 1996, I wrote to the Inspection Panel of the World Bank to predict that child labor will take place in the India-Orissa Water Resources Consolidation Project. On May 10, 1996, I was invited to attend an informal meeting at the Bank. I was informed that the Bank was aware of the child labor problem and that, probably in 2 years, a policy on child labor could be included in World Bank projects. I also received a letter from the Bank's Office of South Asia External Affairs, informing me that "project execution, however, is the responsibility of government agencies."

The World Bank, the leading global development organization, is in a state of denial about its responsibilities in this area. The Bank

does not even comply with Article 32 of the U.N. Convention of the Rights of the Child.

A policy against child labor in World Bank-financed projects is urgently needed as well as an independent monitoring system established by community-based NGO's to ensure that no children are being exploited in World Bank-financed projects. Such a policy will set an example and will impose pressure on governments which rely on exploited children for foreign exchange and cheap labor.

The facts are clear. It will take a worldwide effort to fight child labor. Without your interest and intervention, the problem will not go away. Why should American taxpayers participate in the silent dehumanization of globalization? Why should American taxpayers contribute to the financing of projects in which children are exploited? By whatever legislative means you seek to employ, please take steps to prevent the World Bank from contributing to a growing global problem.

Mr. Chairman, I applaud these hearings and your leadership as well as that of your subcommittee members. Thank you for giving me this opportunity to be a voice of the voiceless, exploited children.

Mr. SMITH. Thank you very much for your testimony and for your good work on behalf of the kids.

[The prepared statement of Ms. Remington appears in the appendix.]

Mr. SMITH. Mr. Freeman.

STATEMENT OF ANTHONY G. FREEMAN, DIRECTOR, WASHINGTON BRANCH, INTERNATIONAL LABOR ORGANIZATION

Mr. FREEMAN. Thank you, Mr. Chairman.

Mr. Chairman, Mr. Lantos, Mr. Moran, distinguished members of this committee, I welcome this opportunity to testify on a major problem facing humanity, which is only beginning to get the center stage attention it deserves.

The fact is that hundreds of millions of children around the globe from the ages of 4 and up are forced to work—often under inhumane conditions, harmful to their health and safety, their development, and their very lives.

My name is Tony Freeman. I represent the ILO in the United States. The office of the ILO is the Secretariat of that organization. The organization is an intergovernmental agency, headquartered in Geneva, Switzerland. It was created in 1919 by the Treaty of Versailles at the end of the First World War to address economic and social causes of war by establishing minimum international labor, social and human rights standards. In 1946, we became part of the U.N. System.

The tripartite structure of the ILO is a unique characteristic of the organization which shapes our philosophy and our modus operandi. We perform our mission by working not only through our 174 member States' governments, but also with the trade unions and the employer associations of all of our member States.

You have asked me to describe the work of the ILO in the field of child labor, particularly the strategies which our 4-year-old

International Program on the Elimination of Child Labor, or IPEC, has achieved in terms of concrete reform.

I have submitted a paper on this subject, which I ask be included in your record. I would merely like to use my time here to emphasize the salient points and put it somewhat into context.

Basically we have two tracks on which we work to deal with the child labor problem. We have a standards track, which is the setting and promotion of standards, or conventions; and the monitoring and critiquing of performance by member States which ratify these standards. Second, we have a technical assistance or technical cooperation track, which basically in terms of child labor is the IPEC program.

With regard to the first track, which is really one of the oldest and one of the most important features or functions of our organization, the ILO sets conventions and recommendations, which are international standards. Each member State is required to submit all conventions and recommendations adopted by the ILO Conference to the competent national authorities for a decision as to the action to be taken. Once ratified, conventions become treaties in international law. They create binding obligations on the part of the ratifying State to put their provisions into effect.

The ILO also has a unique system among U.N. agencies in terms of monitoring and critiquing compliance on the part of the member States with the conventions of the ILO which they ratify. The process is voluntary on the part of the member States, and the ILO works through moral suasion, not compulsion. But governments will go to extraordinary lengths to avoid condemnation by their peers and by world public opinion.

Over time, and especially if it is accompanied by reinforcing parallel pressures and developments, including the offer of effective assistance, the process can help to create a new dynamic among the public and also the ruling elites of countries which are noncompliant with the treaties which they ratify.

A few months after our foundation, the ILO issued its first convention on child labor. We have a number of conventions which deal with this issue on a sectoral basis. Our most important one is No. 138, adopted in 1973. It applies to all sectors of economic activity. By ratifying it, members commit themselves to pursuing a national policy designed to ensure the effective abolition of child labor and to raise progressively the minimum age for admission of employment to a level consistent with the fullest physical and mental development of the young persons.

The convention provides that the minimum age should not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years, although there are flexibility provisions for developing countries of 14 years in general, and there is a provision for light work from age 12.

As I say, when governments ratify this convention and/or the other child labor conventions, then they subject themselves to examination each year by our supervisory committees. We have hearings like this in which governments are called to testify, and they are reviewed and cross-examined, not only by other governments, but by workers and employers of the world.

In addition to our child labor conventions, we also have two conventions on forced labor, which in the last 10 years we have begun to be able to use to try to get better performance on the part of ratifying States with respect to the issue of child labor.

Secretary Reich, who was here earlier, spoke very eloquently about the conference that was held last month in Geneva, in which something like 30 Ministers of State from around the world discussed a paper done by our office, which is entitled "Child Labor, What Is to Be Done." We have also submitted that for the record here.

In this conference, which Secretary Reich called for and played a leading part in the discussion thereof, the Ministers endorsed a decision of the ILO to now move ahead and begin discussing, drafting and negotiating in 1998, with a view to adopting the following year, 1999, a new international standard which is geared specifically to banning the most intolerable forms of child labor; that is, both those that are contrary to fundamental labor rights, such as child slavery, forced labor, bonded labor, exploitation of children for prostitution or other illegal sexual practices, the use of children in drug trafficking or the production of pornography; and work which, because of its nature or the condition in which it is used or performed, exposes children to particularly grave hazards to their safety or health or prevents them from attending school normally.

Our second track is the IPEC track, the technical assistance track. In our testimony, you will see that the first State to provide extra budgetary funding to the ILO to get this program started in 1992 was the Federal Republic of Germany. Today there are nine donor countries which have provided or committed a total of \$85 million, including the United States, which has committed a total of \$3.6 million. Approximately 25 countries are in various stages of receiving IPEC assistance.

The basic aim of the program is to work toward the phased elimination of child labor by strengthening national capacity to address the problem and by promoting a worldwide movement against it.

Child labor is a vast, complex problem. Therefore, IPEC aims at getting a commitment at the highest levels of the participating government to undertake what we call a country-owned program based on a broad alliance in that country, including employers and workers' organizations; NGO's; other relevant parts of the society, such as universities, the media, local communities, doctors, teachers, any element of society that relates to the problem in its most comprehensive way.

To accomplish this, IPEC assists in carrying out a situational analysis to find out the magnitude and nature of child labor problems. I should stress that existing statistics are very poor as to the number of child laborers around the world. We can only guesstimate or estimate them at the present time. So the program calls for a census or survey in each of the countries in which we are participating.

We also help the concerned parties devise national policies to address specific child labor problems. We strengthen existing organizations, setting up institutional mechanisms aimed at building partnerships and creating a sense of in-country ownership.

We need to create awareness of the problem of child labor, both nationwide and at the community and workplace levels, and, therefore, we develop what we call finely-tuned demonstration projects aimed at showing that you can get kids out of work and can put them in a school. Then we try to replicate the successful projects and try to get the governments to digest the lessons learned and agree to mainstream them into national policies.

There are two projects I want to very briefly mention, Mr. Chairman, which are financed by the U.S. contribution, and I think you would be interested in. The first is the Bangladesh program, and the second is a project in northern and northeastern Thailand to prevent child labor and forced child prostitution.

The Bangladesh project is described in our paper. I would just state here the project has encountered considerable difficulty in getting off the ground owing to extreme political instability in that country for the first 6 months of this year in which all industry was basically closed down.

It is a very interesting project because it demonstrates what can be accomplished if the United States and the ILO work together. It probably would not have gotten off the ground had it not been for the active and forceful participation of the U.S. Ambassador in Dhaka, Mr. David Merrill, and the project is being closely followed by human rights groups, NGO's and trade unions in the United States.

The second project works to keep girls out of prostitution and to give them education in northern and northeastern Thailand. These are very young girls who are targets of the traffic in child prostitution. We have a Daughters' Education Program which carries out a comprehensive program aimed at raising awareness among the parents of these children, the communities, and the children themselves of the dangers which they face. Vocational skills training is combined with nonformal education to demonstrate alternative ways of meeting the family's economic means. The Ministry of Education is involved in getting the children into schools.

Mr. Chairman, you have mentioned the needs of the program. We have many more countries that would like to enter the program now and participate in our systems than we have the funding to provide. For example, there are 10 countries in Africa that are waiting to join the program.

We welcome very much, Mr. Chairman, your comments that you made earlier and the provisions in your proposed legislation which call for beefing up the U.S. contribution to the program.

In ending I would say, sir, that one of the strongest testimonies to this program has been the steady increase in support from the donor countries and the growing number of requests we have received from developing countries seeking help. The countries that have asked for help have recognized and admitted publicly that they do have a problem, and that they do want to solve it. They know that IPEC will show them how to develop the ability to eliminate at least the most abusive forms of child labor so they can begin to prevent the tragic destruction of their most precious national asset, their children.

Sir, I thank you very much for this opportunity to begin this dialog and to discuss our program.

Mr. SMITH. Thank you very much. Your full statement will be made a part of the record. It does contain considerable detail about the work of the ILO. I am grateful for that.

[The prepared statement of Mr. Freeman appears in the appendix.]

Mr. SMITH. Just let me ask you, Mrs. Gifford, the first question. You mentioned very recently that you attempted to enter the global fashion plant in Honduras, if I heard you correctly, but were turned away. Could you describe those circumstances in more detail and what you think the message is that is being sent by that rebuff?

Mrs. GIFFORD. I wasn't personally, I want you to know that. But I had made the plea to Wal-Mart on behalf of Ms. Diaz that if possible, could we please return work to that plant. They said, basically their standards have to be met or they cannot take the work back there. I certainly respect that. So they said they would go in and look and make sure; maybe they cleaned up their act since the initial allegation.

Basically, I will find out many more details, sir, for you as soon as I can, but I just got this memo this morning that on Friday members of the Wal-Mart watchdog team went to the Global factory, Global Fashions factory, and were denied access, was the way it was put to me, turned away.

I had heard from other people they have armed guards there or some sort of thing, so I guess they use some sort of threat about it, not going inside.

Mr. SMITH. One aspect of Wendy Diaz's testimony that somewhat surprised me was her appeal that the work not be taken from Honduras. Several of our witnesses have alluded to the fact, Secretary Reich spoke about it as well, that the best choice among many competing options is sometimes work, or at least some limited work. It may be necessary to keep the work there as opposed to abandoning people to other more unsatisfactory types of enterprises, like prostitution.

That struck me, and if I heard you correctly in your testimony, she likewise made an appeal to you, that the work not be lost.

Mrs. GIFFORD. I think she realized she would no longer be welcome there after she became almost sort of a national, international symbol of child labor abuse. So I think she was making that appeal on the behalf of her friends and her family members who work there. I certainly could understand her concern for them.

That is the position we are put in. We want to do business properly, and yet when the manufacturer wants to do business properly, but when the person actually doing the manufacturing doesn't work with you and clean up the act that they have got going there that we find offensive, we don't have much recourse except to take the work elsewhere. Then the cost to human life is incalculable at that point.

Mr. SMITH. I have found that human rights workers, including all three of you at the witness table and many of those who do in-country work on a day-to-day basis, very often internalize the maxim, "there, but for the grace of God, go I." That is the way I feel on behalf of my own family, whether it be regarding childhood vaccination programs or oral rehydration or human rights work. As

I think somebody said earlier, you know, the accident of birth puts us here in a place that is blessed with much.

How do you describe your own commitment to this? It seems that there is a sense of anger that this exploitation occurs, and as you are speaking out, you grow more bold by the day, as all of us do, I think, when we discover more of what is happening in these various countries.

Mrs. GIFFORD. Well, I was very moved by Mr. Lantos' words and Mr. Moran's regarding the abuses around the world. I leaned over to my husband and I said, "That is Cody's age." We have a 6-year-old son and almost 3-year-old little girl. I think that is why it was so important for me to meet Ms. Diaz and put a human face on the suffering.

As a parent—I was a child activist and advocate many, many years before I became a parent myself. But since I became a parent, I am more compelled than ever, because I want to leave this planet for my children a very different place. Yet I grew up in a wonderful country, and was afforded great opportunity, and felt that I was denied nothing if I worked hard enough at it.

For these young children it is not even a question of how hard they work. They are denied a childhood. They are denied the basic right to be a kid, to play with a ball, to bounce a jack, to be safe, and I am appalled by that. I know some people have perceived my tears to be tears of weakness, but I am moved with compassion for those who are never given a chance to have the kind of childhood that my children have. And that is why my husband and I started these homes.

We started these homes for AIDS and crack babies because the first time I held an AIDS baby in my arm, I held in my other arm my first son, who was 3 months old at the time, and that changed my life and changed my husband's life as well. And we thought of the injustice of it. Why should, as you say, our child be born into privilege and health and prosperity and joy, the joy of being a child and being loved and being cared for, and this child, in my other arm, being born into nothing but suffering?

So we thought if there is any way that we can, for whatever time these children are on this Earth, make this place a loving place for them to be, then that is what we have devoted ourselves to doing. That is why when all of these allegations came forward at the time when we were just about to open the second home we had built from ground up, after 3 years, \$5.5 million, it was a time of joy for us. We wanted it to be a national model for other cities where AIDS and crack are a problem. To be able to take our blueprints even and build a home, name it after someone else's child in their city, and leave a legacy of love instead of a fat trust account. Show your children by your example what you think is important and that your parents cared enough to put their money where their mouth was.

So it was a great time of joy for us and a time of expectancy. But we could have never expected what would happen in these very halls. At the time I was so stunned, I felt like I had been hit by a truck, because we didn't want all kinds of applause or accolades for what we were doing, but we certainly didn't feel we should be crucified for trying to do the right thing as well.

But I got over that so quickly, sir, when I realized that I am not the victim at all in any of this. I still go home to a beautiful home and a loving husband and two healthy children. The victims are those who are exploited on a daily, hourly basis, in factories around this world. And the saddest of those victims are the children who have been denied a childhood.

Mr. SMITH. There is an old adage: No good turn goes unpunished. I really do think, and I said this earlier and will reiterate it, that by your advocacy and boldness, you have brought this human rights issue front and center, made it a front-burner issue. As I am sure Mrs. Remington and Mr. Freeman know, we toil in the human rights vineyard day in and day out, and no attention is paid to it. I think you have lifted the potential for so many children all over the world as never before, and we will not let this issue die. I really appreciate the good work you have done and your willingness to be a lightning rod.

And as to your critics, well, there are critics everywhere. Light a candle, and there are people who will always curse the darkness.

Mrs. GIFFORD. Get in line.

Mr. SMITH. That is right. I think you have done yeoman's work. Anyone who has watched what you have done, how you have taken all of the barks and criticisms, and turned them gently but boldly and with a great deal of aplomb, should agree. I think you have really done a magnificent job on behalf of the world's kids who are suffering in these sweatshops, and that includes, of course, those in our own country.

I would like to ask a question of Mrs. Remington. You have been very critical of the World Bank, and I joined in that criticism. We have a line item in our legislation with regard to the World Bank and other multilateral institutions. By our contributions to the World Bank over the past 3 years, we have effectively given \$400 million in U.S. taxpayers' funds to the regime of the People's Republic of China in the form of interest-free International Development Association credits. What would be your advice to this committee, to the Congress, and to the executive branch, relative to reigning in these abuses, perpetrated by the World Bank because of its lack of human rights criteria?

Ms. REMINGTON. I think, Mr. Chairman, you have the power to put pressure on the World Bank to assume its role as a leader, which it is refusing to do. My Indian friends are going to take pictures where the children are going to be working in the project. The Bank does need to have a child labor policy to comply with the U.N. Convention of Children's Rights. The Bank cannot deny it. It is a shame that Bank officials deny having anything to do with it.

Mr. SMITH. Mr. Freeman, if I could ask you briefly about the International Program for the Elimination of Child Labor, which has gotten a very hefty donation from the Republic of Germany, some \$65 million worth. I am just wondering what prompted that great expression of generosity by the German Government and by the Spanish Government, which has provided over \$12 million.

You were very kind in your comments thanking the United States for its contribution, and it was very diplomatic the way you expressed it. But for this country, which has significant assets and resources, to be coming in with a \$3.6 million donation certainly

pales, especially since, as you know, the United States historically provides roughly a quarter to a third of the contributions to international organizations within the U.N. Bureaucracy. I mean, we are generous in other areas. We ought to be more generous in this area.

What could be done if we beefed up our contribution, as this legislation which Mr. Lantos, Mr. Hyde, Mr. Moran and I have introduced would do, to a \$10 million per year commitment each year over 5 years? What could be done?

Mr. FREEMAN. First, about Germany, there are very well organized consumer organizations in Germany which put pressure on the government. There is great interest in the child labor problem in Germany.

As I said in my testimony, the amount of funding we have pales in terms of the needs that we foresee. We have something like 25 countries that are participating in the program now. There are more countries that are asking for programs. We have something like several hundred demonstration projects in the participating countries. But more is needed in terms of demonstrating and raising awareness in countries.

We need to train labor inspectors, for example. We need to put new child labor units in central government organizations that don't exist. We specifically need to address the horrendous problem of child labor in Africa, which we have not even begun to address. We also need funding for statistical analysis, which as I said, is very scarce and done on the basis of estimations and projections, rather than a true knowledge of what the full extent and dimensions and nature of the problem is.

Mr. SMITH. Thank you very much.

Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

I wanted to commend all three of our witnesses. Each in her and his way has made a significant contribution to this dialog.

Mrs. Gifford, you used the word "cauldron of public policy." I think that is a good phrase.

I must say I could not be happier than I am welcoming you into the arena. Being in the field of human rights is very often lonely, but it is always an extremely rewarding enterprise.

I hope you don't mind if I use in the light of the coming Olympics some athletic analogies. But there are very few touchdowns in this field, and many fumbles, many fumbles.

Mrs. GIFFORD. We don't say the word "fumble" in our household, sir.

[Laughter.]

Mr. LANTOS. I have used that term deliberately. There are very few touchdowns and many fumbles, and it is a marathon. It is not a 100-yard dash, it is a very long and painful marathon.

Let me just say to you that as you moved from personal success and professional success to reaching beyond yourself and engaging in this incredibly praiseworthy philanthropy toward children who need that philanthropy so badly, you took a giant step. But the step you have now taken of being part of the public arena is an even more important step, because this is the arena where we in-

variably are subjected to ridicule, abuse, denunciation, and it takes many, many attempts to succeed just in our own Congress.

Many of us felt for years that passing a Family and Medical Leave Act is a minimum civilized condition for men and women who have sick children or parents or spouses not to have to choose between giving up a job or taking care of their loved ones. And after many frustrations and failures, we finally succeeded.

Some years ago I held hearings on the glass ceiling that women are up against in many Japanese-owned corporations, where the dominant male culture is so strong and so overbearing that the most qualified women can only go so high. And we had at the witness table key executives of some of the best known corporations in this world trying to defend a nondefensible policy.

So as you move into the field of fighting for children who so desperately need all of our efforts, let me welcome you as a comrade in arms. We look forward to having you with us for the long pull. Thank you very much.

Mr. SMITH. Mr. Moran.

Mr. MORAN. Thank you very much, Chris and Tom, and our three witnesses, for what you have done and will do in the future.

Mrs. Gifford, when we first had those hearings, and your name became associated with these textile products, our assumption was that you had lent your name purely for selfish profit. We now come to realize that the profit was actually going to a home for crack-addicted and AIDS-affected children. So regardless of what was revealed, your motivation should not have been brought into question. We didn't realize that at the time.

But I know that it is impolitic to suggest anything that might come close to spirituality on some of these issues, but God does seem to work in strange ways sometimes. And when we are talking about over 100 million children around the world that are living in unconscionable conditions, and your articulation of those conditions and the unfairness of it is so much more evocative than any statement that any of us could have made, we thank you for that. I know it is going to get the kind of visibility that it needs. That will be played tonight, and it will sink into the minds of a lot of people.

But as a result of this experience you have had, and we wouldn't—the initial reaction—we wouldn't want to wish on our worst enemy. I know the abusive treatment you got in some of the media, particularly in New York, but as a result of that experience and your visible leadership, it is going to change the lives of millions of children in a way that, as effective as the Cody House is, you could never have imagined. So I don't know why God chose you for this mission, I am sorry it has been so difficult, but the reality is you are going to change a worldwide situation that would probably have taken much, much longer if we had not had someone with as much sensitivity and visibility and communicative skills as you have.

So I am sorry you have gone through what you have gone through, but there is something in me that realizes that this could not—there must have been some purpose for why this has happened to you, and this is sort of the way things change in the world.

I would like to ask you, from your perspective, how can we enlist more people who are celebrities, in a visible role, so they really can influence people? How do we go about influencing them so they can become part of the solution, in the way you have become?

Mrs. GIFFORD. I am, frankly, surprised that each individual we invited to tomorrow's summit did not respond immediately and enthusiastically, even if they only did it because they don't want to go through what I went through. Even if that was their only motivation was to be a part of it, at least let's appear we care about these abuses and put on a good show, and it will die, and everybody will leave us alone. I was stunned, frankly, that several of the people did not give us the courtesy of a response.

So I think there is an attitude out there that this will just go away. We just maybe ignore it. And I think that is why I was probably the right person to "pick on" back then, because when I see something that is wrong, I can't ignore it.

My grandfather came to these shores when he was 5 years old, a Russian Jew, and everything that he believed in and passed on to my father—and my mother was the daughter of immigrants. Everything they passed on from both sides of my parents is in me. It is what made America the great Nation that it is, or at least wants to be. And I want to be a part of this great Nation.

And it has not been fun, as I say, the last few months. But for just a short time did it hurt real badly. And then right after that, once I saw what was out there and got educated to the abuses, my own pain seemed very, very selfish and insignificant to me, as it did to my husband. And we don't run away. He never ran away from a big guy on the football field, and he was out for a year with a concussion to prove it. But he did come back as comeback player of the year, and I want that in the record, sir.

But we are fighters in our family, and I would rather be on the side of what is righteous. And you were talking about the spiritual aspects of things. Many times in our culture we want to ignore the spiritual aspect of things. But to me that is the essence of what I am as a person. And when I met with Archbishop Cardinal O'Connor, and I was so grateful for his hospitality, I met with Jay Mazur and Mr. Kernigan of the National Labor Committee, and Wendy, and it was a very, very fruitful meeting. It was very emotional for me, but I was, for me, tough.

Afterwards the Archbishop sent me a note privately and said, "Would you mind meeting with me privately when everyone else has left?" Of course, I was happy to do so. He sat there with me, and I certainly don't say this in a way to offend anyone present, but he is a man of great spiritual import, and his words do not come lightly. And he took my hand and he said, "Kathie, remember something." He said, "Our Lord did not change the world through his miracles. Our Lord changed the world through his suffering."

And that meant a great deal to me, not that I would ever suffer in the same way. But he said, if your suffering in this part of the world can be a blessing, can turn out to be a blessing in people's lives, and abuse can be stopped, and exploitation can have the light shined on it, then it is a privilege that you were used this way.

And everything changed for me after I met Ms. Diaz and spoke with the Archbishop, and I saw it as a great, great privilege.

I just want to let you all know that I encourage you in your great work, and that I am honored to be a partner with you in that work. I will even give you my home telephone number. Frank won't usually let me do that with men.

Mr. MORAN. Don't do that. Do not do that on the record.

Mrs. GIFFORD. Later. And Frank joins me. We are a team, as you saw when he went down to that sweatshop in New York City, thinking that it wouldn't bring too much attention if he went, only to be mobbed by about 150 television crews there. People said we did it because we were trying to turn a bad situation into a good one, put spin control on it, and I was deeply offended by even the term.

When we found out that people had been exploited and abused working on a project that had my name attached to it, Frank and I equally felt incensed and outraged by that, not that we had hired these people, because we hadn't. It took 2 days for Wal-Mart to find out who had hired these people. And they were illegal immigrants, Mr. Moran. They are right. So many of them didn't even show up to be paid, because they were afraid that they would be deported or they would get in trouble or they wouldn't work again if they came.

And yet we felt like it was the moral and right thing to do, not to pay their salary, because we had not hired them, but to at least give them food enough to eat that night and to take care of their children. And that is why I get so angry.

Now my anger has got focus, and that is a good thing. It is called righteous anger, and you get angry at the right place, and I am angry at these people that we have determined are more like cockroaches than human beings. They only live in the darkness, and they live off the suffering of others, and it is obscene, and I would be proud to be a part of whatever work you do to make sure it comes to an end.

Mr. MORAN. Well, thank you very much.

Evil in this world is really best characterized as the exploitation of other people for selfish purposes, and that is really what this issue is all about, and particularly when one exploits children, it is unconscionable. And when the history of the effort to stop child labor is written, you will go down as one of the MVP's.

Let me ask Ms. Remington, I noticed you adopted some of these children. I remember in reading that article in Life magazine, the one with the volcano on the cover, but it had a very compelling story about child labor inside—very well done—particularly in Pakistan and India.

My wife and I wanted to adopt one of those children, particularly the one, the little boy who at 2 or 3 years old kept crying for his mother and the foreman branded his face and took his eye out and so now his face is disfigured for life.

How does one go about adopting these children? Because our suspicion is that they don't get to their parents, they are rescued, and they are so young they don't even know where they live. They can't tell people where they came from because oftentimes the people who take them, of course, take them out of their environment so that they are wholly helpless.

I noticed your organization is actually in my district. Can you briefly tell us how one goes about adopting these children and whether it can be done? Because oftentimes it is very difficult to adopt children. Can you do that briefly?

Ms. REMINGTON. Yes, adoption is very difficult. It used to be easier. I am going to talk mainly about India because that is what I know. Mother Teresa used to place many children here in the United States, and when abortion became legal she stopped placing children in the United States.

Legally, the way it worked is, the Government of India has granted some orphanages the permission to place children overseas. Then you have to find an adoption agency here, which is registered with the Government of India, and then work through them. But corruption—and it is also why I left the field; I used to place children myself—is always there. The Government of India, I think rightly so, has added another bureaucratic layer to make sure that children are not stolen or kidnapped. Therefore, it takes at least 2 years now to adopt a child from India, and many people don't have the courage to wait that long.

Mr. MORAN. That is disappointing and frustrating but not surprising.

Mr. Freeman, Chairman Smith has put \$10 million a year into this bill. Do you think that that is approximately the amount of money we need, or is it too little, or sufficient? I doubt it is too much. Would you comment about that, the sufficiency of the dollar amount in this legislation?

Mr. FREEMAN. I think you need to look at the amounts of money specifically in relationship to timeframes and the numbers of countries you are dealing with. Fifty million dollars is enough, for example, to begin a 5-year program, which you need to do over time, for example, with the African countries. Our approach is to work with the donor governments to determine what their priorities are, specifically what aspects of the problem, what particular regional areas they wish to work with.

The chairman asked earlier about Spain, which I didn't answer. Spain wants to see its funding used basically in Central America and in Latin America. The United States has a more universal approach, as does Germany. Fifty million dollars is enough for us to get working in the 10 African countries, I would say, for 5 years. We need funding beyond that, but we need to go in stages, and we need to organize ourselves to deal with the funding as it comes on.

Mr. MORAN. It is going to be difficult even to get the \$10 million. I hope you understand the constraints that we are under. And it is \$50 million over 5 years, and it would take some time to get it started up. I hope we can keep the money available until we spend it. And I think that is in the authorization.

Mr. FREEMAN. I would just say, it is sorely needed, sir, and God speed.

Mr. MORAN. Thanks very much, Mr. Freeman.

You have all been here a long time. I think we ought to conclude this hearing. But, again, we want to thank you. Mr. Freeman and Ms. Remington, it is tough to compete with a celebrity, particularly such an articulate one as Mrs. Gifford, but you have done very

well. As Gandhi said, "Our life is our message," and your life has been your message, and for the organizations that you represent.

And, again, Mrs. Gifford, I know we say this from the bottom of our hearts and all the people in the human rights, particularly the child labor effort: You are making a real difference, and we sincerely thank you for that.

Mrs. GIFFORD. My pleasure.

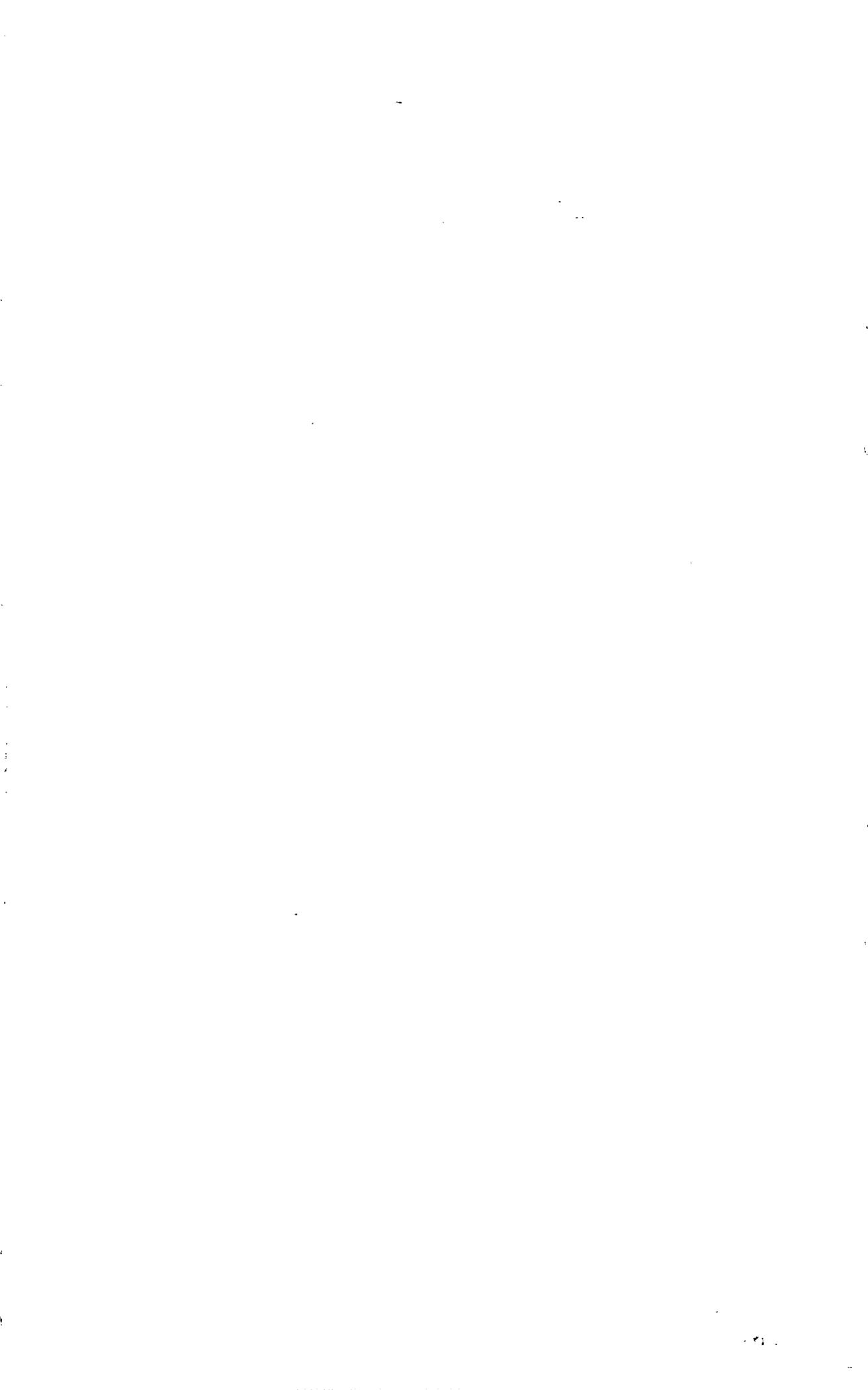
Mr. SMITH. I don't think there are any further questions. I would like to thank our very distinguished witnesses for your fine testimony today. Mrs. Gifford, you mentioned Cardinal O'Connor. He is a man who has often been criticized, ridiculed, and vilified, particularly by the New York media. I know him personally, and it means something for him to utter such words of praise for you. Whenever I hear praise, I always consider the source, and he is a source of impeccable credentials. I don't think we can add to it.

But all of us would agree that you are an ambassador for the exploited working kids of this world, and your message is being received very well on Capitol Hill and, I believe, in all the capitals of the world. Please press on. It helps all of us in the work.

Thank you very much, and this hearing is adjourned.

Mrs. GIFFORD. Thank you, Mr. Chairman.

[Whereupon, at 4:50 p.m., the subcommittee was adjourned, to reconvene subject to the call of the chair.]



APPENDIX

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HUMAN RESOURCES

CONGRESSIONAL CAUCUS FOR WOMEN'S
ISSUES
CO-CHAIR

**STATEMENT OF THE HONORABLE CONSTANCE A. MORELLA
COMMITTEE ON INTERNATIONAL RELATIONS
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
OVERSIGHT HEARING ON CHILD LABOR AND U.S. IMPORTS
JUNE 11, 1996**

Mr. Chairman, this is indeed a timely hearing, and your convening of today's panels on child labor and U.S. imports is further testimony to your strong support for the rights of children around the world, which you have demonstrated repeatedly in your support for a number of foreign assistance programs focussing on children's health and education.

The recent discovery that Wal-Mart merchandise carried under Kathie Lee Gifford's line was being produced by Honduran children earning less than 35 cents an hour has riveted national attention on the subject of child labor and exploitative working conditions throughout the developing world; with the exception of updated technology, these working environments would be difficult to distinguish from those described by Charles Dickens more than a century ago.

The problems and circumstances of child labor vary greatly throughout the world. In Central America, assembly industries, with labor forces almost entirely comprised of women and girls, commonly pay low wages with few if any benefits and actively discourage union organizing and activity. Sexual harassment and abuse are commonplace. Workers may be exposed to unsafe or toxic levels of chemicals and other dangerous substances, endangering their health and ultimately their ability to support their families. Pregnant women and girls may be required to stand working for hours at a time without a break, restroom visits may be restricted and monitored. For the most part, workplace rules are enforced almost entirely by men.

In South Asia, debt peonage and forced child labor are commonplace. In many cases, debt peonage dates back so far that it is no longer known what the original debt was or who incurred it; it may be difficult to determine the exact amount allegedly owed. Many children are forced into the carpet-weaving industry, where they work long hours to pay off their family's debt, receiving little if any food, free time, or medical care. They are subjected to physical and mental abuse. Local law enforcement officials commonly return escaping children to their employers rather than to their families or the appropriate authorities.

In Thailand and Burma, many girls are either enslaved directly, or made available through debt peonage arrangements, to work in the sex industry. Young girls, many barely even teenagers, if not younger, are exploited as objects and compelled to service clients under the most abject circumstances, for many hours each day, every day of the week, without rest or time off. Again, food and medical care, and especially reproductive

medical care, are scarce. Not only does the sex industry rob women and girls of their innate dignity as human beings, and girls of their childhood, but it is also a leading source of HIV/AIDS, a problem which is exploding throughout Asia.

Although not the specific topic of this hearing, I feel in this discussion of the exploitation of children around the world that we also address the increasingly common situation of boys being recruited into various insurgencies. This is not a new problem, but the current extent of it, and the increasingly number of very young boys carrying arms, is disturbing to say the least. We learned something of this problem in the debate over RENAMO and Mozambique in the 1980s, and we got firsthand experience with the problem in Somalia, but in Liberia we are confronted by a situation of the direst proportions, with literal armies of young boys, most younger than 14 and some as young as nine, roaming the streets of Monrovia armed with automatic weapons and high on drugs. I fear that we may already have lost this generation of Liberian boys.

So what is to be done? First of all, nations must enforce their laws pertaining to child labor, workers' rights, and workplace safety; greater resources must be devoted to health and education for children; nations must be held to international standards which they have endorsed. For example, the Beijing World Conference on Women adopted a programme of action calling for the elimination of economic exploitation and the protection of young girls at work, including enforcement of the Convention on the Rights of the Child, a minimum working age, social security insurance, and health care. In El Salvador, the government plans to be devoting about 50 percent of its budget to health and education by the end of the century, and the human rights procurator has highlighted four areas for special attention, two of which are the rights of children and the rights of women. The recent agreement on socioeconomic issues between the government of Guatemala and the URNG guerrillas commits that country to a similar course.

Secondly, the right of workers to organize and bargain collectively must be respected and protected. Without the ability to press for higher wages, jobs will continue to be lost to the developing world, or U.S. wages will fall in order to be competitive with developing world labor costs.

Thirdly, we should adopt a carrot-and-stick approach for our foreign assistance. We should continue and expand our administration of justice programs, making sure that one of their areas of concentration includes labor rights and enforcement of labor law. We should continue to support programs which teach workers to organize and press for their rights within a democratic framework. On the side of the stick, I am a cosponsor of my colleague Jim Moran's legislation, the Working Children's Rights Act, which is intended to improve compliance with labor laws by denying U.S. foreign assistance.

Finally, all of us, as consumers, and U.S. companies, have a responsibility to see that the products which we buy or produce are manufactured under circumstances which respect the rights and dignity of the workers. From the debate which I have heard on the subject, I know that it is difficult to draft legislation which would hold U.S. companies directly accountable for the foreign workplace conditions under which their products are manufactured, but I feel that we need to look at some way of ensuring that minimum standards are met. I would add, however, that regardless of the law, decency and corporate responsibility dictate that companies should be assuring the safety and fairness of the workplaces where their products are produced.

Mr. Chairman, it has been said many times, and regardless of one's opinion of who may be saying most recently, the fact remains that it does take a village, in this case a global village, to raise a child. We all have a role to play. Thank you again for this opportunity to appear before you today; I look forward to working with you in your efforts and those of my colleagues to address this issue.

STATEMENT BY THE
HONORABLE GEORGE MILLER
BEFORE THE SUBCOMMITTEE ON
INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
June 11, 1996

Mr. Chairman, thank you for inviting me to testify today and for holding this important hearing. My testimony focuses on who is responsible for ongoing child labor exploitation.

As you know, on April 29 I chaired a hearing by the Democratic Policy Committee on child labor, eco-labeling, and the ability of consumers to change the way companies make their products. It was at that hearing that the now well-known allegations about the use of sweatshops to produce the Wal-Mart/Kathie Lee Gifford clothing line were first aired publicly.

That hearing and those allegations have already sparked the broadest public discussion in a decade on sweatshops and the conditions under which men, women and especially children work, both here in America and in developing nations. Later this week, I will release a report on that hearing and our investigation of the charges that were made.

Three things become clear from that hearing and investigation.

The first is that the exploitation of children for economic gain is not accidental. It is in fact intentional and integral to the system of economic greed associated with the production of many of these goods intended for sale in the United States and elsewhere.

Second, it is clear that those who benefit the most from this exploitation of children -- the celebrities, the designers, the holders of intellectual properties, the retailers, and the manufacturers -- have constructed a system of deniability to cover their involvement.

And third, it is clear that those at the top must start to take responsibility for how their goods are produced. To do any less with the knowledge that we have today on the extent of this problem is to become co-exploiters of children. The celebrities and companies can no longer say they do not know. The ongoing conspiracy of silence throughout much of the apparel trade, sporting goods and other industries must come to an end.

Much of the current system under which clothing and other products are manufactured, both domestically and overseas, is predicated on cheap, unorganized, underage and exploited labor. In a global marketplace, wages and working conditions are being sacrificed in a mad rush to the bottom line. And many of our laws and international trade agreements protect that systematic abuse of workers.

Consumers who care deeply about the conditions under which their products are made --
(MORE)

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and the evidence is clear that millions do care -- must have a reliable system for determining whether abused labor was used, just as we know that an electrical product is safe and we know the true contents of a box of cereal.

The government can help eliminate this exploitation by prohibiting the importation of products made by child labor, by prohibiting foreign assistance to countries that allow systematic use of child labor, and by including language in trade agreements that would make systematic violations of worker rights unfair trade practices. Today, however, our trade agreements are more interested in facilitating trade than in protecting the workers. In fact, while the giant World Trade Organization allows a prohibition on prison labor, the same is not true for children.

Several initiatives deserve to be mentioned. Rep. Moran on this panel, and Reps. Barney Frank, Lane Evans and Bernard Sanders, all have legislation to accomplish these goals.

In addition, Labor Secretary Reich should be commended for his role in fighting sweatshop labor by developing a list of trend-setter companies who monitor their contractors. The Department also publicly discloses which companies sell products made with sweatshop labor, and has been aggressively enforcing our wage and hour laws. The Clinton's Administration's actions are a marked contrast to those in the 1980s when the Labor Department proposed rolling back protections of garment and other workers against unfair home-based labor, a change I fought when I chaired the Labor Standards Subcommittee. But we need more than a government-sponsored solution if we are to make headway against child and exploited labor.

Americans are willing to boycott stores that sell products made in sweatshops, according to consumer surveys. But consumers rarely are able to tell what products have been manufactured with exploited labor.

Even existing labels can be confusing, as we found last Congress when we disclosed that garments manufactured in the Commonwealth of the Northern Marianas contain a "Made in U.S.A." label although workers in the CNMI are not working under the same conditions as other U.S. workers.

We know if products are flame retardant, made of cotton or synthetics, made in the United States or abroad, or made by union workers. We even know if our tuna is dolphin safe. But what we *don't* know is whether children were exploited to make, for example, the pajama's our children sleep in. As Sydney Schanberg put it in his powerful article in this month's issue of *Life* magazine discussing soccer balls made by children in Pakistan, "The words **Hand Made** are printed on every ball; not printed is any explanation of whose hands made them."

(MORE)

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Parents have a right to know that the toys and clothes they buy for their children are not made by exploited children. And men and women who buy designer clothes should know that the manufacturer is not hiding behind the good name of celebrities like Kathie Lee Gifford, Michael Jordan or others.

I have proposed that manufacturers affix a label to products manufactured in industries where child and exploited labor has been a persistent problem, a label that would tell the consumer that no child or exploited labor was used in its manufacture. I am asking celebrities and companies in apparel and other industries to adopt the concept behind this label voluntarily, to open their plants to random inspections from independent monitors, and to place directly on their products an informative labor-related label.

Celebrities like Andre Agassi, Jaclyn Smith, Kathy Ireland, Kathie Lee Gifford and others should be happy to see this label on products bearing their name. And consumers should demand to see such a label before paying \$100 for a pair of sneakers made by children for pennies an hour.

The GAP recently adopted independent monitoring because of public pressure and embarrassment over its operations in El Salvador. Ms. Gifford has now called on Wal-Mart Stores to adopt independent monitoring after suffering enormous media attention over her clothing line. We salute these efforts and await Wal-Mart's decision.

Others must follow suit, like Michael Jordan, who has stated that he does not know how his brand of sneakers -- for which Nike pays him \$20 million a year -- is made. Unless and until people like Jordan and others take responsibility for how the products that bear their names are made, child labor and severe exploitation will continue. The decision to act is theirs to make, but they cannot avoid the responsibility.

Government rules and regulations alone are not going to end the practice of using children to make children's clothing. It is time to unleash the full power of the marketplace by working with manufacturers, retailers, consumers, labor, and others to implement a *labor* label so that consumers can decide for themselves which products they favor. If a retailer or manufacturer states that they are against sweatshop conditions, they should be willing to put it in writing directly on the product for every consumer to see. If they aren't interested, we should not patronize their products.

Let me close by saying that the campaigns you see targeting celebrities and large companies are not about finding scapegoats or jumping on bandwagons. They are about assigning responsibility where it is due. Only when these profitable entities take responsibility will we be able to significantly reduce child labor exploitation.

Thank you, Mr. Chairman.

**Statement of Maria Echaveste
Wage and Hour Administrator
U.S. Department of Labor
before the
Subcommittee on International Operations and Human Rights
of the House Committee on International Relations**

June 11, 1996

Thank you Mr. Chairman and members of the Subcommittee, for inviting the Labor Department to participate in this important hearing.

This is an important week to be discussing child labor exploitation. The International Labor Organization is holding its annual conference this week in Geneva. The focus of the Conference is child labor, and how to galvanize the world community into an all out effort to eliminate it. Tomorrow, Secretary of Labor Robert Reich will speak at a special meeting of the world's labor ministers. The only agenda item for this meeting is child labor.

If we are to be measured by how children in the world are treated, we still have much to answer for. Child poverty, child slavery, the commercial sexual exploitation of children, and the abuse of children in work are all problems that must be solved.

The Department of Labor has been charged by Congress for the past three years with the task of looking very carefully at the plight of child labor around the world, particularly in the production of goods imported into the United States. The Bureau of International Labor Affairs (ILAB) has published two major Congressionally mandated reports. This two volume set, By the Sweat and Toil of Children, describes the abysmal conditions and exploitation of children working in certain manufacturing, mining, and commercial agriculture and fisheries industries, as well as the exploitation of child slaves in service industries. In addition, proceedings from a joint Labor and State Department symposium held last fall on the practice of child prostitution as a form of forced labor have been published as a book by ILAB.

In this testimony, I will define child labor and discuss some of its causes, review some of the findings of our reports, and finally sketch out some of the actions undertaken by the Labor Department aimed at eliminating international child labor abuses. For more comprehensive and detailed information, I refer you to our three reports.

First of all, we define international child labor by the standards that are established by the International Labor Organization (ILO). ILO Convention 138 on the minimum age for employment sets 15 years as the minimum age for work in developed

countries and 14 years in developing nations -- although in no case shall the minimum age be less than the age of completion of compulsory schooling. Other provisions allow slightly younger children to perform "light work" which is not likely to harm their health or development, and does not prejudice their attendance at school. Convention 138 also prohibits any child under the age of 18 from undertaking work that "by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young persons."

As you can see, we are not talking about light work after school. We are not talking about legitimate apprenticeship opportunities for young people combined with education. We are not talking about helping out in the family business or on the family farm.

What we are talking about is children under the age of 14 who are full-time workers. They are subjected to working conditions fraught with safety and health problems. Many are deprived of the chance to receive an education, and even those who do go to school suffer because their full-time job negatively impacts their education. For this, they receive a fraction of the wages of an adult -- if they are lucky enough to receive any pay at all. Some of these children are held in bondage. They are literally slaves, literally prisoners. Many of these young lives are destroyed before ever reaching adulthood. And in most cases, someone is mak'ng a profit by illegally hiring children.

There are many reasons and rationalizations given for why children work. Research shows that many children are hired because they are more easily exploited than adults. Employers prefer children because they are docile, and willing to work for meager wages or simply to survive.

In some sectors, there is a general acceptance that children are uniquely suited for the work. This is best exemplified in the carpet and gem industries of South Asia. The argument is that nimble fingers can produce a greater number of knots in the weaving of carpets and polishing of tiny gems. But evidence suggests that child labor in these industries has more to do with the recruitment of cheap and malleable labor rather than a need for "nimble fingers."

In many areas where child labor is plentiful, particularly in more remote and rural sectors, there are no schools. In the event that schooling is available, many families cannot afford the cost of materials and uniforms required for school attendance. In other situations, parents do not believe that the education is worthwhile. Instead of going to school, the children work.

The most common explanation given for the persistence of child labor in all parts of the world is poverty. As segments of the

population get poorer, children are often compelled, or required, to work in order to contribute to their family income. Although poverty may be one determinant for whether a child works, it does not end a life of poverty for a family. Indeed, it may only perpetuate the cycle -- children do not complete their education, nor are they taught skills which enable them to leave an industry for higher-wage occupations. The vicious cycle continues to trap poor working children.

Some of the abuses inflicted on children in the workplace are truly horrible. For example, children work in unventilated glass factories where furnaces reach 1400-1600 degrees Celsius, as we found in India. In Indonesia, boys aged 10-18 work on fishing platforms off the coast of Sumatra, where they are held as virtual prisoners for up to three months at a time. In many countries, young girls are sold into prostitution, often trafficked long distances. This is simply intolerable.

Complex subcontracting arrangements with layers of middlemen between the exporter and the primary production unit frequently hide or at least disguise the use of child labor. Shoe, garment, embroidery, furniture, handicrafts, and sporting goods industries often subcontract work to villages, homes, and small workshops. Since there is little or no regulation of these smaller work sites, many export-oriented enterprises use this system to sidestep national labor laws. Examples of children working under subcontracting arrangements are found in Asia, Africa, and Latin America -- in short, the world over.

Sub-contracting arrangements are also commonly found in small-scale mining operations. Children work in the mines of Peru, Bolivia, Colombia, Brazil, Chile, Cote d'Ivoire and Zimbabwe. Products of these mines, which include gold, emeralds, diamonds, coal, cassiterite, iron, tin, and silver, are sold either directly to the domestic market or exported by way of a larger mining company. Children generally work alongside their parents, and are involved in all aspects of the mining process. Children often do the same work as the adults at the mines, but receive less pay.

More children work in agriculture than any other economic sector. Indeed, large numbers of children may be found toiling in fields and fisheries from daybreak until dusk. Among the items produced on plantations that illegally employ children are cocoa, coffee, coconuts, cotton, fruit and vegetables, jasmine, palm oil rubber, sisal, sugar cane, tea, tobacco, and vanilla. Children also dive for fish, work on fishing platforms and boats, and work in factories such as shrimp factories that process the fish.

The great majority of children working on plantations work as part of a family unit. Many plantations pay workers either by the weight or the quantity of the product collected. In some

cases, minimum amounts of a product must be collected in order for any compensation to be paid. To ensure that this minimal amount is collected, or to maximize earnings, parents use their children.

Children are typically paid one-half to one-third what is paid to adults doing comparable work. Children in agriculture also are exposed to many safety and health risks, such as poisonous and disease-carrying insects and reptiles, dangerous machinery and tools, and toxic agrochemicals.

Forced labor -- the enslavement of workers through the threat or use of coercion -- is found primarily in informal, unregulated or illegal sectors of the economy. Forced child laborers receive little or no pay and have no control over their daily lives. They are often forced to work beyond their physical capacity and under conditions that threaten their health, safety and development. In many cases their most basic rights, such as freedom of movement and expression, are suppressed. They are often subjected to extreme physical and verbal abuse.

Debt bondage (or bonded labor) is a form of forced labor in which children enter into servitude as a result of some initial financial transaction. This most frequently occurs when, having no other security to offer, parents pledge their own labor or that of their child in return for a money advance or credit. Landless and near-landless households, as well as migrant laborers, are the main victims of bonded labor systems. According to the ILO, bonded child laborers are most commonly found in agriculture, domestic service, prostitution, and a variety of industries, including the manufacture of hand-knotted carpets.

Forced and bonded child workers can be found producing glass, carpets, silk, locks, brassware, and charcoal, quarrying stones, and working in agriculture and fishing. They are also found in the informal service sector, particularly the employment of child domestic servants and the use of children in the sex industry. Millions of children -- mostly young girls -- are forced to work as domestic servants in Asia, Latin America, and Africa. Child prostitutes are lured, kidnapped, and even sold by their parents to international operators who in turn sell the children to brothel owners.

Children who are sold, induced, tricked, or enticed into prostitution are too young to fully comprehend or consent to the acts that they are forced to perform. These children are in some cases taken far from their homes -- sometimes to other countries -- and held as virtual slaves, forcibly confined and abused into submission. They are exposed to severe health risks, including HIV infection and AIDS, other sexually transmitted diseases, and drug addiction, as well as sustained physical and psychological

abuse. Estimates of the numbers of child prostitutes vary widely, however it is generally accepted that the number of children being forced or sold into the sex industry is substantial and growing. The United States now has a law making it a crime to travel abroad for the purpose of engaging in sex with a minor. This law, the "Child Sex Abuse Prevention Act" is an important contribution toward the international effort to stop foreigners from engaging in what is known as the "sex tourism" industry.

Just as the Labor Department is working to protect workers in the United States and in the United States garment industry against exploitation, we also wish to protect children from abusive situations in the international economy. No country, no matter how poor that country is, needs to exploit its youngest citizens. No country, no matter how poor it is, needs to turn its children into slaves. These are young children whose lives should represent promise for the future -- not a disgrace upon countries, upon products, upon the world.

One of the Labor Department's goals is to further the consensus in the global community that the economic exploitation of children is simply unacceptable. We have made progress over the last few years and there are many things we can do to ensure this progress continues.

First, we document the existence of international child labor, thereby gaining a better understanding of the problem. The child labor problem was much less known two or three years ago. It was understood only within a small circle of international organizations and non-governmental and human rights groups. The ILAB reports have helped to change this. The political leadership in countries throughout the world is now aware and ever more accountable.

This year, ILAB is preparing a third Congressionally mandated study on child labor. We have been directed to examine the codes of conduct of top 20 U.S. garment importers related to the use of exploitative child labor. Additionally, we will look at efforts of U.S. companies and nongovernmental agencies aimed at eliminating the use of abusive and exploitative child labor in the production of goods imported into the United States, and review international and U.S. laws that might be used to encourage the elimination of child labor exploitation.

Second, we can support consumer initiatives such as the RUGMARK labelling program which offers information to consumers to help them avoid purchasing carpets made with child labor.

On this point, let me briefly talk about the nexus between our work to eradicate sweatshops in the U.S. garment industry, the use of child labor in factories overseas which export garments to the U.S., and what we are doing to combat it.

The Department of Labor has made wage and hour enforcement in the U.S. garment industry a top priority. We are committed to taking meaningful -- and innovative -- steps to developing and implementing strategies to bring long-term solutions to the problems confronting garment workers. To this end, the Department's Wage and Hour Division has developed a multi-faceted strategy of enforcement, education, and recognition to eradicate sweatshops in the U.S. Wage and Hour is involving retailers and manufacturers to increase compliance in all tiers of the industry and achieve long-term improvement. Wage and Hour has a policy of identifying retailers who buy goods made in violation and educating and enlisting their assistance to help eradicate the sweatshop problem. Sweatshops are an ugly stain on American fashion and it is up to all of us to remove it.

Secretary Reich has noted that the shortfall of resources to ensure comprehensive enforcement of labor standards is a fact of life. We also know that American companies want to protect their good names, and consumers, by and large, would rather not purchase goods made by exploited child workers.

Our current efforts, therefore, have sought to enlist the help of our businesses and our consumers in ensuring that minimum standards are observed in the production of garments sold in our country -- U.S. labor laws in the case of domestically produced items, and ILO standards in the case of imported items.

Given our limited domestic enforcement resources, we have enlisted the retailers and producers of garments in a program we call "trendsetters." These companies agree to participate in a compliance program to help assure that their garments are not produced in the United States under illegal conditions. We then provide this information to the public.

Consumers will respond to such a campaign -- and if they do -- manufacturers will. Child labor will no longer be profitable if the exploiters have a hard time selling their products.

Third, we need to be vigilant in enforcing provisions of U.S. trade law that are designed to ensure that beneficiaries of certain preferential trade programs respect internationally recognized worker rights, including a minimum age for the employment of children. Such programs should not reward those who produce products made with the sweat and toil of children. We are talking about children brutally and shamelessly exploited for quick profit.

The Administration recently announced the removal of certain trade benefits for Pakistan under our Generalized System of Preferences (GSP) law which grants duty free entry for certain products from developing nations. The products removed were surgical instruments, sporting goods, and certain hand-knotted rugs -- all documented in our reports as made with exploited child labor.

Fourth, we can continue to support international assistance through the ILO for countries that need it. Congress has appropriated funds for the ILO's International Program for the Elimination of Child Labor (IPEC). These funds are administered by ILAB. The financial support offered to the ILO has been instrumental in expanding the ILO's capacity to serve needy children and their families worldwide. ILO programs financed by ILAB include: a program in Thailand to help children at risk of being exploited in the sex industry; a program in Bangladesh to remove children from the garment sector and to give them an education; a program in Brazil to remove children from the hazards of producing footwear for the world market; a program in the Philippines to undertake the first national statistical survey on the incidence of child labor, and a regional program in Africa to respond to the needs of children in the commercial plantation sector. I am pleased to note that in the FY 1996 budget, Congress provided additional funding to the Labor Department to support child labor programs of the ILO.

Fifth, we must look closely at how the international financial institutions, such as the World Bank, might best contribute to combatting the root causes of child labor exploitation.

Sixth, we need to continue to take the lead in bringing this issue to international organizations such as the ILO, the Organization on Economic Cooperation and Development (OECD) and the World Trade Organization (WTO). The international trade community must meet this challenge squarely or risk undermining the consensus for open trade.

While the six items I just listed will help in addressing this problem, we must recognize that the surest way to end the exploitation of children is for countries to enforce the existing laws against it -- virtually every country has them --, and provide free and universal education to children. We know those are the policies that eliminate child labor. We learned that in our country at the beginning of this century. Many children around the world don't have access to free primary education -- even though it would cost most governments relatively little to provide it for them. In most countries, this is not fundamentally an issue of resources, but of political commitment. Children don't have the power so they don't get the education that would begin to give it to them.

In conclusion, we need to combat child labor by making certain the world knows where it is happening, we ought to forcefully remind governments that law enforcement and education are the best solutions to the problem, and where necessary offer the assistance to help. We also ought to support consumer and private sector initiatives such as RUGMARK.

Thank you.



NATIONAL RETAIL FEDERATION

**TESTIMONY OF
ROBERT HALL
VICE PRESIDENT AND INTERNATIONAL TRADE COUNSEL
NATIONAL RETAIL FEDERATION**

**BEFORE THE
HOUSE COMMITTEE ON INTERNATIONAL RELATIONS
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN RIGHTS
JUNE 11, 1996**

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JUNE 11, 1996**

Mr. Chairman and members of the Committee, I am Robert Hall, Vice President and International Trade Counsel of the National Retail Federation, the world's largest retail trade association. The National Retail Federation (NRF) represents the entire spectrum of today's retail industry, from discounters to mass merchants to department stores to specialty stores to small, independent stores. Our members represent an industry which generated over \$2.3 trillion in sales last year and employed 20 million people, one in five working Americans. We also represent all fifty state retail associations and 34 national retail associations.

I thank the Committee for allowing me to testify today on a matter of extreme importance to American families and the retailers who serve them -- the perception of the prevalence of apparel sweat shops generally and those that use child labor specifically.

Mr. Chairman, the nation's retailers abhor the use of child labor, forced labor or exploitative labor wherever it may occur -- here in the United States or internationally. Yet, I encourage you and your panel to proceed with caution as you contemplate what types of action that Congress or the Administration can take to curb the abuses that have been outlined in recent weeks by Mr. Kernaghan of the National Labor Committee and Ms. Diaz. A "quick-fix" remedy or band-aid such as a labeling program may make American consumers feel good about their purchases -- yet, recent history has shown that labeling programs do little to help the plight of those in need of protection -- the workers themselves.

The retail industry goes to extraordinary lengths working with suppliers and contractors, to ensure that the products on our shelves are produced in accordance with all applicable laws. This is not something we take lightly. As retailers, we rely on our reputations and the good will we have created with our customers to ensure success in the marketplace. If that good will is ever breached with our customers, it is hard to recapture. Therefore, it is in our interest to ensure that the goods we sell are produced safely and legally. A reputation gained from decades of good faith efforts to comply with all laws can go down the drain with one widely

distributed press story. That is why it is so crucial that Mr. Kernaghan or anyone else churning out press releases or press statements use extreme care when launching public relations attacks and sully the names of reputable American retail companies without first checking the facts.

Let's take a look at the announcements made by Mr. Kernaghan last month. In three out of four cases as of the day of his press conference with Congressmen Miller and Moran, Mr. Kernaghan had not spoken with anyone at the companies he named as recipients of garments produced at a factory in Choloma, Honduras. I challenge Mr. Kernaghan today to provide private notice to companies when he uncovers a problem and to allow responsible time for corrective action before making his concern or complaints public. Without consultations and communication, retailers and apparel manufacturers are reduced to correcting false impressions created by Mr. Kernaghan and other labor activists through third party media moderators or through Congressional panel dialogues. And while that may make for good theater and use up a lot of press ink, it does nothing to address the real problems of child labor or exploitative labor.

Mr. Chairman, the nation's retailers share the concerns you have expressed with regard to the rights of workers in the apparel industry -- whether they live and work in California, New York, New Jersey, El Salvador, Taiwan or Honduras. However, two central questions remain -- who is best positioned to ensure the rights of those workers and who has a legal obligation to do so?

In the case of working conditions here in the United States, both the federal government and the various states' governments have an obligation to enforce the laws to the fullest extent possible. Clothing manufacturers are the next lines of defense. They have a legal obligation to comply with all applicable laws. As we have discussed with Labor Secretary Robert Reich and his staff for several months now, the American retail industry is committed to combating any abuses of our domestic labor laws. Next week in New York, the Federation is sponsoring a compliance seminar to further educate our domestic suppliers of their legal obligations and to underscore our industry's commitment to selling products that are made safely and legally. Similar seminars will be conducted later this year in California and in Texas.

Our commitment extends to the international front as well. U.S. retailers work with foreign suppliers and the national and local governments of those countries to ensure they live by and enforce their own sovereign laws. The international manufacturers, again, represent the first lines of defense, and are charged with obeying all of the laws of the countries where they are doing business. As retailers, we insist in our contracts that the use of child labor or exploitative labor will not be tolerated and we make unannounced inspection visits to ensure

that our products are being made by our contractors in safe and legal environments where workers' rights are protected.

However, the retail industry is active on several other levels to combat the potential use of child labor or exploitative labor. As an industry, we are developing model guidelines and an industry handbook as a means of standardizing industry practices. Here in Washington and in capitals all over the globe, senior executives from the retail industry are meeting with both government and industry officials from our trading partner nations to emphasize our strong concerns about child labor. We are working with other U.S.-based companies through the U.S. Council for International Business to participate as employers at the International Labor Organization (ILO) in Geneva where tomorrow Secretary Reich and other labor ministers along with business and union representatives will meet to discuss the global nature of this problem. What they will undoubtedly find - as we have - is that this problem is a very complicated one and one for which overnight solutions do not exist. We urge the committee to move with great care on this very sensitive issue.

I thank the Committee for its attention to these issues and assure you that American retailers are willing to play an appropriate role as we all struggle to address the problem of child labor.

**Testimony of Harry Kamberis, Director for Program Development
of the Asian-American Free Labor Institute, AFL-CIO
before the
House Committee on International Relations
Subcommittee on International Relations and Human Rights
on the Use of Child Labor in Overseas Production**

June 11, 1996

Mr. Chairman and members of the Subcommittee:

On behalf of the AFL-CIO, I want to thank you for the opportunity to participate in these important hearings.

There are approximately 100 million child workers in Asia today - more than any other continent. These are children who labor full-time, some of them in export industries. We believe this is a low estimate since China is excluded because no reliable figures for that country exist. China's ten to fifteen-year-old workers represent some 15% of South and South-East Asian children. The exploitation of children for economic gain is a heinous act that robs them of their childhood and all too frequently robs them of a productive life as adults. Exploited children become trapped in a lifetime of exploitation, as teenagers and ultimately as adults because they never acquire the skills necessary to improve their economic condition. And, all too frequently we see also a connection between child industrial workers and child sex workers. The same conditions that allow the recruitment of children as laborers allow also for the recruitment of children into the sex industry.

We believe that child labor is more than an industrial relations issue. Children do not possess any special qualities or skills as workers which adults do not process, nor are child workers indispensable in any manufacturing process. This is true from carpet weaving to garment manufacturing to making soccer balls. Children are used because they are easily exploited. It is no coincidence that in the countries and in the sectors where rampant child labor is found, you will find also a large unemployed or underemployed adult workforce and a suppressed trade union movement. Those who suggest poverty causes child labor are looking for excuses not solutions. To say that poverty causes child labor is a convenient way for governments and the private sector to avoid taking action. While the number of

unemployed or underemployed adults increases new forms of child labor are springing up throughout Asia due to economic development, industrialization, and globalization. One need only look at the Indian and Nepali carpet and Bangladesh garment industries or soccer ball and surgical tool manufacturing in Pakistan or the dramatic growth of "union free" export processing zones to understand in which directions child labor is being drawn.

The mix of reasons for the prevalence of child labor in a given country in Asia vary. One thing is clear. Those who suggest that child labor primarily results from poverty are wrong. Poverty is an excuse to justify its existence and absolve governments of their responsibility to enforce human and labor rights laws. Indeed, the struggle for the prevention and elimination of child labor is part and parcel of the struggle for personal liberties, human rights, and representative democracy. Most countries in Asia have adequate child protection laws that, in theory at least, ban child labor and provide for compulsory education. However, in countries with widespread and growing industrial child labor, the political will to enforce these laws is lacking. This is especially true in closed societies. Whether by design, the lack of a civil society and effective grass roots pressures, or tradition, these countries ignore their child labor problem. Industrialization, rapid urbanization, and now the global marketplace have increased the number of industrial child workers and placed them in increasingly exploited circumstances. In more open societies, the Philippines and Sri Lanka for example, efforts to address child labor have been more effective because concerned citizens and their representative organizations have the freedom to address the problem.

In countries where civil society is not as free or developed and citizens do not have an effective voice, China and Indonesia for example, globalization and the demand for international competitiveness have resulted in an increase in industrial child labor. Citizens in these countries are powerless and are dependent on their governments to act. Unfortunately, government policies in these countries reflect the interests of government officials and industrialists (who are often the same persons) who seek comparative advantages through a low-wage, docile, and controlled workforce. The effective enforcement of child labor laws would require the effective enforcement of all human and labor rights laws and the empowerment of their citizens, measures these governments have demonstrated they are not willing to take. Under such circumstances there is no effective enforcement of child

labor laws and the number of children working in industries is increasing.

Widespread child labor in South Asia persists because of tradition (the caste system), authoritarian governments and the lack of effective civil societies. In Pakistan, for example, the government launched an all out effort to destroy the Bonded Labor Liberation Front (BLLF), a child rights advocacy group, which it claimed was part of an Indian conspiracy to undermine the national economy. In India, senior officials continue to suggest that the issue of child labor is a protectionist trade stratagem developed by Western industrialized nations. In Bangladesh, a program to remove child workers from the garment manufacturing industry was initially denounced by the garment manufacturers association as an alien plot to destroy the industry. While governments in all three countries continue to seek to hide or excuse the problem, urban, industrial child labor is increasing.

Sri Lanka and the Philippines on the other hand have relatively few child industrial workers and there is no evidence that the number of industrial child workers is growing in those countries. Both are relatively poor and poverty is widespread. However, both are fairly open societies and have established and maintain basic public education systems with compulsory attendance. This suggests that despite poverty, more open societies, with more democratic, responsive government sensitive to the needs of their citizens, societies in which citizens are able to voice their concerns and be heard, can more effectively address the problem of child labor even as they join the rush for world markets and seek comparative advantages.

As the committee is aware, the issue of child labor has in the past couple of years become of greater concern to the American consumer. This is due in part to increased media coverage of labor rights abuses in the export industries of developing countries. It is due also to revelations that labor rights abuses in our own society are growing. The degree to which this issue has influenced our public consciousness is demonstrated by the fact that it has transformed from a media driven issue to one in which consumers are now taking the lead. The American public is becoming aware that unless we all take action, we are part of the problem.

The Asian-American Free Labor Institute (AAFLI), one of the AFL-CIO's four international institutes has been fighting for and promoting human and labor rights in Asia

for over twenty-five years. Our child labor programs in Asia are primarily aimed at building coalitions within countries for the prevention and elimination of child labor and to rehabilitate former child workers. We work with trade unions, human and labor rights organizations, child advocacy groups, and other national and international non-governmental organizations as well as government agencies to promote the formulation and implementation of public policies aimed at enforcing internationally accepted labor rights and standards.

AAFLI's Child Labor Programs

AAFLI's experiences in Asia include:

India

India has the world's largest population of child laborers, with an estimated 55 million children working in both the domestic and export sectors; in industries as diverse as carpets, fireworks, bangles, garments, match-making, diamond cutting and glass blowing. In India AAFLI has supported that nation's foremost child labor advocate - Kailash Satyarti, the driving force behind SACCS, the South Asian Coalition of Child Servitude, a umbrella organization of 250 NGOs throughout India. In cooperation with AAFLI, SACCS has conducted massive public awareness campaigns over the past few years including the staging of "long marches" across the sub-continent and the organization of parliamentary and trade union forums. A measure of the success of SACCS' public campaigns is that the former government of President Rao announced it would commit \$280 million towards the eradication of child labor and increase educational opportunities of child workers. While such funds fall short of what is truly needed in India, the government's decision demonstrates that a combination of domestic and international forces can make a difference.

Due to the efforts of SACCS, India was the first country where Rugmark, a labeling and verification program for child-labor free handmade carpets, was established. While the Indian government has been slow to endorse this scheme, the Rugmark program is noteworthy not only as a model program for other industries, but also because it includes a child worker rehabilitation component. Rugmark also demonstrates that business and NGOs can work together to eliminate, in a cost effective and politically palatable manner, child labor in a specific sector.

Pakistan

In Pakistan estimates of child workers range from 2 to 19 million. Efforts to develop reliable data have been frustrated by government interference and stiff (often violent) employer resistance. The majority of child workers labor in the brick-making, carpet weaving, surgical tool and soccer ball manufacturing industries. Until the tragic death of Iqbal Masih, a former child carper weaver and activist, in April 1995, AAFLI worked closely with the BLLF in Pakistan, a SACCS member, which operates a number of rehabilitation centers for child laborers. With AAFLI funding, the BLLF undertook the first comprehensive study of child labor in export sector industries, excluding carpets. With Iqbal's murder the situation changed completely. The government launched a massive and brutal crack down against the BLLF, which has accused the carpet manufacturers of being behind Iqbal's murder. As a result of the government's action all of the BLLF's records, including the child labor study were seized.

Western consumers of Pakistani hand-knotted carpets reacted strongly to the murder of Iqbal. Exports of carpets to North American and European markets plummeted and the Pakistan carpet industry lost millions of dollars and market share. Faced with this disastrous situation the government and carpet manufacturers have begun to push for the establishment of a Rugmark label for Pakistan and have agreed to work with domestic NGOs and international organizations, including AAFLI. The U.S. Embassy has also played a facilitating role. Clearly, the negative international response to child labor in Pakistan has been a major force in convincing that government to take action.

Nepal

In Nepal, up to three million children work. The vast majority, however, are found in the rural sector. Due to the successful effort to develop a Rugmark/Nepal label for carpets and sustainable welfare programs for former child carpet weavers, child labor in the carpet sector, once a serious problem, has been all but eliminated. For example, an AAFLI survey of carpet manufacturers early this year found "only" 2,891 children working in 819 factories. Carpets are a major export product and an important source of foreign exchange for Nepal. The success of the program is the result of the work of a coalition of Nepalese carpet manufacturers, local NGOs, and governmental bodies along with international

organizations, including AAFLI. The coalition developed the Rugmark/Nepal labeling program and also coordinates child worker welfare programs.

AAFLI has helped to devise a comprehensive rehabilitation program for the children workers displaced by the Rugmark program. The rehabilitation program directly serves the needs of a limited number of former child carpet weavers, providing them with basic non-formal education and vocational training. At the same time the program serves as a model to be studied by other organizations to develop similar programs. The government of Nepal has noted that AAFLI's program is the kind of program it would like other organizations to undertake.

By the end of this month, carpets bearing the Rugmark/Nepal label will be exported for the first time to the U.S. In the meantime, AAFLI is continuing to monitor carpet manufacturers who have signed on to the Rugmark program. AAFLI is also carrying out a similar inspection program with the Nepalese garment industry. The program seems to be working and the reason is clear; the industry realizes it is better off without child labor.

Bangladesh

In Bangladesh, according to the U.S. Department of Labor's (DOL) report on child labor, there are anywhere from 6 to 15 million children working, with the vast majority in the rural and informal sectors. In the export sector, the garment industry used to have the most child labor. However, AAFLI, in cooperation with the ILO, UNICEF, the U.S. Embassy and domestic and international NGOs has been working for more than two years to eliminate child labor in the garment sector. This sector just a few years ago employed between 50,000 to 200,000 child workers. This number has dropped substantially because Bangladeshi garment manufacturers took action when they felt their major market, the U.S.A., was threatened because of adverse media exposure in the United States and the introduction of the Harkin-Brown bill. Only after the Harkin-Brown Bill was introduced did the Bangladesh Garment Export Manufacturers Association (BGMEA), begin to negotiate with the ILO, UNICEF, AAFLI, and others on strategies to eliminate child labor in the industry. In order to make sure children would be provided for in a humanitarian way, efforts were made to develop a procedure to survey the industry to identify the numbers of children working and following their dismissal to place them into rehabilitation and education

centers. Due to the efforts of U.S. Ambassador Merrill in Bangladesh and pressure from the U.S. based Child Labor Coalition, the BGMEA eventually signed a memorandum of understanding with UNICEF, the ILO, and domestic NGOs. AAFLI withdrew from the process when it became clear that our concerns over independent monitoring could not be met. Nevertheless, at the time, the agreement was hailed as a precedent for the elimination of child labor in other industries and in other countries. The real test, however, was whether the BGMEA members would abide by the MOU without independent, unannounced verification procedures.

Unfortunately AAFLI's fears now seem well founded. Neither the BGMEA nor its members have lived up to their commitments and child labor continues to be a problem in the industry although, as I have said, much less than in the past. Moreover, aggressive, continuing anti-union actions by the garment manufacturers has prevented the formation of independent unions within the industry which can monitor whether child laborers are employed. Finally, efforts to establish an effective rehabilitation programs have been frustrated by the lack of cooperation from the garment manufacturers despite their agreement to support such programs. Without the credible threat of the loss of U.S. markets it seems likely that Bangladesh garment manufacturers will not cooperate seriously to eliminate child labor from their industry especially since the Bangladesh government has done little to enforce its labor laws.

The Philippines - A Personal Experience

Unlike many other Asian nations, in the Philippines, where I was AAFLI's representative for four years, citizens have the ability to press their government to respond to child labor abuses. In a country where freedom of association is accepted and practiced, trade unions, communities, child rights advocacy groups and other concerned citizens groups are working together to prevent and eliminate child labor. And their efforts generally are supported by the government. Let me repeat what I think is key: in workplaces where there are free trade unions and free collective bargaining has been conducted, there are no child workers. The role free, democratic trade unions can play for the elimination of child labor cannot be understated.

Although child labor in the Philippines is not as pervasive nor are the number of child

workers as numerous as in some other countries in Asia, where child labor has been found, it has been just as dehumanizing, vicious, exploitative, and brutal as that found elsewhere.

My personal experience in the Philippines in designing and implementing programs for the elimination of child labor in the industrial sector has convinced me that child labor programs, to succeed, must include interventions in multiple areas simultaneously. By the time a child has been trapped behind high compound walls surrounded by armed guards, chained to workstations or locked in cells at night to prevent escape, it is often too late. Child labor is more than a labor standards or industrial relations issue. Inspecting regularly every workplace is not a viable option. There will never be enough qualified inspectors. In the Philippines for example there are only about 300 inspectors for some 350,000 registered workplaces.

In my view, the successful prevention and elimination of child labor requires the cooperative efforts of labor, government, employers, communities, and, on occasion international pressures. Obviously, in more open, democratic societies such cooperative arrangements are feasible.

In the Philippines, working with the Trade Union Congress of the Philippines (TUCP) and the Kamalayan Development Foundation (KDF), a child advocacy group, and with funding from the AFL-CIO and the U.S. government, AAFLI's program seeks to address, within the limits of its resources, these issues through direct action and coalition building.

The KDF has made effective use of the media to raise national consciousness by encouraging TV and radio talk shows to interview former child workers. The KDF also cooperates with the government on rescue operations. These operations, conducted by Philippine government authorities based on information provided by KDF have resulted in the rescue of children as young as 12 years old from industrial plants, agro-businesses, and prostitution dens in and around Manila. The conditions under which these children worked were horrendous. Many labored up to 16 hours a day, seven days a week, some of these had never been paid, others were required to use their salary to buy meals and "lodging" (often the factory floor) leaving them with no money. In some cases children were locked in cells at night to prevent their escape. Others were prevented by armed guards from leaving their compounds. Children in agro-businesses were fed "twice dead meat". This is meat

from animals they were tending that died for unknown reasons but were then butchered for food for child workers. Children rescued from a chlorine manufacturing facility had serious respiratory ailments and suffered from chemical burns because they worked with no protective clothing or gear.

Rescue operations, however, were only one element of a program to prevent and eliminate child labor. Once the children were freed and in the custody of the government's social services system, KDF community organizers, led by KDF's highly dedicated executive director, Alex Apit, visited the villages from where the rescued children were recruited. With the cooperation of community and church groups the KDF held a series of informational programs for community members to inform them about the conditions under which their children labored. Rescued child workers also told their stories. Parents of rescued children were given reality briefings by KDF and government social service workers. Only after these briefings were rescued children reunited with their parents and placed in local schools. These efforts are having real life impacts: some communities have run labor recruiters out of their areas while others have reported to the authorities the activities of recruiters which has led to their arrests and at least in one case a conviction.

Unfortunately, business associations in the Philippines have not yet seen it to be in their own self interest to become more actively involved. Without their cooperation to allow unannounced inspections of their workplaces a major element of a complete child labor elimination program is missing. Another weakness or vulnerability in the program is that only weak sanctions have been applied against those who knowingly employ children. Employers who have been found guilty of child labor have been lightly punished, if at all. In most cases, the employers were simply required to pay wages and benefits due child workers in return for charges being dropped. The government argues that greater punishments against employers could result in forcing them out of business thereby increasing unemployment. We disagree. Effective use of penalties, as one component only of an overall program, will increase the perceived risks to employers and help reduce child labor. While efforts have been undertaken by the TUCP to encourage employer groups to become more pro-active there has been no sign yet that employers have gotten the message. Meanwhile, because of cutbacks in foreign assistance, AAFLI will be forced to terminate its

support to the KDF as of this coming October.

Conclusion

Based on our experiences, we would like to emphasize the following points with regard to the prevention and elimination of child labor in Asia as well as in other regions of the world.

The conditions and forms of child labor vary from country to country (and even within countries) and from sector to sector. Any successful comprehensive program must be a collaborative effort involving domestic NGOs and trade unions, international organizations such as the ILO and UNICEF, government agencies, the business community and, when necessary, external pressures by consumers and/or governments.

In developing programs for the prevention and elimination of child labor we have observed that manufacturers join the process only after they had seen their sales plummet or were threatened with a boycott. If any message should be conveyed to the business community today, it is that by either turning a blind eye or by putting up smokescreens, it will not only be creating greater problems for itself later on, but each day that it waits, it is condemning more children to exploitation and eventually to unproductive adult lives. In this context we would like to stress that the business community we refer to includes the manufacturer wherever located, the buyer or the company or personality whose label goes on the product, and the retailer, in whose store the item is sold.

We believe, however, that simply firing child workers is not a solution - manufacturers and retailers are culpable and must be held accountable for past and present business practices in which they reaped economic benefits through the use of child labor.

Business codes of conduct are an important element in the effort to combat child labor in the export sectors. As such we applaud efforts by the Clinton Administration, and particularly the Department of Labor, to encourage the business community to support a model code of conduct. However, the current voluntary code is, in our view, only a starting point.

All too often, we think, CEOs view a company code as simply a way to get the administration, trade unions, and NGOs off their backs. We believe a code must be accepted as a very real commitment with stipulated responsibilities. A process of independent

verification and monitoring which many companies are loath to allow is necessary to insure compliance. Simply signing a memorandum of agreement or posting a corporate code of conduct in a supplier's factory has, in our experience not been effective (particularly when the majority of a workforce may be functionally illiterate).

Corporate codes can often put companies like Nike, Levi, and Reebok, which have codes in the spotlight, while other companies, which do not have them, may escape public attention. We urge, therefore, that a list be drawn up of those companies buying outside the United States which do not have or refuse to implement a code of conduct.

We do not believe that industry alone can credibly police itself and we believe consumers understand this. The question we ask is, can companies which either knowingly employed child laborers (or allowed their contractors to) or turned a blind eye to the production practices of their buying operations be expected to police themselves effectively and honestly? Based on our experience, we have to reply no they cannot. In Bangladesh, since the self-congratulatory publicity generated by the BGMEA and its members on the occasion of the signing of the MOU, there have been many confirmed reports that BGMEA members once again are hiring child laborers. Companies often claim they have their own inspectors, but these are frequently no more than the buyer's regular quality control personnel and they do not make frequent and unannounced visits. One obvious solution is to allow outside organizations to monitor factories. AAFLI has been conducting such a verification campaign in Nepal with garment manufacturers at their behest. Another way to ensure companies adhere to their codes of conduct is to have effective and independent trade unions. It is no coincidence that those companies which strongly oppose unannounced outside monitoring often employ children and do not allow or actively discourage unions. An argument we heard in Bangladesh was that child labor inspectors might notice the often flagrant violation of other worker rights.

Beyond codes of conduct we believe that rehabilitation programs are necessary in any attempt to eliminate child labor and that employers have a moral obligation to support them. If a company can claim that it has become social consciousness, then it can certainly provide rehabilitation assistance to former child workers who added to its bottom line. Such programs can include anything from basic education to medical treatment.

Governments have the ultimate responsibility to prevent child labor and to rehabilitate and educate former child laborers. If a government such as Pakistan's can use a significant portion of its national budget on defense spending and can develop a nuclear weapons program, then it can certainly provide adequate and equal basic educational opportunities to its youngest citizens. If the U.S. government wants to really assist countries eliminate child labor then it should continue to support UNICEF and ILO programs that make possible education and rehabilitation programs for child workers although these programs must be carefully monitored to insure they do not become local government smokescreens. The Congress should also make certain that adequate funding is continued to NED and USAID which have enabled AAFLI among others to address child labor issues.

Another group which needs to voice more loudly its concerns is the American consumer. Consumers can exert great influence on business practices by choosing what they buy. The evidence is clear - when consumers demand that companies not use exploited labor, including child labor, in their production, companies act. However, as long as consumers do not question how a product is made or knowingly buy products that could be made with child labor, they are helping continue child labor.

Finally, we believe that international pressure and the threat of credible trade sanctions works. We have seen that international action has forced governments and industries to comply with international standards and to adhere to and enforce national laws. The GSP case against Pakistan is prompting that government finally address child labor found in the carpet sector by becoming an active promotor of a Rugmark program. The introduction of the Harkin-Brown Bill forced the Bangladesh government and the garment manufacturers to action and to pay more than lip service in dealing with the pervasive use of child work in that sector. We think these experiences demonstrate that legislation to restrict the import of products made with child labor would be effective. We urge the Congress to enact such legislation. We also urge the Administration to use the tools it has at hand to pressure countries to enforce their own laws and abide by internationally accepted labor standards.

**Testimony of Wendy Diaz
before the Committee on International Relations
Subcommittee on International Operations and Human Rights
June 11, 1996**

My name is Wendy Diaz. I'm 15 years old. I was born January 24, 1981. I'm from Honduras. I started working at Global Fashion when I was 13 years old.

Last year, up to December, I worked on Kathie Lee pants. At Global Fashion there are about 100 minors like me--13, 14, 15 years old--some even 12. On the Kathie Lee pants we were forced to work, almost every day, from 8 a.m. to 9 p.m. On Saturday we worked to 5 p.m. Sometimes they kept us all night long working, until 6:30 a.m. This happened a lot with the Kathie Lee pants. For the girls in the packing department, working these hours was almost constant. Working all these hours I made at most 240 lempiras a week, which I am told is about \$21.86 U.S. My base wage is 3.34 lempiras--which is 31 U.S. cents. No one can survive on these wages.

The treatment at Global Fashion is very bad. The supervisors scream at us and yell at us to work faster. Sometimes they throw the garment in your face, or grab and shove you. They make you work very fast, and if you make the production quota one day then they just increase it the next day.

The plant is hot, like an oven. They keep the bathroom locked, and you need permission and can only use it twice a day. We are not allowed to talk at work; for that they punish us.

Even the pregnant women they abuse. They send them to the pressing department where they have to work on their feet 12 or 13 hours all day in tremendous heat ironing. It is a way to force them to quit, since working like that, their feet swell up. When they can't stand it any more they have to leave. This way the company doesn't have to pay maternity benefits.

Sometimes the managers touch the girls. Pretending it's a joke they touch our legs. Many of us would like to go to night school--but we can't, because they constantly force us to work overtime.

We have no health care, nor does the company pay sick days, or vacation. Gringos from a U.S. company visited the plant several times, but they never spoke with the workers.

Every one in the plant is very young, the majority are 16-17 years old. We suppose the Koreans don't want to hire older people because they wouldn't take the abuse.

Most girls in the plant are afraid. After we met with Charlie and Barbara the company threatened us. One girl was fired and the company said it would fire others.

The supervisors called us all together, the entire factory, and told us they would not accept a union at Global Fashion. Anyone involved would be fired immediately. The company hires spies to report on our meetings. Since last November, when a group of 40 of us started a meeting, the company threw out all but five of us.

When we leave work at 9 p.m., it is very dangerous. There is a lot of crime. It is pitch dark and there is no transportation. So groups of us stay together and more or less run home.

I'm an orphan. I live in a one room home with 11 people. I have to work to help three small brothers.

Right now we are making clothing for Eddie Bauer and J. Crew. There are still a lot of minors in the factory.

**STATEMENT OF MR. JESUS CANAHUATI, VICE-PRESIDENT OF
THE HONDURAN APPAREL MANUFACTURERS ASSOCIATION
FOR THE SUB-COMMITTEE ON INTERNATIONAL
OPERATIONS AND HUMAN RIGHTS OF THE INTERNATIONAL
RELATIONS COMMITTEE (6/11/96)**

MR. CHAIRMAN. Chairman Smith, I want to thank you for inviting me to appear today before the Committee. I am here today as a representative of the Honduran Apparel Manufacturers Association. We represent 170 apparel assembly plants in Honduras which employ 70,000 workers. As you can imagine, that is a significant work force in a country with a population of five and a half million people. It should be noted that all apparel and related export plants operating in Honduras must be members of our Association.

I am here today to present the facts to you of the apparel assembly industry in our country. The industry is new in Honduras. Ninety-five percent of the plants have been built since 1989. As with anything new, you correct your early mistakes, and improve over time. We believe that in this short seven year period, our industry has grown into a shining success story of which we are proud. The industry provides 200 million dollars annually for the Honduran economy -- over half of which is for salaries. Honduras is the fastest growing apparel export industry in Central America. The apparel

industry in Honduras provides vocational education and training, and is thereby creating a career path for these workers.

In Honduras we have one of the most advanced Labor Codes in Latin America. The legal, social and economic benefits of this Law have insured social stability in Honduras in spite of the fact that the rest of Central America has suffered much political and social unrest.

The Labor Code in Honduras provides the worker with guarantees such as:

- protection against unjustified dismissal
- regulated working schedules, paid vacations (for example, 15 paid vacation days after 3 years tenure) plus 12 paid holidays
- overtime pay requirement
- health and safety regulations
- severance pay -- the worker receives one month for every year worked
- workmen's compensation
- collective bargaining rights
- the right to organize
- 100 days guaranteed and paid pregnancy leave, with assurance of returning to the same job --

Another very significant law implemented in Honduras in recent years is the law which requires every Honduran employer -- whether Government or private sector -- to pay every worker 14 months pay for a 12 month work year.

Furthermore, current Child Laws guarantee specific labor rights for minors between 14 and 17 years old. Minors of this age must receive written permission from parents and the Labor Department in order to work. Under newly passed legislation, young people will have stronger protection by our laws.

In the Honduran Apparel Manufacturers Association we strongly believe in protecting the rights of our young people, and in following the international age standards for workers. To our knowledge, there are no minors under the age of 14 working in Honduran assembly plants. Of course there may be cases where falsified documents were presented in order to obtain employment.

Mr. Chairman, I would like to talk for a moment about the working conditions and benefits of Honduran apparel assembly plants. We have brought with us some enlarged color photos of the plants which I manage. I do not believe you will be able to see the pictures from here, but I would be happy to submit them for the record.

As I stated earlier, ninety-five percent of our assembly export plants are about five years old. So these are modern, comfortable and well-equipped plants. Virtually every plant has either a medical clinic, a nurse or doctor available

for consultation. Both the consultation and prescribed medicines are free to all workers -- and in many of the plants, we provide free health care for the children aged 1-8 of our workers.

Certain benefits are mandatory throughout the industry and other benefits vary from plant to plant. Other benefits include mandatory free dinner for all workers who work after 5:00. Furthermore, many plants give a free breakfast to the workers, and subsidized lunch. As a new initiative, many plants are now implementing modern day-care facilities. Many plants also provide transportation for the workers who live further away from the plant. An overwhelming majority of the plants also provide air-conditioning.

Mr. Chairman, I feel obliged to answer a recent outrageous allegation against our industry in the media. I can state clearly that our members are strongly opposed to providing any kind of contraceptive to our women workers. We have not done so in the past, and we would never do so. It is insulting that I have to respond to this. In a survey done this month by our Social Security Administration, it was determined that out of 29,000 apparel women workers, 21% of them are currently pregnant. What we do provide by law to all of our workers -- including our plant managers -- are certain mandatory vaccinations such as malaria and tetanus.

Finally, Mr. Chairman, I would like to state the general policy on wages for our workers. It is important to keep this issue within the context of other salaries in Honduras, which is an under-developed economy. You simply

cannot compare Honduran salaries with United States salaries. For example, a Honduran Congressman earns approximately 15,000 dollars per year. An average apparel factory manager, with a College Degree earns approximately the same amount. Our apparel plant worker is paid according to what he or she produces but no person is paid less than the mandatory minimum wage. The average worker at the apparel plants earns in take-home pay two times the Honduran minimum wage. This is the average salary, and does not include benefits such as health care, food and transportation which are paid by the employer. The faster workers who produce more clothing would receive three times the minimum wage.

Mr. Chairman; in summary, I want to tell you that our Association is working every day to make the apparel assembly industry the best in Latin America. We are always exploring new and better ideas to implement in our plants. Of course, we take all allegations of misconduct seriously, and we are working to investigate and punish anyone involved in abusive or incorrect actions. In fact, since 1992, the Government has taken actions to expel from Honduras foreigners who were found to be violating workers or minors rights.

The Honduran Apparel Manufactures Association is in the process of setting up a mediation committee in order to investigate any grievances by our workers. We feel it is in our interest to treat our workers the very best we can.

Our entire industry issues an invitation to all Members of Congress and your staff to visit our assembly plants. In fact, we urge you to come at your earliest convenience. In the last 2 years, 20 congressional staff members have visited seven different Honduran apparel plants.

Thank you again for your invitation to testify, and my delegation from Honduras and I look forward to meeting with you and many of your colleagues this week.

U.S. Sub Committee on International Relations and Human Rights
Washington, D.C.

June 11, 1996

Craig Kielburger
Free the Children

Mr. Chairman, Members of the Committee, Ladies and Gentlemen

I am pleased to be here today to represent children- Child labour affects children - children are being exploited and denied their basic rights, children are being abused - I believe that children must be heard when speaking about child labour- I believe that we must be part of the solution.

I recently spent seven and a half weeks travelling through South Asia to meet with working and street children. I wanted to better understand their reality- to ask them what they wanted so that we would not be imposing our western culture on them.

I can tell you stories of what I saw- stories which would shock you. I met children as young as four years old, working in brick kilns making bricks seven days a week from dawn to dusk, children working 14 hours a day loading dangerous chemicals into firecracker tubes, children working in metal and glass factories, children physically and verbally abused. Some children I'll never forget- like Nagashar, who worked as a bonded labourer in a carpet factory. He had scars all over his body including his voice box where he had been branded with red hot irons for trying to escape- Or the nine year old boy with a deep scar that ran across the top of his head where he was had been hit with a metal bar for making a mistake on the job. Then there was Munianal, the eight year old girl who worked in a recycling plant taking apart used syringes and needles gathered from hospitals and the streets. She wore no shoes and no protective gear. No one had ever told here about AIDS. These are the working children.

Not just facts and statistics but real children

Some of you may say, "Well, these children are poor. Don't they have to work to help their families survive? Studies by UNICEF, the ILO and other non governmental organizations have shown that child labour is actually keeping Third World countries poor, because a child at work means an adult out of work. Factory owners prefer to hire children because they are cheaper labour, easily intimidated and won't organize trade unions. Kailash Satyarthi, who last year won the Robert Kennedy International Award for Human Rights, heads 150 non governmental organizations working with child labourers in South Asia. He stresses that India has 50 million child workers, but 55 million adults unemployed. And because these children are not able to go to school they remain illiterate, and the cycle of poverty continues. Child labour keeps people poor.

As consumers, we bear part of the responsibility. Is it fair for children to be sitting on the ground for 12 hours a day, for pennies a day sewing famous brand name soccer balls- which they will never get to play with- soccer balls shipped to countries like ours for your children, your grandchildren, or for me?

It is simply a question of greed and exploitation- exploitation of the most weak and vulnerable- These greedy people include companies going into the third world countries contracting out work to the cheapest factories which will produce goods up to standard. This only encourages factory owners to seek out the cheapest labour- underpaid workers and children. Poverty is no excuse for exploitation. Poverty is no excuse for child abuse.

We, the children of North America, have formed an organization called Free the Children. Free the Children is a youth movement dedicated to the elimination of child labour and the exploitation of children. Most of our members are between 10 and 15 years old. We now have groups in provinces across Canada and chapters quickly spreading

throughout the United States- in Washington, San Francisco, Maryland, Idaho, Iowa, - Calls are coming in from all over the world- from young people, from children, who want to help. You don't need a lot of committee meetings to understand that exploiting children in child labour is wrong. We may be young, but it is very clear to us that this child abuse must stop.

We believe that children must be removed from factories and jobs given to adult members of the family- adults who can negotiate for better rights and working conditions.

We believe that companies which go into Third World countries for cheap labour must pay their workers a just wage so that children will not have to work to supplement their parents' income. These same companies should also be willing to put money back into the country to help in the education and the protection of children.

We have consumers calling our Free the Children office from all over North America telling us that they don't want to buy products made from the suffering of children.

That is why a labelling system, with independent monitoring, which clearly identifies items not made by child labour is necessary. Another solution is to hold importers responsible for making sure that the products they are importing into North America have not been made from the exploitation of children. Consumers have a right to know who made the products they are buying.

In May, 1995, UNICEF set an example with a no child labour clause in its buying policy based on the United Nations Convention on the Rights of the Child.

I have been told that the United States already has a Tariff Act passed in 1930. Section 3:07 prohibits products being made from prison or indentured labour from coming into the United States. If this is true than why are carpets, soccer balls, brick work and other items made by children in bonded and slave labour not banned from coming into the United States under this law?

Child labour should not be used, however, as an excuse to stop trade with a developing country. We are advocating selective buying not a boycott of all products which would harm children even more.

I don't know why anyone would oppose laws which protect the children of the world. Maybe companies, sports and TV personalities, maybe consumers, might have said until recently, that they didn't know about child labour and the exploitation of workers in Third World countries but now they do- There is no excuse any more- We have all been educated. Knowledge implies responsibility. You and I, all of us, are now responsible to help these children.

Eliminating child labour comes down to a question of political will. Why are countries with a high incidence of child labour spending on average 30% more on the military than on primary education? How serious are world leaders about helping these children? Where is the social conscience of multinational corporations?

I have hundreds of pictures of children which I could have shown you today. I have brought only one. When I was in Calcutta, I participated in a rally with 250 children who marched through the streets with banners chanting, "We want freedom. We want an education." Children should not work in hazardous industries- NEVER AGAIN. Today I am here to speak for these children, to be their voice. You are an influential nation. You have the power in your words, in your actions and in your policy making to give these children hope for a better life. What will you do to help these children?

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TESTIMONY OF ROBERT B. REICH
SECRETARY OF LABOR
BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS
COMMITTEE ON INTERNATIONAL RELATIONS
U.S. HOUSE OF REPRESENTATIVES

JULY 15, 1996

Mr. Chairman, Congressman Lantos, members of the Subcommittee, I am delighted to be with you this afternoon to discuss the further steps we can take together to stop abusive and exploitative child labor.

At the outset, let me say that I believe we have made an important start in directing international attention to the truly desperate circumstances faced by hundreds of millions of children worldwide.

Just a few years ago, the issue of child labor was barely a "blip" on the global agenda. No longer. Working together, the Administration and Congress have played a major role in bringing international child labor out of the shadows and into the spotlight, where it can be fought and defeated. Today -- with governments, corporations, consumers and workers focused on this human tragedy -- we have a chance to make significant and sustained progress in reducing child labor throughout the world.

We must not let this opportunity pass by without making the most of it.

Polls show that the American people -- by an overwhelming margin -- do not want to subsidize abusive and inhumane working conditions with their consumer purchases. They don't want their hard-earned money going to support sweatshops. And they certainly don't want young children kept out of school and exploited in order to make the products that are sold in the stores where they shop.

But consumers cannot solve this problem on their own. The key to fighting this problem lies in the productive partnership we are now endeavoring to create -- a partnership between

consumers, workers, businesses and governments -- a partnership aimed at making child labor unprofitable and impractical.

As you know, the garment industry is one that, both globally and domestically, is rife with sweatshop conditions. Tomorrow, in an effort to further develop an effective partnership to address these problems, the Department of Labor is hosting a Fashion Industry Forum. We are bringing industry executives, employees, consumers and government officials into the same room for what I hope will be a frank discussion of the problems and their possible solutions.

We'll talk about the manufacturers and retailers that are doing the right thing and being good corporate citizens by ensuring that their contractors and sub-contractors are complying with U.S. labor laws and, for imported goods, are adhering to basic, internationally-recognized standards. We'll talk about helping consumers get the information they need to avoid purchasing items made in violation of those standards. And we'll talk about the possibility of a labeling program for garments, perhaps like the current "Rugmark" system that certifies hand-knotted carpets as produced under humane conditions and without child labor. We believe labeling programs can be a complement to our open trade policies.

I fully expect that these talks will lead to action. This partnership has great potential, and I look forward to reporting our progress to you at a later date.

Before going any further, let me say what our battle against child labor is not.

It is not an effort to impose our own laws, standards or values on other nations. It is not an attempt to ensure that no child should ever do any work. Obviously, some types of work are fully consistent with the positive development of children.

Rather, we are talking about enforcing the international standards that have been subscribed to by virtually every nation in the world -- standards that say exploitative child labor is not an acceptable solution to poverty, and that all nations should pursue policies designed to effectively abolish it.

The International Labor Organization (ILO) estimates that there are at least 100 million children -- and perhaps hundreds of millions -- who are employed full-time or nearly full-time, worldwide. Many of them are working under the most brutal conditions. They are part and parcel of an economic system that depends on their exploitation. And in many cases, very little is being done to address the problem.

Certainly, we can begin by focusing on the world's youngest workers, those that are being forced to work and those that are working under the most inhumane conditions. I'm talking about children working in glass factories who are exposed to high heat and broken glass with no protective clothing -- and sometimes without even shoes on their feet. I'm talking about young girls trafficked over long distances and forced into prostitution. I'm talking about children working on sugar cane plantations who wield machetes and often suffer debilitating wounds.

Many countries have endorsed international standards which say that children this young should not be working, and that every country should take steps to ensure that they are not. Sure enough, virtually every nation has laws prohibiting this from happening. But passing laws and enforcing laws are all-too-often separate matters.

We know that from our own experience here in this country. We have only about 800 federal inspectors to enforce all the wage and hour laws in more than six million workplaces. Even when you add in state inspectors, the total is only about 1,500. Is it any wonder that sweatshops are making a comeback in the United States? Is it any wonder that we could find slavery existing behind barbed wire at a garment factory -- as we did last year in El Monte, California?

We know that without an effective deterrent against those employers who would take the low road, the problem of child labor will remain and could even grow. Yet, many nations that have child labor laws lack an appropriate professional labor law inspectorate who can hold the law breakers accountable.

So what can we do?

In addition to our Fashion Industry Forum that I mentioned

earlier, we are moving forward with a number of specific initiatives.

First, we are continuing our efforts to research the problem of child labor and publish reports. Our first two reports, By The Sweat and Toil of Children, volumes I and II, published in 1994 and 1995, collected information that had never been collected before. We documented the manufacturing, mining, agricultural and fisheries industries where children are found working in conditions that violate international standards. And although there are other organizations that publish some of this type of information, publications coming from the U.S. government still have a unique international impact. We are now at work on a third study looking at the practices of U.S. garment importers with regard to child labor, and the standards they place on their contractors and subcontractors in foreign countries to avoid the use of child labor.

These reports were produced by the Department of Labor's Bureau of International Labor Affairs -- ILAB. At this point, I must advise the Subcommittee that the Appropriations bill for the Department of Labor for FY 1997 passed by the House, contains a 40 percent cut for ILAB. This comes on top of a 25 percent cut imposed in the current fiscal year. ILAB could not sustain a 40 percent cut, and would be forced to eliminate child labor activities, and other work related to the objectives of the Administration in this area. Given the proposed cuts, the public could well lose the expertise and information that ILAB has acquired on child labor issues.

A second thing we can do is to continue to support the ILO's International Program for the Elimination of Child Labor -- IPEC. I am delighted that Congress has approved these contributions -- \$2.1 million for FY 1995 and \$1.5 million for FY 1996. This money has gone toward funding projects like one in Bangladesh that is moving 11,000 children out of garment factories and into schools.

Through IPEC, we have also funded projects in Thailand to help girls at risk of being forced into prostitution; a program in Brazil to help children in the footwear industry; a program in the Philippines to complete a national statistical survey of child labor, and a program in Africa to help children working in

plantation agriculture.

A third thing we have been doing is pressing the child labor issue at the International Labor Organization. Last month, I attended the annual ministerial meeting of the ILO in Geneva where the focus of our discussions was child labor. As a result of my request to the Director General of the ILO, a special one-day session of labor ministers was held to discuss additional approaches that could be taken to reduce exploitative child labor.

One result is a proposal to draft a new ILO convention targeted specifically at the abolition of exploitative child labor. It is the ILO, after all, that has established the international child labor standards. Since 1919, the ILO has adopted various child labor conventions, which, in the early 1970s, were consolidated into ILO Convention 138 on the minimum age for employment.

However, there is a view that ILO Convention 138 does not provide sufficient focus on the need to immediately abolish the most abusive and exploitative forms of child labor, including forced and bonded child labor, and the sexual exploitation of children. Thus, we agreed to work towards a new convention by 1999 that would give added emphasis and, added enforcement provisions, to eliminating the most abusive forms of child labor.

Fourth, while we are working on a new child labor convention, we should also be looking at whether we could expedite consideration for the United States' own ratification of the existing ILO conventions on child labor and forced labor. Our position internationally will be enhanced by our ratification of additional ILO conventions. Since 1988, we have made significant progress in ratifying ILO conventions, on a fully cooperative basis with our employer and worker representatives in the ILO, and with bipartisan support in the Senate. We would like to make more progress.

Fifth, I have raised the child labor issue in a number of bilateral discussions I have had with other labor ministers, and I will continue to make sure it is prominent in our international agenda. I believe our efforts have contributed to decisions by a number of leaders in countries where child labor remains a

problem to make public commitments to seek improvements. For example, former Prime Minister Rao of India, Prime Minister Bhutto of Pakistan and President Cardoso of Brazil, nations with significant child labor problems, have all made public statements acknowledging the need for change in those countries. Many nations are moving from denial to a search for solutions.

Sixth, we continue to encourage initiatives by private industry to eliminate child labor exploitation. These can include efforts by importers to work with exporters to ensure that products are not made with child labor, and voluntary labeling initiatives by producers that help consumers make informed purchasing decisions. An example is the "Rugmark" program originally launched in India in the hand-woven carpet industry, which has some of the most exploitative child labor practices in the world. Some child labor activists in India, with the help of the German government, got together and established this program, which is being launched in Nepal also. Today, most of those child labor-free rugs are going to Europe, but it is important that U.S. rug importers also support such an effort.

Together with Chairman Smith, and some other members of Congress, we also launched an effort on June 28 to get child labor out of the soccer ball industry, where today perhaps a quarter of the labor force is under 15. These children hand-stitch leather soccer balls, in unhealthy conditions. A large portion of the industry is located in Pakistan, and we asked that U.S. importers take steps to move those children out of the industry and into schools. Two U.S. companies, Reebok and Nike, have said they are taking the steps to do just that. We also asked that FIFA, the international body that certifies soccer balls meet league standards, also require that child labor not be used in the production of those balls. Hopefully, very soon we will be able to announce that child labor-free soccer balls are available to consumers. Soccer balls are also produced in China and Indonesia and we need more information on whether child labor is a problem in the soccer ball industry in those countries.

At the recent ILO meetings, I also asked that the ILO consider the question of labeling, and make a report within one year on how we might use the Rugmark example and apply it to other sectors where child labor is a problem.

Seventh, we are also pressing for the establishment of a working party on trade and labor standards in the World Trade Organization. It is our view, and we are making progress with governments around the world, that the WTO has a responsibility to consider what steps can be taken by that institution to discourage child labor.

Eighth, we need to make sure that we use provisions of U.S. trade law -- such as Generalized System of Preferences -- that are designed to ensure that beneficiaries respect internationally recognized worker rights, including a minimum age for the employment of children. Such programs should not reward child labor exploitation. Although the GSP program is still awaiting renewal, the Administration has announced that due to child labor violations certain products from Pakistan -- surgical instruments, sporting goods and carpets -- will not be eligible to receive GSP tariff preferences.

Ninth, although we prefer to encourage other countries and employers to move children out of work and into school, and avoid trade measures, we will continue to work with members of Congress interested in pursuing legislation on this issue.

Tenth, and this is essential, we need to make sure that we are doing our best to enforce our labor laws at home. We continue to have sweatshops in the garment industry that seriously violat  our wage and hour laws. If we are to be credible internationally, we must be effective at home. Domestic enforcement and international enforcement are two sides of the same coin in a global economy.

In conclusion, Mr. Chairman, let me congratulate you and this Subcommittee for your continued concern about the unacceptable exploitation of children. Let me again thank you for the support you have given our efforts, and let me express our commitment to work with you and this Subcommittee and the Congress to take every possible step to wipe out the scourge of abusive child labor.

**Congressional Testimony
House subcommittee on International Organizations
and Human Rights
talking points
Kathie Lee Gifford
July 15, 1996**

Mr. Chairman, members of the Committee, I would like to thank you for your invitation to appear and your willingness to accommodate my schedule. I do not take your kindness lightly.

I believe this Committee has the means to formulate real and substantive change as to how garments are made for the American consumer. I am grateful that I can be even a small part of that process.

Mr. Chairman I would be less than candid with you if I did not tell you that some two months ago I was little more than an entertainer. I associated my name with line of clothing so that a portion of the dollars raised could go toward helping AIDS and crack addicted children in New York.

That fund raising effort worked beyond my wildest dreams. Today Cody's House and Cassidy's Place have become national models for how to bring sunlight into the lives of children seared by pain. Other charities have also benefited from this effort.

And so it was nothing less than an assault on my very soul when a witness before Congress suggested that I was using the sweat of children... to help children. I would submit to this Committee that it was in that single instant that I was introduced to the unforgiving..and often unfair.. cauldron of public policy.

Today, I am still far from an expert..although in the last several months I have learned far more about the garment industry than Regis will ever know. And for that I am sure he is grateful.

In all seriousness, this Committee has demonstrated that every one of us.. from the entertainer who lends her name to the consumer in the store.. has an obligation to know how and why a garment was made.

This consumer has learned from people like Wendy Diaz that we are now morally compelled to ask, "What can we do to protect labor rights in factories around the world and right here in America?"

Fortunately, there are those seeking to identify and penalize abusers. Wal-Mart, which distributes Kathie Lee fashions, has prevented some 100 factories in 16 countries from working on their garments because of violations. And Wal-Mart is stepping up their oversight in coordination with my own plans for on site monitoring.

I have discovered that this is not a problem that has cropped up overnight. Experts tell me it is pervasive in the garment industry and our reports suggest that the sweat shop never really left us.

And I am also discovering that there is no one overnight solution to the problem but we are beginning to create a framework for solutions.

For starters, working with Wal-Mart, I plan to implement a plan whereby any Kathie Lee fashion wear will be done in factories willing

to submit to surprise inspections by an independent inspector general team. Their mission will be to ensure that safe and responsible working conditions are met. Factories that refuse inspection, or ignore warnings, will be dropped as manufacturers.

And yet taking work out of factories that abuse their employees puts those employees on unemployment. I would ask this Committee, what "big stick" does the retailer or the talk show host have when the only means to get the factory in compliance is moving the work elsewhere.

Ironically, the factory in Honduras where Wendy Diaz was abused continues to employ a steady 1,000 people even after Wal-Mart pulled their work that carries my name. Other manufacturers don't seem to have a problem with reports that these dreadful conditions exist. Punitive actions don't seem to phase the owners of this particular factory.

I have also discovered that implementing an inspector general program is not as simple as hiring a team of investigators. Local laws are often muddied and following the trail of subcontractors, where much of the abuse takes place, is difficult at best. In addition, employees are often wary of independent inspectors so decisions have to be made that identify responsible local human rights organizations where there is only one agenda.. creating an environment where one can work in dignity.

So while an inspector general program is a responsible start we recognize that it is not a panacea to the problem. It may, in fact, be just the beginning.. of the beginning.

Allies are nothing less than critical in this fight. That is why I would welcome Congressman Smith's proposal that would bring the full weight of the American government to bear on international child labor violations.

Mr. Chairman, and members of the Committee, I would not be so presumptuous as to be able to comment on the specifics of the legislation but I do appreciate the following:

- * The proposal that would allow the US Labor Department to create an accreditation process to monitor working conditions overseas would be of enormous value in stopping this practice. It becomes obvious to me that while Kathie Lee Gifford Fashions can create an oversight program, it can be easily dismissed by factories who are indifferent to the issue if they have other paying customers under their roof.
- * In addition, this proposal becomes a potent weapon because it elevates the problem from just one factory in one city within one nation to an issue where entire governments must get involved or risk damage to their economy. Much the way the human rights watch list added muscle to our intolerance of abuses abroad I would hope that this legislation would ensure that child labor becomes equally repugnant to everyone.
- * I would welcome an opportunity to work with the Chairman, and members of this Committee, if you believe my support would aid in gaining swift approval of this legislation.

In the last two months I have met people from all walks of life and

from both sides of the political aisle who are seeking to solve this problem. From Wendy Diaz and Archbishop Cardinal O'Connor to Jay Mazur of UNITE, New York Governor George Pataki and Attorney General Dennis Vacco, I find a common thread of decency that seeks to end the practice of sweat shops and child labor.

And tomorrow I look forward to attending a summit on this issue convened by Labor Secretary Robert Reich. It is my hope that this hearing and tomorrow's summit will ensure that this issue is dealt with in a substantive and meaningful way.

Mr. Chairman, I am an entertainer who had a simple idea..create fashion wear with my name on it to help raise money for charity. In hindsight I would conclude that an explanation of quantum physics is far simpler. This much is clear; I have learned that each one of us, whether in Congress, in corporate America, in a television studio, or in a shopping mall, has, as a moral imperative, the need to address this issue.

I don't have all the answers but I now have the right questions. I would welcome yours.

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STATEMENT
of Francoise Remington
Before the
Subcommittee on International Operations and Human Rights
of the House Committee on International Relations
United States House of Representatives

July 15, 1996

Mr. Chairman, Mr. Ranking Member, Members of the Subcommittee, thank you for the opportunity to appear before you. My name is Francoise Remington. I am the founder and Executive Director of **FORGOTTEN CHILDREN**, a 501(c)(3) non-profit organization based in my home in Arlington, Virginia. I and my husband are the adoptive parents of three orphan children from India, two of whom come from Mother Teresa. I have personally witnessed many examples of child labour in India.

The growth of child labour worldwide is the result of globalization and we all bear some responsibility for its growth. Child labour is clearly within the jurisdiction of the United States Congress, especially in circumstances where the American taxpayers or consumers contribute to its growth.

I appear before you to advocate that the World Bank, which is sustained in part by U.S. taxpayer funds and which contributes directly to increases in child labour worldwide, no longer deny its responsibility in this regard and participate in a solution. Either by legislative mandate or by congressional request, the Bank should incorporate a child labour policy in its financed projects.

I. PERSONAL EXPERIENCES.

In 1988 I first witnessed child labour in India. This initial experience led me to become the founder and executive director of a non-profit organization, **FORGOTTEN CHILDREN**, which is based in Arlington, Virginia. We are currently implementing an educational and vocational project for 50 working children in Tamil Nadu, South India, with the collaboration of Sister Rita Thyveetil, a Roman Catholic nun who has been working for the poorest of the poor for many years. The project offers basic education to working children who receive (jointly with their parents) a dairy (milk) cow to compensate for their lost income when the children study.

In 1988 I saw what, Mr. Henri Tiphagne, an Indian Human Rights lawyer, called "the shame of India". He arranged a visit for me to the Ramji Match Factory Bull Matches in Sachiapuram, Sivakasi, Tamil Nadu. Prior to the visit, the social worker who accompanied me advised me to hide my camera and to dress like an Indian woman. I will never forget the largest room where I saw 50 working little girls under 10 years old. They were sitting on the floor in rows of five, lining up matches on tiny shelves. The children were paid by the number of boxes they had filled by the end of the day. They

worked from 8:00 a.m. to 5:00 p.m. with a one hour break for lunch. I noticed that many little girls had their fingers deformed by doing the same gesture all day long. We visited another building bearing the sign "Keep out". It was the building where the chemical products were kept. There a solitary little boy was mixing a white powder. His legs and arms were covered with bandages.

The number of children in Tamil Nadu who are working in exploited situations is estimated to be 1,105,586.² In the match and firework factories, there are about 50,000 between the age of 7 and 14 years old. The children's main work consists of filling boxes and dipping sticks in chemicals. After several years of factory work, children suffer from severe neck and back pain, skin disease, deformed fingers, poor eyesight.³ The owners of factories deliberately choose children over adults because "it is cheaper than adult labour and because children, unlike adults, cannot question the treatment meted out of them".⁴ The match industry is controlled by the Nadar community which controls 70% of the matches produced in the non-mechanized sector.⁵ Child labour in the factory is carefully controlled by the owners who hired contractors to awake the children as early as 3:00 a.m. to 5:00 a.m., because many children come from as far as 30 kilometers away. The children are loaded on buses belonging to the factories. On our way to the factory, we saw one of these buses but the social worker asked me not look and to lower myself so I would not be noticed. The contractors who transport the children are also the ones who "make sure that no one in the villages cause trouble, they report directly to the factory owners."⁶ More than 50% of matches and 70% of firework output of India is made in Tamil Nadu.

In 1992 Joseph Gathia, the Executive Director of the Centre of Concern for Child Labour, arranged a visit to the lock factories of Aligarh, Uttar Pradesh, where his organization has established an evening school for the working children. I will never forget the tiny dark room where five small Muslim boys were working. The children, who were between 6 and 12 years old, worked on the bare ground for an average of 9 hours a day. They wore no protective devices such as masks, glasses or gloves; their bodies and faces were covered with dust to such an extent that it was not possible to see the white part of their eyes.⁷ The black dust covering the children was black emery powder. One little boy silently showed me a cut finger with bandage. In the lock factories, there are about 10,000 children under 14 years of age who daily toil in terrible conditions. To evade the provisions of the Factories Act, the lock industry has been smartly transformed into a "cottage industry" with less than 10 workers on a site.⁸ The children are paid according to a piece-rate method. After a few years, children suffer from asthma, bronchitis, TB, skin diseases, ear and eye problems.⁹ It is estimated that 80 percent of India's locks are made in Aligarh district.¹⁰

In Manali, Himachal Pradesh, I visited a Buddhist Lama, Lama Gondup, who operates a school (where working children learn to read and to write also receive a daily meal) for children engaged in

manual road construction activities. As the children work, they breathe the polluted air caused by passing trucks, buses, and boiling tar. Yet, someone with very little money is trying to improve the lives of these children.¹¹ No one agrees on the exact number of children working at cutting stones along the roads or working in quarries. According to the Census of India (1981), there are about 23,532,¹² but local activists give a larger number. For example, in the state of Kerala alone, which has the lowest number of working children, there about 20,000 children who work in stone quarries.¹³

In spite of this sad reality, without any child labour provisions, the World Bank is financing a project (INPA9995), with a IBRD loan of US \$95 million for the construction of 800 km of major roads in Haryana State.¹⁴ No one can deny that roads must be improved in India, but it is certain that children will be working on road construction activities as a result of this project.

In January 1994, I accompanied Dr. M.K. Patra, Director of the Asian Workers Development Institute in Rourkela, Orissa, on a tour of the dumping yard of Rourkela Steel Plant. Dr. Patra observed:

"The plant is one of the largest and oldest steel plants in India built thanks to the financing of international loans. The steel plant offered many new jobs to the local tribal population: They do not miss the forest, or their old way of living. They have bicycles, their children go to school, and they have a place to live provided by the plant. The workers do not complain. They find their working conditions good. There are no working children in the plant ... It is in the dumping yard that you will find the working children. That place is like hell. Accidents occur there often, mainly bad burns. And, most of the children there suffer from respiratory disease."¹⁵

He was right; the place looks like a living hell. Children ranging from ages 8 to 15, estimated to be 300 by the Asian Workers Development Institute, hold iron hooks, or hammer to pick up burning pieces. They sell the pieces to subcontractors and are paid on a piece-rate basis. The children work from 4:00 a.m. to 5:00 p.m. They work outdoors in the burning sun and breathe the acrid smoke from the plant. There is no drinking water or toilets near by. Many of the children come from tribal families who have been displaced by the effects of modernization. The plant management denies any responsibility for the working children; they are not employees and they are outside of the plant's boundaries. Dr. Patra wished we had enough time to visit the mines in Orissa where the same facts are replayed: children are working in the backyards of the mines, officially the management can rest in peace, there are no children working in the mines.

Before turning to the role and responsibility of the World Bank regarding child labour, I would tell you that my personal experiences in India could be replicated in other developing countries from South to Central America, from Africa to Asia.

II. THE WORLD BANK AS ORIGINATOR OF CHILD LABOUR.

According to the latest estimates from UNICEF and ILO, there are about 44 million working children in India. The largest number of the world's working children are found in India.¹⁶ In Orissa alone, the number of children under 14 years of age who works in exploited situations is estimated to be 617,351 by UNICEF. The total population of child workers in Cuttack City is 33,443 among whom 3600 work in mining and quarrying and 1500 work in construction. Most of the children work at least 8 hours a day.¹⁷

In spite of these facts, the World Bank is currently financing two important projects in Orissa in which child labour will be stimulated:

First, the India-Orissa Water Resources Consolidation Project, (8 INDPA470/INPA10529) which gives a loan of US \$290.9 million to the government of India from IDA Credit; and

Second, the Coal Sector Environmental and Social Mitigation Project (ID8INDPA394/INPA09979) which is granting US \$500 million to Coal India to open or upgrade 33 mines in Orissa, Bihar, Madya Pradesh and Maharashtra and an IDA credit of US \$50 million for financing environmental and social impact action programs.

In both cases, legitimate development needs are met but should it be at the expenses of child labour?

Little hands will be working in the construction of the Naraj barrage ("dam").¹⁸ The barrage is going to replace old Naraj weir which has been damaged by the flood of 1982. It will be 940 meters long and would require 130,00 cubic meters of earthwork and 320,000 cubic meters of concrete. This will offer a good opportunity to destitute working children in Orissa who are known to "indulge in stone cutting, brick making, canal digging, road construction".¹⁹

Tribal children will no doubt be found working in the backyard of the new mines of Coal India which is going to displace 10,445 persons (many of whom belong to the oldest tribes of India).²⁰ A Resettlement and Rehabilitation Policy and an Indigenous Peoples Development Plan are provided in the package deal. India Coal will provide employment for 18% of the displaced persons and the remaining 82% (7,549 persons) will be entitled to assistance for self-employment with the help of five N.G.Os selected by Coal India.²¹ The four states where the mines are going to be located are known for their large numbers of working children.

Furthermore, the majority of working children are to be found among the "migrant families at construction sites, brick-kilns and mines".²²

Not only do some World Bank financed projects contribute to the growth of child labour but industries which rely on child labour are given as an example of success stories in a World Bank Discussion Paper. The fact that India has become the largest exporter of cut and polished small diamonds, is described as a success because "India's large pool of low cost artisans gives it a strong competitive advantage in this industry".²³ No field study was made to verify who were some of these artisans. There are about 13,600 children below the age of 14 years old working in the gem polishing and diamond-cutting industries.²⁴ One expert has observed:

The influx of child labour into the industry is a relatively recent phenomenon that has occurred because the international demand for gems has risen sharply.... When the demand for gems was not very high, child labour was not widely prevalent.²⁵

In the same World Bank Discussion Paper, the authors praise Bangladesh's successful garment exporting and the fact that "about 90% workers are female."²⁶ But, according to Pharis Harvey, there are about 300,000 children working in the Bangladesh Garment Manufacturers.²⁷ These females, often girls 8 years of age or less, work like slaves.

On March 27, 1996 I wrote to the Inspection Panel of the World Bank to notify the Panel that child labour will take place in the India-Orissa Water Resources Consolidation Project. On May 10, 1996 I was invited to attend an informal meeting at the Bank. I was informed that the Bank was aware of the problem of child labour and that, probably in two years, a policy on child labour could be included in World Bank projects. I also received a letter from the Office of South Asia External Affairs which informed me that "project execution," however, is the responsibility of government agencies."

The World Bank, the leading global development organization, is in a state of denial about its responsibility in this area. The Bank does not even comply with article 32 of the UN Convention on the Rights of the Child which states that every child has a right "to be protected from economic exploitation." In a World Bank publication, Jobs, Poverty, and Working Conditions in South Asia,²⁸ it is observed that "child labor has to be understood before policies can be designed to eliminate it." But studies are a smoke screen to shield confrontation of the true facts. Many studies have been done in the past years. But how many are needed for the World Bank to assume its true global role in human development?

III. SOLUTION.

A policy against child labour in World Bank financed projects is urgently needed as well as an independent monitoring system established by community based non-governmental organizations ("NGOs") to insure that children are not are being exploited in World Bank financed projects or as a consequence of those projects. Such a policy would set a global example and put pressure on governments which rely on working children for foreign exchange and cheap labour.

The facts are clear. It will take a worldwide effort to fight child labour. Without the interest and intervention of the United States Congress, the problem will not go away. Why should American taxpayers participate in the silent dehumanization of globalization? Why should American taxpayers contribute to the financing of projects in which children are exploited? By whatever legislative means you seek to employ, please take steps to prevent the World Bank from contributing to a growing global problem.

Mr. Chairman, I applaud these hearings and your leadership as well as that of your Subcommittee members. Thank you for giving me an opportunity to be a voice for the voiceless, the exploited children.

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BIOGRAPHICAL STATEMENT : FRANCOISE REMINGTON

Francoise Remington is the founder and executive director of **FORGOTTEN CHILDREN**, a registered 501(c)(3) non-profit organization based in Arlington, Virginia, which has for its primary mission improvements to the conditions of children living in difficult circumstances in the world, mainly through educational projects. **FORGOTTEN CHILDREN** is implementing its first vocational and educational project for 50 working children in Tamil Nadu, South India, with the collaboration of Sister Rita Thyveettil, a Roman Catholic nun from the Congregation of the Sisters of the Cross of Chavanod.

For the past 12 years, Mrs. Remington has been a child rights advocate. She has written many articles on child labor which have been published in India, Japan and the United States. From 1985 to 1988, Mrs. Remington directed the India Program for the American Adoption Agency, Washington DC. During that time, she travelled extensively all over India to visit orphanages and she placed 25 orphan children in American homes. Also during these years, she witnessed children working in factories and established a network of Indian and Nepalese activists who are working against child labour.

Mrs. Remington has a Masters Degree in International Relations and Economics from the Johns Hopkins University, School of Advanced International Studies (1985) and a Doctorate in French Literature from the University of Paris, Sorbonne (1981). She has worked as a short term consultant for the World Bank. She recently participated in an Expert's Seminar on "Children's Rights, Housing and Neighborhood" (February 1996) in preparation for the United Nations Conference Habitat II.

Her work for **FORGOTTEN CHILDREN** is without compensation. Professionally, with many years of high school teaching experience, Mrs. Remington teaches French at the Washington International School. She has dual nationality: French and American citizenship. Mrs. Remington and her husband, Michael J. Remington, are the proud parents of three adopted children from India, two of whom come from Mother Teresa.

Testimony of
Anthony G. Freeman
Director, Washington Branch
International Labor Office (ILO)

“Strategies and Achievements of the
International Program on the Elimination of Child Labor
(IPEC)”

Subcommittee on International Operations and Human Rights
Committee on International Relations
U.S. House of Representatives

July 15, 1996



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Thank you, Mr. Chairman. Mr. Chairman, Distinguished Members of the House Subcommittee on International Operations and Human Rights, ladies and gentlemen.

My name is Anthony G. Freeman, and I am the Director of the Washington Branch of the International Labor Office. The Office is the Secretariat of the International Labor Organization, a specialized agency of the United Nations.

First, I would like to thank you for the opportunity to tell you about the ILO's International Program on the Elimination of Child Labor.

You have asked me to describe the ILO's work in the field of child labor and specifically the strategies of the IPEC program that have led to concrete reform.

I propose to cover the following subjects in these remarks:

- the ILO and its work;
- ILO labor standards and child labor;
- overview of IPEC
- IPEC strategies
- IPEC programs and projects that are achieving concrete reform;
- U.S. support to IPEC
- the ILO's goals and plans for IPEC's future work

1. The ILO and Its Work

The ILO's mandate is to advance human rights in the workplace, to improve working conditions, and to promote employment. Its "clients" are mainly developing countries and newly emerging market economies.

The ILO is unique in that the representation of the 174 member countries is tripartite. Workers, employers and governments meet at every stage of the ILO's work to debate, decide policy, and to approve the program and budget. These three constituents also work together in the field to design programs and projects, and to carry them out. Tripartism is a vital principle in industrial relations around the world, and it is an important element in the success of IPEC.

International Labor Standards

Another ILO strength is its core mission, the setting, promotion and adjudication of labor standards as set forth in ILO conventions. The ILO's work on labor standards has earned the Organization the reputation, as stated by former Secretary of Labor Elizabeth Dole, as "the United Nations' most effective advocate of human rights." The ILO's achievements in this field also earned the Nobel Peace Prize for the ILO on the Organization's 50th anniversary in 1969. ILO moral pressure and persuasion have achieved noticeable improvements in workers' rights and working conditions.

Technical Assistance

Member states that are unable to meet certain ILO labor standards often ask for help in order to bring their laws or practices, or both, into conformity with standards. The ILO provides technical assistance through research, analysis and advice on such topics as labor policy and legislation; through training, including courses for labor inspectors, small business entrepreneurs, staff of employer and worker organizations; and through field projects, such as setting up rural cooperatives.

On-site assistance to member states has grown to the point that the ILO's technical cooperation programs now operate in some 140 countries and territories, and the average annual expenditure is \$130 million. To better meet the needs of recipient countries, the ILO has decentralized much of its work to regional and national offices. There are 44 field offices in recipient and donor countries. The ILO also has assigned 14 multidisciplinary teams (MDTs) to field locations. Each team possesses a high level of expertise in the areas for which ILO assistance is most frequently sought. For example, the Central American MDT, based in San Jose, has provided assistance in negotiating and consolidating the social clauses of peace agreements, particularly in Guatemala. The ILO's fundamental Conventions are being used throughout the subregion as basic elements in the establishment of the rule of law and protection of the citizenry.

2. ILO Labor Standards and Child Labor

Child labor has been a concern of the ILO since the Organization was founded in 1919 under the Treaty of Versailles. Part XIII, Section I of the Treaty, which establishes the ILO and which is now the Preamble to the ILO's Constitution, states that improvement of working conditions "is urgently required" and included in the examples of such conditions is the protection of children. A few months later the first minimum age convention was drafted prohibiting work by children under 14 years of age in industrial enterprises.

A number of Minimum Age Conventions followed, applying to specific sectors and occupations. Two conventions on forced labor (No. 29 of 1930 and No. 105 of 1957) have been widely ratified and continue to be instrumental in the fight against child slavery.

In more recent times, comprehensive standards were set in the Minimum Age Convention (No. 138 of 1973) which calls on member states to aim for the effective abolition of child labor. And this year, the Governing Body of the ILO approved a plan to develop a convention that will aim to eliminate the most flagrant abuses of child labor, including child bondage, forced labor, sexual slavery, hazardous working conditions, and the use of children in pornography.

This new convention probably will be adopted in 1999 and will reinforce and facilitate the ILO's ability to deal with the most abusive forms of child labor through the ILO's labor standards machinery. It will also underscore the highest priority which member states have given to the fight against child labor through the ILO.

It is worth noting that the ILO is conducting a campaign to promote ratification and

implementation by member states of the ILO's seven core conventions¹ - those covering freedom of association, non-discrimination and the abolition of forced and child labor.

The ILO's international labor standards effect change through their ratification by member states and implementation in national laws, and through the ILO's supervisory procedures to promote their application in law and practice. This process is considered to be the most advanced of all such international procedures. It is based on an objective evaluation by independent experts of the manner in which obligations are complied with, and on examination of cases by the Organization's Committee on the Application of Standards. Regarding the application of the Forced Labor Convention No. 29, repeated discussions on the situation of children working under forced labor conditions as stipulated in the convention have led to concrete action by IPEC partner countries, such as India, Pakistan and Thailand.

3. Overview of IPEC

Background

Until this decade, child labor was viewed in developing countries with a mixture of indifference, apathy and even cynicism, partly due to ignorance. Child labor was so widely practiced for generations that it was accepted as part of the natural order of things. Therefore, the position was one of denial - by governments, by employers and by parents. Even for donor nations, child labor was almost nowhere on their list of priorities. As late as the mid-1980's, it was virtually impossible to obtain grants for child labor programs.

In 1989, the body of international law and ILO instruments received added momentum with the adoption of the United Nations Convention on the Rights of the Child.

The ILO and several governments interested in combating child labor began discussions in 1990 on ways to address the problem. A five-year commitment of \$32.5 million from the German Government enabled the ILO to launch its vigorous offensive against child labor in 1992. The United States added its support in 1995 with an initial grant of \$2.1 million, followed by an additional \$1.5 million in 1996.

IPEC Operations and Funding

Today, a total of 25 countries receive IPEC assistance. Full-fledged country programs now operate in the six countries that joined IPEC in 1992: India, Indonesia, Kenya, Thailand, Brazil, and Turkey. The development of programs is underway in the five second-generation countries that joined IPEC in 1994 and early 1995: Bangladesh, Pakistan, the Philippines, Tanzania, and Nepal. This year, Memorandums of Understanding have been signed with eight more countries, and preparatory work is underway in at least six more countries.

¹ No. 29 - Forced Labor (1930), No. 87 - Freedom of Association and Protection of the Right to Organization (1948), No. 98 - Right to Organize and Collective Bargaining (1949), No. 100 - Equal Remuneration (1951), No. 105 - Abolition of Forced Labor (1957), No. 111 - Discrimination in Employment and Occupation (1958), and No. 138 - Minimum Age (1973)

IPEC now receives support from nine donor countries. Total contributions to IPEC - paid-in or committed - have reached \$80.7 million. The three largest donors are Germany at \$65 million, Spain with \$12.5 million, and the United States with \$3.6 million. Negotiations are underway for donations from the Netherlands, Italy, Sweden, Switzerland, and the United Kingdom.

The Challenge

Child labor is a vast, complex and multi-faceted problem. The efforts and funds to solve it need to be commensurate. Though reliable statistics are rare, available information suggests that the number of working children remains extremely high. No region of the world today is entirely free of child labor. Combining various official sources, the ILO estimates that more than 73 million children in the 10-to-14 age group were economically active in 1995, representing 13.2% of all children of those ages around the world. ILO experts estimate that if all of the working children under 10 and between 14 and 15 could be counted, the total number of child workers around the world might well be in the hundreds of millions.

4. IPEC Strategies

Given the magnitude and complexity of the problem and the available resources, IPEC takes a realistic and pragmatic approach and aims to achieve the progressive elimination of child labor:

- by strengthening national capacities to address child labor problems, and
- by created a worldwide movement to combat child labor.

Four years of intensive field experience have shown that child labor problems will be solved effectively only if they are "mainstreamed" into national social and economic development policies, programs and budgets, and if the program is "owned" by the countries themselves. This means that long term and short term goals and strategies are translated into visible and explicit components in line ministries, government administrations and in civil society, and that a public accountability system is set up. IPEC has incorporated three essential strategies that have proven to be very effective steps towards concrete reform:

- First and foremost, IPEC obtains support and commitment at the highest level of the national government. India, Pakistan and Brazil are examples of countries where the political leaders have signaled the importance of the fight against child labor to the whole country through massive information campaigns.
- Second, IPEC makes a long-term commitment to national partners. It takes about 10 years to achieve "mainstreaming" of child labor problems into national social and economic development policies, programs and budgets.
- Third, IPEC takes a comprehensive, multi-dimensional approach. This strategy is illustrated by the following approaches that have proven to be essential to achieve a measure of success.

IPEC's main action priorities are:

- to *support* national efforts to combat child labor;
- to help countries develop a *permanent* capability to tackle the problem;
- to give priority to the eradication of *the most abusive types of child labor*;
- to emphasize *preventive* measures.

IPEC's two priority target groups are:

- children working under forced labor conditions and in bondage;
- children in hazardous working conditions and occupations;

Within these groups, special attention is given to the most vulnerable:

- very young working children, those under 12 years of age;
- girls.

5. IPEC Country Programs and Projects

Motivating the parties to the solution

The ILO brings together its tripartite constituents - government and employers' and workers' organizations - as well as NGO's and other relevant partners - to engage in a dialogue on child labor problems, to forge ties between them and to facilitate joint action.

Because no organization can solve this problem on its own, IPEC has motivated many implementing agencies to work together and thereby achieve better cooperation between governments, non-governmental organizations (NGO's), employers, and workers, and their organizations. Mutual trust and respect among them have also increased.

At the policy level, National Steering Committees (NSC) have proven effective for uniting old and new partners and developing consistent policies, strategies and plans of action. In Kenya, for example, the NSC was officially mandated by the Government to address child-labor issues nationwide. In the Philippines, the NSC became part of an existing official coordinating body on child labor with an expanded mandate to cover all child labor programs.

This process of building cooperation culminates in a formal commitment of the government to cooperation with ILO-IPEC through a Memorandum of Understanding.

Situation analysis

Research is essential to determine the nature and magnitude of child labor problems in a country. Therefore, the ILO has developed a *survey methodology* to enable countries to obtain benchmark statistics on children's work in general or to produce statistics on specific core variables. It was tested in Ghana, Indonesia, India and Senegal, and has been used as a module within an ongoing national survey program in the Philippines and Turkey. In Pakistan, it is now being used as a free-standing survey. Nepal will attach a child module to a national survey, and other independent surveys will take place in Bangladesh, Indonesia and Thailand. A report on findings in the first four countries has been published. The ILO Bureau of Statistics is finalizing a manual for statisticians and helping statistical offices in various countries obtain sound information on child labor.

Helping concerned parties devise national policies and plans of action

ILO facilitated and, in several instances, initiated the process of developing national policies to combat child labor by collecting and compiling sound information, and then offering the partners a forum for discussion to discuss and review the strengths and weaknesses of existing policies and programs. In Bangladesh, Indonesia, Kenya, the Philippines, Tanzania, and Thailand, national seminars or conferences have led to the adoption of national plans of action which go beyond a

statement of intention and set out strategies to combat child labor. A national plan was developed in Turkey, a regional conference for Central American countries took place, and a seminar was organized for the Arab States. National conferences leading to formulation of national policies have taken place in Argentina, Benin, Cameroon, Ecuador, Egypt, Peru, Senegal, Venezuela and Zimbabwe. Preparations are underway for Burkina Faso and Uganda.

Partner organizations regard the development of national policies and programs as extremely important because they show the government's commitment to addressing the problem in cooperation with all other concerned parties in society. In countries such as Brazil, India, Indonesia, the Philippines, and Thailand, the design of a national plan of action also served to focus the attention of the ILO-IPEC country program on specific groups of working children who were formerly neglected, but who are in dire need because of the exploitative or hazardous nature of their work.

It would be presumptuous to say that ILO-IPEC has been responsible for the many positive changes now taking place or that it has been the sole or main actor in initiating major policy changes and reform to improve the lives of working children. However, ILO-IPEC has contributed to, and acted as, a catalyst for such changes.

Raising Awareness

ILO-IPEC emphasizes the importance of awareness-raising both for prevention and elimination of child labor. Most action programs contain an awareness-raising component to mobilize the media and/or to work through meetings and visits to homes, schools and the workplace. Partner organizations in many countries have noted that society at large, its institutions, employers, parents and working children themselves are often unaware of the harmful effects of strenuous labor on children's future lives as productive adults. It has been acknowledged that if society as a whole recognizes that child labor is a problem, the stage has been set to stigmatize and then eradicate the most abusive forms of child labor.

When organizing public-awareness campaigns, media messages must be tailor-made for specific target groups. For example, the employers' organizations in Brazil, India, Indonesia, Kenya, Pakistan, the Philippines, Thailand, and Turkey, and workers' organizations in Bangladesh, Brazil, India, Kenya, and Turkey have effectively raised awareness among their members as an important step to address the problem.

In several countries the child labor units of the ministries of labor have set up a central office for the collection and dissemination of information.

Professional media organizations are the most suitable partners for disseminating information to the general public. Radio is a very effective and relatively inexpensive way to reach isolated and poor communities in local dialects. Television, film and video are also powerful media in all partner countries.

Promoting protective legislation

ILO-IPEC has provided expertise to improve national legislation to protect children in Indonesia and Nepal. IPEC has also helped draft regulations to facilitate the implementation of national legislation covering child labor, for example, in Pakistan.

Labor inspectorates can be a powerful tool against child labor. Labor inspectors are often the only people who can gain access to child workers in hidden workplaces in the formal sector. In many countries joint action between labor inspectors, the media and NGO's has brought intolerable situations into the open. The ILO has helped to train labor inspectors and has developed a comprehensive training package which was field-tested in Indonesia and Turkey and then adapted for use in Pakistan.

Wherever possible legal aid has been extended to children.

Limited resources have constrained IPEC's ability to provide advice and assistance with legislation, regulation, inspection, enforcement, and judicial action. Much more needs to be done in these areas, as well as with social security and health insurance. At present, social security systems in most countries do not cover working children adequately, either because the systems are unable to provide sufficient coverage or because children are not officially allowed to work.

Supporting demonstration projects on prevention and withdrawal

The first years of IPEC have shown that investment in the *prevention* of child labor is the most cost-effective measure for all actors. Even eradicating only the most abusive forms of child labor - which requires measures to "rescue" children from work and to rehabilitate them, requires an investment far beyond the resources available to ILO-IPEC. Many action programs therefore have been geared towards prevention: firstly, by identifying the geographical areas, social groups and conditions that favor child labor, and by finding out the "push" and "pull" factors in industries or occupations; and secondly, by intervening at the policy and grass-roots levels.²

Preventing and withdrawing children from work, starting with the most hazardous and exploitative types of work remains the central aim of ILO-IPEC. The Program encourages partner organizations to focus on children who are in immediate danger, and to ensure that measures are taken to prevent newcomers from entering the workforce prematurely.

- Education and poverty alleviation

The most effective instruments for the elimination of child labor ultimately will be *affordable, relevant quality education* for children up to the age of 15 and *poverty alleviation* among population groups where child labor is rampant.

ILO-IPEC is determining priorities for programs in education and training within its available resources. It is important to note that Bangladesh, Indonesia, the Philippines and Thailand have substantially increased their budgets for education in recent years for the 12 to 15 age group. The Ministry of Education in Thailand made special efforts to provide education for girls who risk being lured into prostitution and sought ILO-IPEC help with a module on vocational training for the

² "Push" refers to factors which reduce opportunities for children to go to school, or to have a protected period of dependent childhood, or to have secure food and housing, thus forcing them into the job market for want of alternatives. "Pull" refers to factors which create opportunities and demand for low-paid, unskilled workers which entice children to join the job market.

secondary school curriculum.

Experience has shown that pointing out the risks and dangers of working at an early age is a necessary and effective preventive strategy. However, this alone will not keep large numbers of children out of work. It is not a viable solution to promote schooling when the quality of education is poor. Many of the action programs have attempted to provide access to formal schooling and vocational training systems and supply non-formal education and pre-vocational skills-training. This is a promising area for further investment. With resources from Norway, and in cooperation with UNICEF, UNESCO and Education International, ILO-IPEC is currently drawing up an inventory of successful education programs in 13 countries. So far, various "model" strategies have emerged which show potential for replication and eventual mainstreaming.

One effective way to prevent child labor is to introduce a module on child labor into the regular primary-school curriculum to inform children about their rights, the dangers of premature work and the importance of education. This method has been applied in Thailand and similar programs are planned in India and Nepal.

In India, child labor was prevented by ensuring school enrolment of children between the ages of four and six. It was easier to persuade parents with children in this young age group to send them to school than to persuade working children and their parents that the children should give up earning money and go back to school.

In Indonesia, learning materials geared to the needs of working children were developed and integrated into a large government-funded, non-formal education program. The curriculum included subjects such as literacy, numeracy, basic bookkeeping, hygiene and "life" skills. Several of the ILO-IPEC implementing agencies have started to use these materials and have commented that they are well received. This program inspired a similar initiative in Thailand where specific modules on child labor are being developed for the Government's non-formal education program.

Many more lessons have been learned about education through trial and error and are providing valuable guidance for other partner countries and for future programs.

In cases of absolute poverty, it is impossible to eliminate child labor without addressing the family's poverty problems at the same time. Although IPEC experience is still limited in this field, it has shown that ILO-IPEC must increase its efforts to incorporate special child labor components into ongoing or planned programs on structural adjustment, poverty alleviation and employment creation. Experience from India and Indonesia suggests that income-generation and poverty alleviation schemes should include explicit measures against child labor or must be supplemented, linked to and coordinated with other programs aimed at limiting child labor and promoting further schooling for children.

- Health programs

Setting up both health treatment and prevention action within an integrated program makes sense not only from the humane point of view but is also a very effective first step in convincing employers and parents of the value of removing children from dangerous work and working conditions. Pioneering work in this area has been carried out in Turkey.

- Incentives

In India certain incentives were essential to attract children to school. These included providing the first school uniform or set of clean clothes, books and school fees. Experience from many action programs in Kenya and other African countries suggests that children drop out of school not necessarily because their wages are needed but because school fees are not affordable. More strategic action will be required to aid efforts to increase the income of poor families and/or to lower school fees and related expenses to an affordable level. In Turkey, an implementing agency started by financing nutrition and health. At a later stage, the cost of health services was born by the hospital, and the community contributed to providing nutritional supplements.

It is clear that incentives are often needed to break the vicious circle of children working long hours for very low wages. However, incentives such as stipends in IPEC programs must remain short-term and need to be borne in the long run by the community, governmental or other agencies.

- Rehabilitation

Comprehensive rehabilitation measures for vulnerable ex-child workers are badly needed. They include education, training, health services and nutrition, intensive counseling, a safe environment, and often legal aid. However, because their cost is prohibitive, IPEC has confined itself to supporting only a few model initiatives to demonstrate how rehabilitation measures can be set up effectively.

- Capacity-building

Many partner organizations were unfamiliar with specific types of child labor projects with the exception of ministries of labor and a few NGO's. Initial awareness-raising and training in child labor problems and solutions were necessary, and many implementing agencies also needed training on how to develop and manage action programs and how to comply with reporting and administrative procedures. IPEC therefore organized inter-regional workshops and produced a training package with briefing kit on the design, management and evaluation of child labor projects.

6. U.S. Support to IPEC

The United States Congress made a strong commitment to IPEC in the Fiscal Year 1995 appropriation for the Department of Labor. The legislation provided \$2.1 million for IPEC. The following year, the Congress appropriated an additional \$1.5 million for IPEC. The grants are being applied to national projects in Bangladesh, Brazil, the Philippines, and Thailand, and a regional workshop for ten African countries.

The Bangladesh project is already showing results. Its objective is to eliminate child labor in the production of garments imported by the United States. The agreement signed between the ILO, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and UNICEF provides for all child workers in the ready made garments sector to be removed from garment factories and enrolled in schools newly established under the agreement. The children receive a monthly stipend while studying and will have the opportunity to take jobs in the industry once they attain legal working age.

The agreement forbids any new hiring of underage employees and retention of children once all schools have opened. Monitoring teams make unannounced visits to factories and schools, reporting violations to a steering committee for action.

As of this month, more than 112 schools for former child workers have opened, serving nearly 2,000 children, according to a report from the U.S. Embassy in Dhaka. The project's goal is to open some 200 schools, serving 8,000 to 11,000 former workers by the end of next month.

The AFL-CIO's Asian-American Free Labor Institute has encouraged this project and demonstrated a parallel commitment by opening three schools for children presently or previously employed in the industry and for children of garment workers, according to the report. A number of U.S. companies which purchase Bangladesh garments, including Levi Strauss, Wal-Mart, K-Mart, Sears, J.C. Penney, and Montgomery Ward now require that the factories they deal with be "child labor free."

Under a framework agreement between IPEC and the Bangladesh Government, IPEC is funding other projects, including a National Steering Committee for child labor programs, and at least 25 small-scale projects on awareness-raising, technical and vocational training, informal education, welfare services, and data collection.

In-kind U.S. support for IPEC comes from the U.S. Council for International Business (USCIB), which represents U.S. employers in the ILO. The USCIB is playing a leadership role in the design of an action program launched last month by the International Organization of Employers. This includes creation of a database and dissemination of information on actions by companies and organizations in combating child labor and publication of an "employers' best practice" handbook.

Supporting the Worldwide Movement

To help build and sustain the worldwide movement against child labor and to promote action at national, regional and international levels, IPEC

- organizes regional and inter-regional meetings
- supports networking activities at the sub-regional and global levels
- cooperates with employers' and workers' international organizations
- cooperates with international and regional NGO's with extensive experience in child labor
- works at the country level with UNICEF and other relevant organizations
- publishes "Children and Work," an international newsletter in English and Spanish in order to share ideas and experience and communicate progress and lessons.

Related to the child labor problem is the growing international debate on the relationship between trade and certain ILO core labor standards, including ILO Conventions covering child labor. The ILO is studying ways to achieve ratification and implementation of these standards, including a country by country investigation of compliance by member states. Secretary of Labor Robert Reich announced at the ILO's International Labor Conference last month that the United States has agreed to be the first country to be formally reviewed - with the understanding that all ILO members should be prepared to demonstrate the same commitment.

The focus of ILO-IPEC remains children, not international trade. The program makes no distinction in its programs between the end markets for the products produced by working children. The central issue is to stop the abuse of children, regardless of their sector of activity or the market to be supplied.

Research and other developmental work are essential to explore the feasibility of establishing progress indicators in developing countries that could serve as a basis for granting trade incentives. IPEC field experience has shown that trade sanctions, or the threat of trade sanctions can have harmful effects on the children concerned. However, it is believed that positive trade incentives are the right strategy to motivate constructive measures to tackle the child labor problem in these countries.

7. ILO-IPEC's Future Goals and Plans

ILO's overriding goal for IPEC is to facilitate reform that will lead to the mainstreaming of child labor measures into national policies, programs and budgets. When this happens, a country is self-sufficient and IPEC can withdraw. To achieve this goal, IPEC will:

- continue to replicate and expand successful projects;
- prepare to phase out ILO-IPEC in those countries where mainstreaming has been achieved;
- seek funding to extend the program to countries that have requested help in tackling their child labor problems, but where such assistance can not be provided because the funds are not yet available;
- intensify efforts to systematically tackle child labor abuses that have proven problematic, because the groups of children are difficult to reach (child bondage, child trafficking and exploitative child labor in domestic services and agriculture);
- give countries policy guidelines and practical tools to address their child labor problems on their own.

The growing support for IPEC since its inception is testimony to the progress it has made in demonstrating that there are solutions to child labor, they can be implemented, and the political will to pursue them can be generated, supported and maintained.

Thank you, Mr. Chairman.

**ADDITIONAL STATEMENT SUBMITTED IN RESPONSE TO THE QUESTIONS
POSED BY THE CHAIRMAN AND REPRESENTATIVE MORAN**

The dimension of the problem of child labor is staggering. The total number of child workers around the world today is in the hundreds of millions. It is most prevalent in the developing regions. In absolute terms, it is Asia, as the most densely populated region of the world, that has most child workers (probably over half). But in relative terms, Africa comes first (an average of one child out of three is engaged in economic activity). In Latin America, we estimate that an average of one out of five children is economically active.

ILO's experience in assisting member States shows that to achieve sustainable results in the elimination of child labor--in addition to a strong political will and commitment--a comprehensive and long term strategy is required to bring about the necessary reforms in national policies and budgets, as well as changes in social attitudes.

Accordingly, financial commitments, international and national, need to be comprehensive and long term.

The estimates for additional funding for 1997-2002 given below are based on our present knowledge of needs and absorptive capacity in ILO/IPEC partner countries and in those countries that have either formally or informally signaled that they would like to become partner countries. We expect that there will be about 25 developing countries participating in IPEC by the end of 1996; we calculate that by 2002 ILO/IPEC will have around 50 partner countries. If a donation of \$50 million were made available to the ILO for IPEC over a 5-year period, we would propose to use it as follows:

- A) \$12 million for additional funding for 22 ILO/IPEC partner countries¹ that have greater needs than what can be allocated to them with available funds committed so far by donors.
- B) \$26.5 million for additional funding for preparatory activities and start up of comprehensive technical cooperation programmes in about 30 new partner countries.²
- C) \$11.5 million for specific research, advocacy and implementation of regional and interregional projects (e.g. trafficking of children, child slavery and bondage, mainstreaming of child labor issues into social and economic policies, child labor in manufacturing industries, and statistical surveys on child labor).

1 Asia: Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Thailand; Africa & Arab States: Kenya, Tanzania, Egypt; Latin America: Brazil, Colombia, Bolivia, Chile, Venezuela, Peru, Panama, Guatemala, El Salvador, Nicaragua, Costa Rica; Europe: Turkey

2 Asia: Cambodia, China, Mongolia, Vietnam, Sri Lanka; Africa and Arab States: Benin, Burkina Faso, Cameroon, Senegal, Uganda, Zimbabwe, Ethiopia, South Africa, Mali, Niger, Palestine, Yemen, Lebanon, Morocco, Tunisia; Latin America: Argentina, Ecuador, Dominican Republic, Honduras, Paraguay, Haiti, Uruguay, Belize, Mexico; Eastern European countries: Kazakhstan

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Statement by Rep. James P. Moran
Before the Subcommittee on International Operations and Human Rights
June 11, 1996

Mr. Chairman, I want to begin by thanking you for holding this hearing. Believe it or not, this is the first time a House Committee has held a hearing devoted to the worldwide problem of child labor. It is long overdue.

Many Americans have been startled to learn recently that many products they purchase, often bearing the names of celebrities, have been manufactured by children under unspeakably oppressive labor conditions.

Celebrities have been quick to point out their ignorance, and thus their lack of responsibility for the problem. They seem to deny or downplay the use of child labor and portray themselves as victims of an attack by the media.

Mr. Chairman, I'd like to tell you about a few of the real victims.

Shadab is a nine-year-old boy. Since he was six, he has spent 12 hours a day, six days a week, squatting in the semi-darkness on damp ground polishing metal in a brass factory. The air in the factory is visibly thick with metal dust. The temperature is 120 degrees. The bare floor is damp with acid that sloshes from big vats onto the ground.

Silgi is a three-year-old girl. She sits on a mud floor in a filthy dress stitching soccer balls bound for Los Angeles. With needles bigger than her fingers, her stitching is adequate, but her hands are so small that she cannot handle scissors. She must get assistance from a fellow employee -- her sister.

Anwar, another nine-year-old boy, started weaving carpets at the age of six or seven. He was told repeatedly that he could not stop working until he earned enough money to repay an alleged family debt. He was never told who in his family had borrowed or how much money they had borrowed. Whenever he made an error in his work, he was fined and his debt increased. When he was too slow, he was beaten with a stick. Once, he tried to run away, but he was caught by the local police who forcibly returned him to the carpet looms. In order to take a break, he would injure himself by cutting his own hand.

Forced labor is illegal in most parts of the world, yet it is on the increase in Asia, Africa and Latin America. The reason is simple: exploiting children is both easy and profitable.

Employers prefer child laborers because they are easy to control. One toy manufacturer in Thailand told reporters "if we give them meals we can control them very easily."

A Moroccan carpet manufacturer said he prefers "to get them when they are about seven . . . their hands are nimbler, and their eyes are better too. They are faster when they are small."

Mr. Chairman, these are not isolated cases.

Some argue that child labor is natural in poverty ridden countries and that eventually, through investment and growth, child labor will die a natural death. Our acceptance of child labor as a natural consequence of extreme poverty has led to its world-wide increase. To turn a blind eye to those that make a profit from buying and selling children is to condone it.

We, as consumers, are all complicit if we do not ask the right questions and demand satisfactory answers. We all have a greater responsibility than passing the buck and assigning blame.

In addition to fulfilling our personal responsibility, we also have a national responsibility. We should require that any country receiving U.S. foreign assistance certify that it has enacted, and is enforcing, effective child labor laws. The State Department should be responsible for auditing, and when necessary, revoking the certification. This is why I, and about 40 bi-partisan co-sponsors, have introduced the Working Children's Human Right's Act.

The enforcement of child labor laws will not put an end to cheap, exploitive labor conditions nor significantly raise the price of the products we purchase. It will, though, create more job opportunities for parents and appropriate breadwinners around the world to become compensated participants rather than pawns in the globalization of our economy. Most of us have been blessed by the accident of birth but such good fortune ought not relieve us of some personal and collective responsibility to those who have not been so blessed.

Thank you again, Mr. Chairman, for taking the first step by holding this hearing. I hope we can form a strong bi-partisan coalition to combat this abhorrent denial of the most basic human rights of children.

**Statement of Charles Marciante, President
New Jersey State AFL-CIO**

before the

**House Committee on International Relations
Subcommittee on International Relations and Human Rights**

on the Use of Child Labor in Overseas Production

June 11, 1996

Mr. Chairman and members of the Subcommittee:

On behalf of the New Jersey State AFL-CIO, I want to thank you for the opportunity to submit my testimony for these important hearings.

"Child Labor is a wicked practice -- one totally abhorrent to all ideals of intelligence... There is nothing in later life that can ever compensate a neglected or abused child for the losses which were a part of its childhood. As the human body and the human mind and the human personality develop they remain fundamentally unchanged. There is a time to grow and a time to develop which never returns..."

This is a quotation from Samuel Gompers, the first president of the AFL, written in 1916 when child labor in the United States was a serious problem. You might say to yourself: yes, but that was almost 80 years ago. What bearing does it have on us today?

Eighty years ago, conditions for working children in India, Sudan, Haiti and other developing nations were not so much worse than conditions for child workers here in the U.S. Furthermore, international trade was minimal compared to today. The impact of their societies on ours was insignificant.

Since that time, the United States has made enormous progress. Our wages and working conditions are among the best in the world and we do a fairly good job of enforcing comprehensive laws against the use of child labor. However, a recent expose' found that in the garment district of New York the child labor continued to exist.

Hundreds of millions of children are in the global labor force. For U.S. policy, this is a fact of both moral and economic significance. Today, capital flows freely across international borders. Technology is almost completely mobile. Exchanges between branches of multinational corporations account for almost half of all world trade, and several international

corporate empires now have incomes at their disposal that are greater than the total gross domestic product of many medium sized nations.

It has become a simple thing for companies to shop the world for the least expensive, most exploitable and best trained workers. This means that millions of children are compelled to labor night and day for a pittance, in conditions which are truly Dickensian. Through unregulated trade, the products that they make are imported into the United States, displacing American workers and depressing living standards, here and abroad.

The Scope of the Problem

While there are few firm statistics on the use of child labor, there is much that can be gleaned from peripheral reports and limited sectoral or regional studies.

In press reports on the civil war, refugees from southern Sudan tell horrifying stories of soldiers executing adult males and capturing male children to serve as slaves.

The use of child miners in remote Peruvian gold fields was not widely known until burial sites were discovered in 1991. Treated as chattel, child workers were dying from accident, overwork and starvation.

A 1988 *Business Week* article described the abuse of Chinese children in a toy factory owned by Kader Enterprises Ltd., Hong Kong's largest toy maker. When asked about Chinese government objections, one Kader official replied: "We told them, this is the toy biz. If you don't allow us to do things our way, we'll close down our Chinese factories and move to Thailand." They did not, in fact, close their plants in China. They did, however, open plants in Thailand which they ran in similar fashion. In May, 1993, one of Kader's Thai toy factories burned to the ground, becoming the worst industrial fire in history. Managers had locked the doors of the plant to "prevent theft." Approximately 200 young female employees were burned alive or crushed to death. Many were only a few years older than the American children whose toys they made.

The International Labor Organization's most recent surveys indicate that 73 million children between the ages of 10-14 are in the labor force, more than 13 percent of all children in this age group. No one knows how many children under the age of 10 are working. This means that potentially hundreds of millions of children work under the conditions just described.

There are many reasons why children enter the labor force. Within the family, it is generally a practice born of tradition and sustained by necessity. Poverty is the primary motivation for sending children outside of the home to work. This, in turn, often breeds exploitation.

According to experts, the prime reason that employers find child workers so attractive is precisely because they are easily exploited. They are more docile. They work fast and they

don't tire easily, so more work can be extracted out of them. If they are cheated in wages or subjected to dangerous working conditions, most are powerless to defend themselves.

From what little is known, it appears that child labor in both Africa and Latin America occurs mostly within the family or in the informal sector. Asia, which has some of the highest absolute numbers of child laborers, also appears to be the region where they are most often used in the formal sector -- sometimes as the direct employees of multinationals or their subcontractors.

There are more than 1 billion children age 15 and under in Asia. Given conditions in the area and based on the AFL-CIO's years of experience in the region, we believe that up to 30% of these children work in the formal and informal sectors. This would give us 300 million working children in Asia alone.

Tragically, in many countries, foreign investment and industrialization have intensified the problem. In Bangladesh, for example, approximately 100,000 children, some as young as 8 and 9 years old, work full-time in the garment industry for \$2.50 or less a week on the same schedule as adults -- six or seven days a week, at least 60 hours a week. Sometimes these children work more than 24 hours straight to fill rush clothing orders for children in the United States, Canada, Japan, and Europe.

Two years ago, an AFL-CIO representative interviewed two Bangladeshi garment workers who reported that children in their factory were routinely subjected to blows on the head for making "mistakes," such as miscounts in packing or unpacking. They also reported that children were punished by being forced to kneel on the floor for 20 to 30 minutes or stand on their heads for long periods of time. They were also threatened with violence: being burned with one of the hot irons, scalded with boiling water or hung up by their hands. The garment workers were sisters, aged 10 and 11.

Thailand has been attracting foreign investment at an unprecedented rate. Exports rose by almost 84% from 1983 through 1987. During this same period -- according to Thailand's own statistics -- the number of child workers in the country jumped 34% to an estimated 1.7 million (others put the figure at more than two million).

There seems to be a direct relationship between the growth of exports and the increase in the number of working children especially where the export growth has been in those industries which normally use child labor -- gem and jewelry manufacturing, carpets, brassworks, textiles and food production. Thousands of these children many below the age of 12 are held virtually as slaves in small back-door factories hidden from overburdened government inspectors.

Working conditions are unspeakable. One of our representatives tells the story of a 12-year-old Thai girl who worked in a garment factory which is an unlicensed sub-contractor for a firm that exports a part of its production to the United States.

She is considered to be "fortunate" since she only works from 8:00 a.m. to 10:00 p.m. with a day off every two weeks. She earns \$27.00 per month. "Fortunate" because her aunt who found her the job works in the same factory. "Fortunate" because she's been promised a shot at a job on a piece rate basis where she can earn as much as \$115.00 per month. Of course this means working even longer hours than she does now and no days off. "Fortunate" because she is protected from being sidelined into prostitution, thus joining an estimated 40,000 other boys and girls in Bangkok's "massage parlors," in a country incidentally where there are an estimated 120,000 prostitutes under 14 years of age.

India is thought to be the country in the region with the worst child labor conditions. Estimates on the number of child laborers in the country range as high as 120 to 140 million. Of these, 55 million are languishing in some sort of servitude, and 10 million are in bondage. Some are sold into bondage by desperate families; others are forced to begin work to pay off their parents' debts. When small, the children work for their parents' *master* (or debt holder) without receiving any wages. When the bonded parents die, the children "inherit" the debt. In effect, the children are born into a system of slavery which can last for generations.

There are more than 3 million Indian children working in brick kilns, stone quarries and on construction sites. At least 25% of them are in "chronic bondage" -- which means they are not recognized as an "individual labor unit" and, therefore, do not get paid for their work.

More than 10,000 children, 90% of whom are Muslim, are employed in the lock-making industry in Aigarah. Their bondage is hereditary. The children earn less than 10¢ for each 12-hour workday. Their bonuses include asthma, tuberculosis and various skin diseases.

One study found that 65,000 children are employed in the diamond cutting and polishing factories of Surat and Jaipur. Some 80% of those in Surat and 20% of those in Jaipur are victims of chronic bondage. They toil for 8 to 10 hours a day and receive a daily wage of only 25¢. Their bonuses, after completely surrendering their childhood freedom, include tuberculosis, viral and urinary infections, skin diseases and eye defects.

About 80% of the 50,000 children (aged 5 to 14) who are employed by the glass and bangles factory of Ferozabad are in chronic bondage. They get paid 16¢ per day. Many suffer from asthma, bronchitis, eye problems, liver ailments, skin burns, retarded growth, chronic anemia and tuberculosis.

A survey of the handloom industry in Kanchipuram found that 20,000 children, aged 7 to 14, work for just 6¢ a day. About 15% of these children have bondage debts. Their working hours are unfixed.

Many of the children employed in the carpet industry are also victims of the bondage system. They are forced to work from 12 to 16 hours a day. Many of the textiles, metal crafts and stonework products that we import from India are also produced under similar conditions.

Conclusion

There are those who will tell you that child labor is too controversial and/or political. This has certainly been the response of those who oppose a formal linkage between worker rights and trade. We believe that this response denies an obvious reality. Labor and the economy are linked. When a global economy rewards those who abuse children, we either condone this abuse or we oppose it. There is no middle ground.

There are those who will tell you that to ban the use of child labor is to further impoverish those who are most in need. But child labor does not just result from poverty, it prolongs it. There is evidence that the work done by children is a major cause of unemployment and underemployment in developing nations. (By some estimates, if India were to confront its child labor problems, at least 50 million good jobs would be created in that nation.) As long as a 10-year-old can be kept in bondage doing production work -- virtually for free -- what incentive is there for an employer to hire the child's father or mother and pay them a decent wage? The status-quo only continues a cycle of exploitation that keeps incomes down and deprives people of the means to buy the products their country produces.

When all is said and done, of course, the real solution to child labor is prosperity: a healthy economy in which an adult workforce gets a fair share of the wealth they create. Our laws and trading rules must be designed to help encourage this outcome.

GEORGE MILLER
 11th DISTRICT, CALIFORNIA
 2205 RAUBEN HOLM OFFICE BUILDING
 WASHINGTON, DC 20515-0507
 (202) 225-2095
 DANIEL WEISS
 ADMINISTRATIVE ASSISTANT
 COMMITTEE ON RESOURCES
 COMMITTEE ON ECONOMIC AND
 EDUCATIONAL OPPORTUNITIES
 VICE CHAIR
 DEMOCRATIC POLICY COMMITTEE

Congress of the United States
House of Representatives
 Washington, DC 20515-0507
 May 7, 1996

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Mr. Charles Ingram
 Environmental Justice
 U.S. Chamber of Commerce
 1615 H Street, N.W.
 Washington, DC 20062

Dear Mr. Ingram:

I am writing to request your assistance regarding oversight of issues that were raised at the Democratic Policy Committee hearing on April 29, 1996, concerning consumer choice and corporate responsibility. As you know, the Democratic Policy Committee consists of Members identified by the Democratic leadership to raise policy issues before the Congress. I regret that you were unable to testify at the hearing; I believe your insight into these issues would have been valuable for those in attendance.

Since you were unable to attend, I would welcome your views in the form of written testimony, and would be happy to include your timely response in the report to the Congress that will be prepared on the hearing.

One of the issues in the general debate over free trade and corporate responsibility is that a highly competitive, unregulated global market can encourage corporations to flee strong environmental protection or labor laws in the United States for nations where these protections are less stringent, or even non-existent. Some governments, and a growing number of non-governmental organizations, have begun promoting consumer information and product labeling as tools that can aid consumers in making responsible choices in the growing global marketplace.

In order for Members of Congress to better understand this growing debate, we would appreciate hearing your views on the following issues:

1. Is the increasing globalization of the economy having an adverse impact on workers or the environment, domestically or abroad?
2. Is there a need to better inform consumers about the products they purchase?
3. Can informed consumers play a role in improving working conditions or the environment on a global scale?

4. How should that information be conveyed, and what is the best mechanism for assuring the accuracy of information about the conditions of manufacture or assembly (e.g., government regulation, independent verification, international organization, etc.)?

5. Would you support a method by which consumers have access at the time of purchase to information about the methods by which products are harvested or made, particularly with regard to the environment or to child or exploited labor?

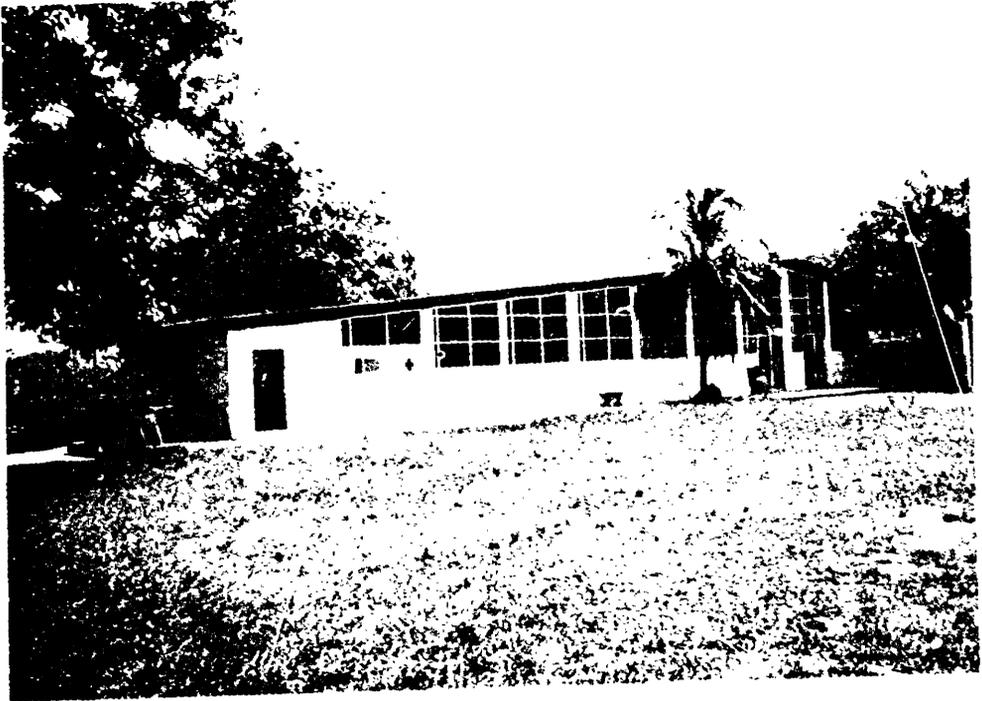
Thank you for your assistance on this important and timely issue. If you have any questions or require further information, please feel free to contact my staff, John Lawrence at (202)225-6065 or Danny Weiss at (202)225-2095.

Sincerely,

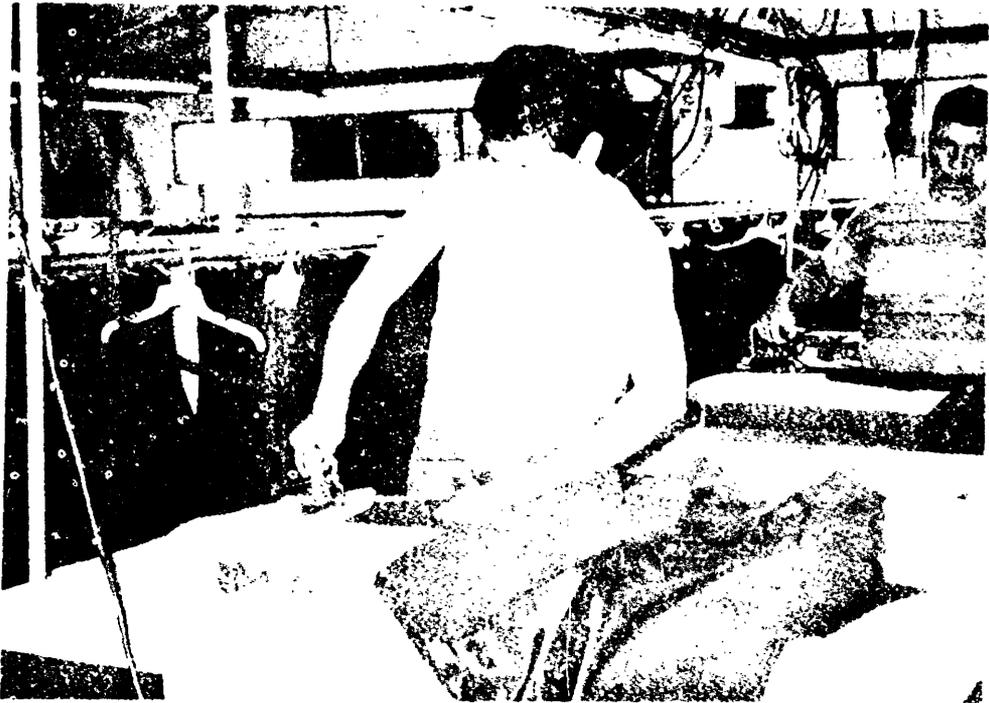

GEORGE MILLER
Co-chair
Democratic Policy Committee

Photographs of the apparel manufacturing plants
Submitted by Jesus Canahuati, Vice President, Honduran Apparel Manufacturers Association













REPUBLICA DE HONDURAS, C. A.
SECRETARIA DE ESTADO
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A C T A

En el municipio de La Lima, Cortés, a los cuatro días del mes de junio de mil novecientos noventa y seis, los suscritos inspectores de Trabajo, en uso de las facultades conferidas por la Ley Laboral y acatando órdenes emanadas de la Supervisión de Trabajo, se constituyen en el Centro de Trabajo denominado ~~ROBMOXAPPAREL~~, S.A. de C.V.", gita en el Parque Industrial Continental de este municipio, con el único fin de levantar acta de compromiso sobre irregularidades laborales que se detectaron mediante inspección completa realizada en dicha Empresa, y se detectó lo siguiente: Que las empleadas NERY FIDELINA ZELAYA, VILMA PADILLA, EVELYN SOLIS, CARMEN ONDINA LOPEZ, denunciaron que los supervisores NELSON MANALO, IMELDA MANALO, LEONIZA RODRIGUEZ; ERLINDA RAMANO y SOTERA CONTRERAS, les gritan para darles órdenes de trabajo y a veces en Tagalog, el Señor Manalo le tiró el coche de recolección de trabajo e inclusive le quiso pegar a una de las empleadas, también la supervisora Erlinda dice la empleada Carmen Ondina Lopez, que ella le dice que le cae mal y le pone sobrenombre diciéndole que su boca es culo de sapo y la pasa trasladándose de un lado a otro, también les pasan diciendo a los trabajadores que renuncien a su trabajo, inclusive algunos de los supervisores filipinos los insultan a los empleados reclamantes que parecen tortugas y son pura mierda. Seguidamente se le cede la palabra a los Supervisores Filipinos siendo ellos NELSON MANALO, LEONIZA RODRIGUES, ERLINDA RAMANO, SOTERA CONTRERAS y la Gerente de Producción IMELDA MANALO quienes por así quererlo se manifiestan a una sola voz lo siguiente: "Que lo manifestado por las empleadas reclamantes algunas cosas son verdades otras carecen de fundamentos, pero nos comprometemos en esta acta que a partir de la fecha este tipo de incidentes laborales jamás se volverán a dar por el buen desarrollo obrero-patronal, y esperamos que las empleadas denunciantes acaten nuestras órdenes de trabajo que se les imparten ya que algunas de ellas no acatan las mismas y si lo hacen siempre reniegan". Acto seguido se le cede la palabra a los trabajadores NERY FIDELINA ZELAYA, VILMA PADILLA, EVELYN SOLIS, CARMEN ONDINA LOPEZ, quienes también por así quererlo se manifiestan a una sola voz lo siguiente: " Que en ningún momento hemos tratado en perjudicar a la Empresa por lo denunciado por nosotros ante los inspectores de Trabajo, sino que lo hacemos para que nos respeten nuestros derechos laborales como tales lo testifica el Código de Trabajo y demás leyes del país, también nos comprometemos que a partir de la fecha acataremos todas las órdenes que se nos den relacionados con nuestro trabajo y que las mismas se den con educación y en nuestro idioma, esperando que este compromiso tanto para los supervisores filipinos y nuestras personas se cumplan apegado a la misma Ley Laboral y de lo contrario acudiremos a la Inspectoría Regional de Trabajo, para el cumplimiento de esta Acta". Y por último se les cede la palabra a la Lic. FRANCIA C. VELASQUEZ, en su condición de Gerente de Personal del mencionado centro de trabajo, quien sobre el mismo dice "Que yo personalmente vigilare el cumplimiento de esta Acta para que no se violen los derechos de los trabajadores como también de los supervisores filipinos ya que mi misión es que se cumplan las leyes laborales regidas por nuestro País. Los Suscritos inspectores de Trabajo, dejan Constancia del compromiso contraído por ambas partes y de violarse el mismo acudiremos nuevamente a recabar la información necesaria para informar del mismo a nuestros jefes superiores. Leído el contenido de la presente acta a las partes declarantes y estando de acuerdo con la misma, la ratifican y la firman para efectos de constancia, juntamente con los actuantes que dan fe.

Mary Zelaya M.
MERY FEDELINA ZELAY
EMPLEADA

Yilma Padilla
YILMA PADILLA
EMPLEADA

Evelyn Solis
EVELYN LOBO, SOLIS
EMPLEADA

Carmen Ondina Lopez
CARMEN ONDINA LÓPEZ
EMPLEADA

Nelson Manalo
NELSON MANALO
SUPERVISOR

Imelda Manalo
IMELDA MANALO
GERENTE DE PRODUCCION

Leontea Rodriguez
LEONTEA RODRIGUEZ
SUPERVISORA

Erlinda Ramano
ERLINDA RAMANO
SUPERVISORA

Sotera Contreras
SOTERA CONTRERAS
SUPERVISORA

Lic. Francisca C. Velasquez
LIC. FRANCISCA C. VELASQUEZ
GERENTE DE PERSONAL



Leonel Enamorado
LEONEL ENAMORADO
INSPECTOR DE TRABAJO



Aldo Hadrid
ALDO HADRID
INSPECTOR DE TRABAJO



Abre E. Guevara Matute
ABRE E. GUEVARA MATUTE
INSPECTOR DE TRABAJO



REPUBLICA DE HONDURAS C. A.
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ACTA ESPECIAL

En la ciudad de Choloma, Cortes, a los veinte días del mes de Junio de Mil Novecientos Noventa y Seis, los suscritos inspectores de trabajo, en uso de las facultades que la ley laboral les confiere, se constituyen en las oficinas de la Empresa denominada ~~INDUSTRIAS DE HONDURAS S. A. DE C.V.~~ ubicada en el parque industrial INHDELVA, carretera a la jutosa, con el único propósito de darle cumplimiento al auto que antecede de fecha siete de junio del presente año, emitido por el jefe de la Inspección Regional de Trabajo. Misma que se deriva en llevar a cabo inspección completa en las instalaciones físicas de la Empresa y constatar los siguientes extremos: PRIMERO: El número de trabajadores que laboran en la Empresa. SEGUNDO: El número de trabajadores que laboran en estado de Embarazo y la jornada que tienen.- TERCERO: Si se les obliga a trabajar tiempo extraordinario y si les pagan el pre y post-natal de conformidad como lo establece el Código de Trabajo.- CUARTO: Si laboran menores de dieciséis años y si la Empresa cumple con la jornada de seis horas diarias equivalentes a cuarenta y ocho de salario semanal.- QUINTO: Si reciben buenos tratos por parte de los ejecutivos de la Empresa y de los Jefes Inmediatos.- SEXTO: Si laboran extranjeros.- Seguidamente los suscritos inspectores de trabajo, para tal fin le ceden la palabra a MARIA SMITH, en su condición de Gerente de planta de la referida Empresa, quien teniendo conocimiento de la visita, libre y espontáneamente, expresa lo siguiente: "En relación al primer punto, nuestra Empresa cuenta actualmente con treinta y cuatro empleados hondureños todos, los que se desglosan de la manera siguiente: hombres catorce (14), mujeres veinte (20).- Los horarios de trabajo para todo el personal de 7:00 a 11:30, 12:00 a 4:30 de lunes a jueves, y el viernes de 7:00 a 11:30 y de 12:00 a 3:30, para un total de 44 horas semanales haciendo una hora más de lunes a jueves para no laborar los días sábados;

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PAGINA #2

cuando se hacen horas extras se hacen de forma voluntariamente; tampoco a ningun empleado se le dan malos tratos de palabra, ya que la Empresa y trabajadores tienen una buena relacion de trabajo.-A nuestras empleadas En relacion a los otros puntos, no laboran en nuestra Empresa empleados extranjeros, ni tampoco menores de dieciseis anos.- La empresa RUSSELL DE HONDURAS inicio operaciones el once de marzo de mil novecientos noventa y seis. Es todo lo que manifiesto al respecto." Los Suscritos Inspectores de Trabajo dejan constancia que no le tomaron declaracion a los empleados RUSSELL, DE HONDURAS S. A DE C.V. en vista que la mayoria de ellos se encuentran en periodo de prueba ya que la misma dio inicio el ocho de abril de mil novecientos noventa y seis, a si mismo pudimos constatar con los expedientes de archivo, que no laboran menores de dieciseis anos y tampoco se encuentran laborando mujeres en caso de embarazo, tambien adjuntamos fotocopias de las planillas de pago donde se hace constar que la empresa paga salarios mas altos a lo establecido en el rubro de la maquila y tambien se adjunta un listado de todos los trabajadores donde se hace constar la fecha de nacimiento de cada uno y la fecha de ingreso a la empresa donde se refleja que son relativamente nuevos.- leidos que le es el contenido de la presente acta a MARIA SMITH en representacion a la empresa y estando de acuerdo con la misma, la ratifica y firma para constancia, juntamente con los actuantes que dan fe.-

Maria A. Smith
MARIA SMITH
GERENTE DE PLANTA

Gabriel
GABRIEL CHAVARRIA DISCUE
INSPECTOR DE TRABAJO

Alfredo
ALFREDO MADRID
INSPECTOR DE TRABAJO

MARIO MEJIA DEL CID
INSPECTOR DE TRABAJO

Miguel Perez Pleites
MIGUEL PEREZ PLEITES
INSPECTOR DE TRABAJO

Ferrado Mejia Ninos
FERRADO MEJIA NINOS
INSPECTOR DE TRABAJO



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ACTA ESPECIAL

En la Ciudad de Choloma, Depto de Cortés, a los días y nueve días del mes de Junio de mil novecientos noventa y seis; los suscritos Inspectores de trabajo en uso de las facultades que la Ley Laboral les confiere, se constituyen en el centro de trabajo denominado Manufacturera Internacional Apparel, S. A. ~~MAINTA S.A.~~ misma que se encuentra ubicada en la Zona Libre INHDELVA de esta misma ciudad; con el objeto de darle cumplimiento al auto que antecede de fecha siete de Junio del presente año, y que se contrae a realizar inspecciones completas en las distintas Empresas de dicho Parque Industrial, para inspeccionar en los siguientes aspectos : PRIMERO ; el número total de trabajadores en la Empresa, cuantos hombres y cuantas mujeres, cuantos hondureños y cuantos extranjeros, número de mujeres embarazadas, horarios de trabajos ordinarios y extraordinarios y si las mujeres embarazadas gozan del descanso pre y post natal remunerada conforme lo establece el Código del Trabajo. SEGUNDO; Si laboran menores de dieciséis años y si la Empresa cumple con la jornada de seis horas diarias equivalentes a cuarenta y ocho de salario semanal. TERCERO; Si los trabajadores reciben buenos o malos tratos de parte de los ejecutivos de la Empresa y de los Supervisores de producción. CUARTO; Si los salarios extraordinarios son cancelados conforme a la ley cuando los trabajadores son requeridos para desarrollar actividades fuera del tiempo ordinario. - Para tal efecto los actuantes se abocan con la Señora Miriam Gonzalez de Manzano en su condición de Gerente de Personal de la mencionada Empresa, quien enterada del propósito de nuestra visita expresa lo siguiente; La Empresa MAINTA, S.A. Representada en este caso por mi persona, está en toda la disposición de colaborar con los Inspectores de Trabajo, proporcionándoles toda la información requerida para llevar a cabo su cometido de la manera siguiente; a) Actualmente contamos en esta Empresa con quinientos cincuenta y ocho (558) empleados de los cuales doscientos veintiuno (221) son varones y trecientos treinta y siete (337) son mujeres, de los cuales quinientos cincuenta y seis (556) son hondureños y dos (2) son extranjeros legalmente documentados. b) Actualmente tenemos catorce (14) mujeres embarazadas. c) nuestro horario de trabajo es de 7 a.m. a 4:30p.m. de Lunes a Jueves y de 7:00 A. M. a 3:30 p.m. los Viernes y no se labora los Sabados; compensando de Lunes A Jueves las cuatro horas del día Sabado. d) Respetamos totalmente los derechos de las mujeres embarazadas pagando sus descansos forzosos (pre y post natal) conforme lo establece la Ley Laboral e) no tenemos ningún empleado menor de dieciséis años f) En cuanto a los buenos o malos tratos por parte de los jefes a los trabajadores, en este acto damos absoluta libertad a los Inspectores de Trabajo, para que constaten personalmente dicho punto y que ellos saquen sus propias conclusiones. h) En relación al tiempo extraordinario



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debo decir que lo cancelamos por completo y de conformidad a los recargos ya establecidos en nuestra legislación laboral, extremo que se puede comprobar en las respectivas planillas de pago; es todo lo que al respecto puedo manifestar. Seguidamente se les cede la palabra a las empleadas: Eva Ayala, María Cristina Robles, María del Rosario Castellanos. Olga Patricia Lemus, Rosa Danery Zepeda, María Elena Ayala, Karla Patricia Andrade, Sandra Nuñez, María Yamileth Ramos, Doris Maritza Paz, Lurbín López María Yamileth Buezo y Ana Miriam García, quienes en una sola voz y por así querer hacerla expresan lo siguiente: En esta Empresa "MAINTA, S.A." tenemos un horario de Lunes a Jueves de 7:00 a.m. A 4:30p.m. y los días Viernes de 7:00a.m. A 3:30p.m., cumpliendo con la jornada de cuarenta y cuatro horas a la semana equivalentes a cuarenta y ocho de salario, dejando constancia de que nos conceden tres recesos diarios así: de diez minutos por la mañana, de treinta minutos al medio día y diez minutos por la tarde; algunas de nuestras compañeras laboran tiempo extraordinario pero lo hacen en forma voluntaria sin presiones de ninguna naturaleza y el pago se efectúa con los recargos establecidos en el Código del Trabajo; A si mismo dejamos constancia que gozamos del descanso pre y post natal, remunerado y recibimos asistencia medica privada de manera permanente, cuyos gastos corren a cargo de la Empresa, finalmente dejamos constancia que no recibimos malos tratos de ningun ejecutivo de la Empresa ni de los Jefes inmediatos, tampoco nos obligan a trabajar tiempo extraordinario en estado de embarazo, es todo cuanto podemos expresar.- Los suscritos Inspectores de Trabajo dejan constancia que tuvieron a la vista los expedientes de cada uno de los trabajadores constatando que no laboran menores de dieciséis años, que el total de trabajadores es de quinientos cincuenta y ocho, trecientos treintaysiete mujeres y doscientos veintinueve varones, de los cuales solo dos (2) son extranjeros, y que de acuerdo a la información recabada en la Empresa no existen malos tratos para los trabajadores. Leído que es el contenido de la presente a las partes declarantes, estando de acuerdo con la misma, la ratifican y firman para constancia juntamente con los actuantes que dan fé.

Miriam G. de Mantand
Miriam G. de Mantand
Gte. de Personal.

Eva ayala de robles
Eva Ayala.

María Cristina Robles
Ma. Cristina Robles

Rosario Castellanos
Ma. Rosario Castellanos

Olga Patricia Lemus
Olga Patricia Lemus

Rosa Danery Zepeda
Rosa Danery Zepeda.

María E. Ayala
Ma. Elena Ayala

Karla Patricia Andrade
Karla Patricia Andrade.

Sandra Nuñez
Sandra Nuñez.

María Yamileth Ramos
Ma. Yamileth Ramos

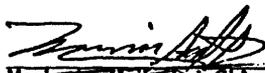
Doris Maritza Paz
Doris Maritza Paz.

Lurbín López
Lurbín López.

PASAN FIRMAS....

"Yamileth Queso",

Ma. Yamileth Buezo.



Mario A. Mejía Del Cid.
Inspector de trabajo



Gabriel Chavarría.
Inspector de Trabajo.

Orlinda García

Ana Miriam García.



Gerardo Mejía Muñoz
Inspector de Trabajo.



Ubaldo Madrid.
Inspector de Trabajo.



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ACTA ESPECIAL

En la Ciudad de Choloma, Departamento de Cortés a los veinte días del mes de Junio de mil novecientos noventa y seis, los suscritos Inspectores de Trabajo en uso de las facultades que la Ley Laboral les confiere se constituyen en el centro de trabajo denominado ~~FRACION CIVIL~~ ~~FRACION CIVIL~~, que se encuentra ubicado en el ZONA LIBRE INHDELVA, en esta misma ciudad; con el objeto de darle cumplimiento al auto que antecede de fecha siete de Junio del presente año, emitido por la Jefatura de la Sección de Inspección Regional de Trabajo, y que se contrae a realizar inspecciones completas en las distintas empresas de dicha Zona Industrial, para inspeccionar los siguientes aspectos: PRIMERO: el número total de trabajadores de la Empresa, cuántos hombres y cuántas mujeres, cuántos hondureños y cuántos extranjeros, número de mujeres embarazadas, horarios de trabajo ordinarios y extraordinarios y si las mujeres embarazadas gozan del descanso pre y posnatal remunerado conforme lo establece el Código de Trabajo. SEGUNDO: Si laboran menores de dieciséis años y si la Empresa cumple con la jornada de seis horas diarias equivalente a cuarenta y ocho de salario semanal. TERCERO: Si los trabajadores reciben buenos o malos tratos de parte de los Ejecutivos de la Empresa y de los Supervisores de Producción. CUARTO: Si los salarios extraordinarios son cancelados conforme a la Ley cuando los trabajadores son requeridos para desarrollar labores fuera del tiempo ordinario. Para tal efecto los actuantes se abocan a la Licenciada Rosa Ofelia Molina en su condición de Jefe de Personal de la mencionada Empresa, quien enterada del propósito de nuestra visita expresa lo siguiente: La Empresa en éste caso representada por mi persona está en toda la disposición de colaborar con los Inspectores de Trabajo, proporcionándoles toda la información requerida a fin de llevar a cabo su cometido, de la manera siguiente: a) Actualmente contamos en nuestra Empresa con 655 empleados de los cuales 410 son varones y 245 mujeres, hondureños 651 extranjeros 4.-b) Actualmente tenemos 20 mujeres embarazadas c) tenemos un horario de trabajo de siete de la mañana a cuatro y treinta de la tarde de lunes a jueves, de siete de la mañana a tres y treinta de la tarde los viernes y no se labora los días sábados, compensando de lunes a jueves las cuatro horas del sábado. d) Respetamos los derechos de las mujeres embarazadas y pagamos su período pre y post-natal conforme a lo establecido por la Ley e) no tenemos ningún empleado menor de dieciséis años. f) en cuanto a los buenos o malos tratos, en éste acto damos absoluta libertad a los inspectores de trabajo para que constaten personalmente dicho punto y que ellos saquen sus propias conclusiones. g) en relación al tiempo extraordinario cuando por casualidad se trabaja horas extras se pagan por completo y conforme a los recargos estipulados en el Código de Trabajo, como se puede verificar en las respectivas planillas de pago. Deseo agregar que el reclamo que algunos trabajadores han hecho del conocimiento a los Inspectores de Trabajo, en cuanto al uso de mascarillas y que le son vendidas, que en lo sucesivo se les proporcionarán gratis y se hará hincapié en que los trabajadores cumplan con lo establecido en el Artículo 97 numeral 9 del Código de Trabajo; en relación a que cuando los empleados no tienen qué hacer, los jefes los despachan y luego los hacen reponer el tiempo, quiero aclarar que lo que tratamos es de beneficiarlos despachándolos a su casa pero remunerándoles el día, pero ya que ellos no les parece bien, en adelante los mantendremos

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en el centro de trabajo aunque no tengan labores que realizar; asimismo quiero dejar constancia que será corregida la dificultad que se presenta con los bultos que a veces traen más docenas de lo previsto; y finalmente quiero expresar que cuando los trabajadores cometan alguna falta constitutiva de causa suficiente para ser sancionados, se observarán los procedimientos legales establecidos en el Reglamento Interno de Trabajo y de conformidad a lo preceptuado en el Artículo 92 numeral 9 del Código de Trabajo, es todo cuanto deseo manifestar. Seguidamente se les cede la palabra a las trabajadoras embarazadas señoras: Vilma Suyapa Pacheco, Lourdes Rodríguez, Yolani Pinada, María Victoria Amaya, Mayra Mejía, Melba Cruz, Arnida Otero, María Leticia López, Candy Licón, Martha Carolina Reyes, Susana Oseguera, Eva Leticia Escobar, Emérita Alemán, Claudia Zelaya, Belquis Dorila Flores, Blanca Mans, Fany Torres, Ana Cisnados y María de los Angeles Ramírez, quienes al unísono y por así desear hacerlo manifiestan lo siguiente: en la Empresa DRAGON MAYA S.A. tenemos un horario de lunes a jueves de siete de la mañana a cuatro y treinta de la tarde, los días viernes de siete de la mañana a tres y treinta de la tarde y los días sábados no laboramos, cumpliendo con la jornada de cuarenta y cuatro horas a la semana equivalentes a cuarenta y ocho de salario; que algunas de nuestras compañeras por casualidad laboran tiempo extraordinario pero lo hacen en forma voluntaria sin presiones de ninguna naturaleza y los salarios le son cancelados con los recargos establecidos en el Código de Trabajo. Además gozamos de descanso pre y postnatal remunerado conforme a Ley y a la vez somos beneficiadas con asistencia médica a través del Plan Médico de Medclub. También queremos dejar constancia que no recibimos malos tratos de ningún ejecutivo de la Empresa ni de jefes inmediatos, y tampoco nos obligan a trabajar tiempo extraordinario en estado de embarazo, es todo lo que queremos expresar.-Los Suscritos Inspectores de Trabajo dejan constancia que tuvieron a la vista los expedientes de cada uno de los trabajadores de la Empresa donde se verificó que no existan menores de diecisiete años, que se encuentran veinte mujeres en estado de embarazo; que el total general de trabajadores es de seiscientos cincuenta y cinco, cuatrocientos diez varones, doscientos cuarenta y cinco mujeres y sólo existen cuatro extranjeros. Leído que es el contenido de la presente a las partes manifestantes, encontrándola de acuerdo, se ratifican y firman para constancia juntamente con los actuantes que dan fe.

LIC. ROSA OPALIA MOLINA
JEFE DE PERSONAL

LOURDES RODRIGUEZ
TRABAJADORA

MARIA VICTORIA AMAYA
TRABAJADORA

VILMA SUTAPA PACHECO
TRABAJADORA

YOLANI PINEDA
TRABAJADORA

MAYRA MEJIA
TRABAJADORA

PASAR FIRMAS...



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(3)

VIENEN FIRMAS

Melba Cruz
MELBA CRUZ
TRABAJADORA

Armanda Otero
ARMIDA OTERO
TRABAJADORA

Maria Leticia Lopez
MARIA LETICIA LOPEZ
TRABAJADORA

Candy Licoma
CANDY LICOMA
TRABAJADORA

Martha Carolina Reyes
MARTHA CAROLINA REYES
TRABAJADORA

Susana Oseguera
SUSANA OSEGUERA
TRABAJADORA

Eva Leticia Escobar
EVA LETICIA ESCOBAR
TRABAJADORA

EMERITA ALEMAN
TRABAJADORA

Claudia Zelaya
CLAUDIA ZELAYA
TRABAJADORA

Belquis Dorila Flores
BELQUIS DORILA FLORES
TRABAJADORA

** Blanca Hans*
BLANCA HANS
TRABAJADORA

Fany Torres
FANY TORRES
TRABAJADORA

MARIA DE LOS ANGELES RAMIREZ
TRABAJADORA

ANA MARIA CISNADOS
TRABAJADORA

Mario A. Mejia del Cid
MARIO A. MEJIA DEL CID
INSPECTOR DE TRABAJO



Gerardo Mejia Muñoz
GERARDO MEJIA MUÑOZ
INSPECTOR DE TRABAJO

Ubaldo Madrid
UBALDO MADRID
INSPECTOR DE TRABAJO

Gabriel Chavarría
GABRIEL CHAVARRIA
INSPECTOR DE TRABAJO

Miguel Pérez Prietz
MIGUEL PEREZ PRIETZ
INSPECTOR DE TRABAJO



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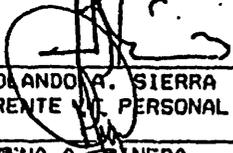
ACTA ESPECIAL

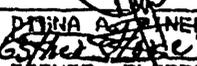
En la ciudad de Choloma, Departamento de Cortés, a los dieciocho días del mes de Junio de mil novecientos noventa y seis, los suscritos Inspectores de Trabajo en uso de las facultades que la ley laboral les confiere, se constituyen en el Centro de Trabajo denominado ~~XXXXXXXXXXXX~~ Valle B.A., misma que se encuentra ubicada en la Zona Libre INHDELVA de esta misma ciudad; con el objeto de darle cumplimiento al auto que antecede de fecha siete de junio del corriente año emitido por la Jefatura de la Inspección Regional de Trabajo, y que se contrae a realizar inspecciones completas en las distintas empresas de dicha Zona Industrial para inspeccionar los siguientes aspectos: PRIMERO: El número de trabajadores de la empresa, cuantos hombre y cuantas mujeres, cuantos hondureños y cuantos extranjeros, número de mujeres embarazadas, horarios de trabajo ordinario y extraordinario y si las mujeres embarazadas gozan del descanso pre y post natal remunerado conforme lo establece el Código del Trabajo. SEGUNDO: Si laboran menores de dieciséis años y si la empresa cumple con la jornada de seis horas diarias equivalentes a cuarenta y ocho de salario semanal. TERCERO: Si los trabajadores reciben buenos o malos tratos de parte de los Ejecutivos de la empresa y de los Supervisores de producción. CUARTO: Si los salarios extraordinarios son cancelados conforme a la ley cuando los trabajadores son requeridos para desarrollar actividades fuera del tiempo ordinario. Para tal efecto los actuantes se avocan con el Licenciado Rolando Sierra en su condición de Gerente de Personal de la mencionada empresa, quien enterado del propósito de nuestra visita expresa lo siguiente: La empresa representada en este caso por mí persona está en toda la disposición de colaborar con los Inspectores de Trabajo, proporcionando toda la información requerida para llevar a cabo su cometido de la manera siguiente: A) Actualmente contamos en nuestra empresa con doscientos noventa y un empleados de los cuales ciento setenta son mujeres y cientos veintiún varones B) No tenemos extranjeros C) Actualmente tenemos dieciséis mujeres embarazadas D) Con un horario de trabajo de siete de la mañana a cuatro y treinta de la tarde de lunes a jueves, de siete a tres y treinta los viernes y no se labora los sábados, compensando de lunes a jueves las cuatro horas del día sábado. E) Respetando a las mujeres embarazadas y pagando su período pre y post-natal conforme a lo establecido en la ley. F) No tenemos ningún empleado menor de dieciséis años. G) En cuanto a los buenos o malos tratos, en este acto damos absoluta libertad a los Inspectores de Trabajo para que constaten personalmente dicho punto y que ellos saquen sus propias conclusiones. H) En relación al tiempo extraordinario se cancela por completo y conforme a los recargos estipulados en el Código de Trabajo, dando adicionalmente a nuestros empleados el beneficio de que si su producción es mayor a lo establecido por la ley se le otorga un incentivo extra como se puede verificar en las respectivas planillas de pago. Seguidamente se le cede la palabra a las empleadas DIGNA PINEDA, Esther Flores, Tomasa Murillo, Dilcia Melendez, Miriam Vega, Araly Vargas, Gloria Gonzales, Sandra Faiardo, María Sofía Castro, Juana Castillo, Doris Faiardo, Rosa L. Ramos, Carmen Lopez, Eva Velasquez, Aminta Mejía y Daysi Martínez, quienes en una sola

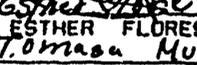


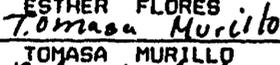
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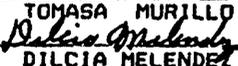
voz y por quererlo hacer así, expresan lo siguiente: Que en esta empresa Industrias del Valle, S.A. tenemos un horario de lunes a jueves de 7:00 A.M. a 11:30 y de 12:40 a 4:30 y los días viernes de 7:00 A.M. a 11:30 y de 12:40 a 3:30 p.m. para no laborar los días sábados cumpliendo con la jornada de 44 horas a la semana equivalentes a 48 de salario que algunas de nuestras compañeras laboran tiempo extraordinario pero lo hacen en forma voluntaria sin presiones de ninguna naturaleza y son pagadas legalmente de conformidad al Código de Trabajo, además gozamos del pre y post-natal y nos dan asistencia médica en la Clínica Bendaña de San Pedro Sula, además dejamos constancia que no recibimos malos tratos de ningún ejecutivo de la empresa ni tampoco nos obligan a trabajar tiempo extraordinario en estado de embarazo". Los Suscritos Inspectores de Trabajo, dejan constancia que tuvieron a la vista los expedientes de cada uno de los trabajadores que lleva la empresa donde se hace constar que no laboran menores de dieciséis años, extranjeros, y el total de trabajadores es de doscientos noventa y uno, los que se desplazan de la manera siguiente: Mujeres ciento setenta y hombres ciento veintiuno. Leído que le es el contenido de la presente Acta a los declarantes y estando de acuerdo con la misma. La ratifican y firman para Constancia juntamente con los actuantes que dan fe.-

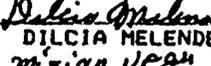

ROLANDO A. SIERRA
GERENTE Y PERSONAL

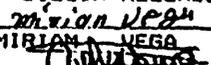

DIANA A. MEDINA

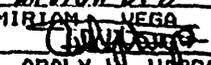

ESTHER FLORES

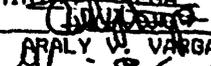

TOMASA MURILLO

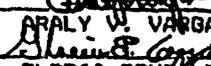

DILCIA MELENDEL

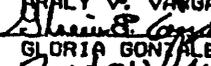

MIRIAM VEGA

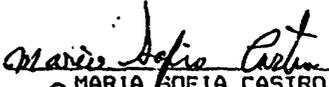

ARALY V. VARGAS

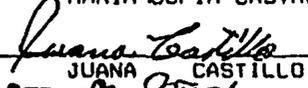

GLORIA GONTALES

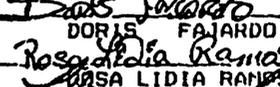

SANDRA N. FAJARDO


UBALDO MADRID


INSPECTOR DEL TRABAJO

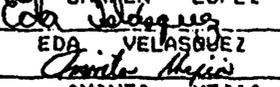

MARIA SOFIA CASTRO

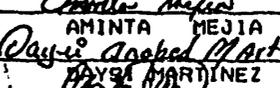

JUANA CASTILLO

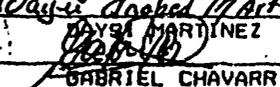

DORIS FAJARDO


ROSA LIDIA RAMOS

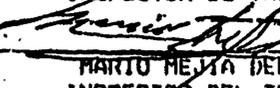

CARMEN LOPEZ


EDA VELASQUEZ


AMINTA MEJIA


DAYVI MARTINEZ


GABRIEL CHAVARRIA


MARIO MEJIA DEL CTO


INSPECTOR DEL TRABAJO

Miguel
MIGUEL PEREZ PLEITEZ
INSPECTOR DEL TRABAJO

Gerardo
GERARDO MEJIA MURUZ
INSPECTOR DEL TRABAJO



ACTA ESPECIAL

En la ciudad de Choloma Departamento de Cortes, a los Diecisiete días de el mes de Junio de Mil Novecientos Noventa y Seis, los suscritos Inspectores de Trabajo en uso de las facultades que la Ley Laboral les confiere, se constituyen en las oficinas de la Empresa ~~REPUBLICANA ALPA~~ ~~MANUFACTURERA~~ del municipio de Choloma Cortes, ubicada en el PARQUE INDUSTRIAL INHIELVA Carretera a la Jutosa, con la finalidad de darle cumplimiento al auto que antecede de fecha Diez (7) de Junio de Mil Novecientos Noventa y seis emitido por el Jefe de la Inspección Regional de Trabajo, misma que se deriva a realizar inspección completa en las oficinas y las instalaciones físicas de la empresa a constatar los siguientes extremos; PRIMERO: El número de Trabajadoras que laboran en esta empresa en estado de embarazo, el horario que tienen, si no los obligan a trabajar tiempo extra y si les pagan el pro y post natal como lo establece el Código Laboral. SEGUNDO: Si laboran menores de dieciséis años y si la empresa cumple con la jornada de seis horas diarias equivalentes a cuarenta y ocho de salario semanal. TERCERO: Si reciben buenos tratos por los ejecutivos de la empresa y de supervisores de producción. CUARTO: el total de trabajadores Hondureños, mujeres, hombres y el número de extranjeros. QUINTO: Si les pagan el tiempo extra el dinero cuando son requeridos por la empresa a través de su jefe inmediato. Los suscritos inspectores de trabajo para tal fin ceden la palabra a la Licenciada EVELDA REYES DE BENOVAL en su condición de Jefe de Personal y recursos Humanos de la citada empresa y teniendo cumplimiento de la visita expresa lo siguiente: A la primera Interrogante, que en la empresa Intertex Apparel Manufacturing S.A. actualmente se desempeñan 28 mujeres laborando en estado de embarazo, los que son: LINA RIVERA; ENNA GLENIS URQUIA; IORIS LAINEZ; SANDRA OLIVERA HARTLA; MARIAM HERNANDEZ; ROSELI ULLOA; RUBILA HERNANDEZ; DIGNA AMELICA GONZALEZ; DARIA LUCIA CACERES; MARIA DE LOS SANTOS BAUTISTA; DAISY ROSA CARRALAN; PIEDAD GONZALEZ; DORIS HERNANDEZ; ZOILA JENNETH GONZALEZ; ALBERTO; ROSA ELI MEZA; ROSA IDALIA ROMERO; SILVIA MARTINEZ; DENIA LIZBETH GUTIERREZ WENDY JASHIN PEREZ; IRMA SUYAPA MORALES; LELY DIMULIA CERRATO; HELLY FLORUS; HILDEBRAND SANCHEZ; BRENVI ELIZABETH VARGAS; LESLY SUYAPA AGUILAR MARITZA LEYICIA AGUIRRE; YENI HERNANDEZ Y MARITZA AGUIRRE. Frente al horario de trabajo de las señaladas trabajadoras el siguiente de lunes a jueves de 7.30 de la mañana a 11.30 de la mañana; de 12.30 pm a las 5.30 de la tarde donde se incluye la hora de trabajo del día sábado, que no laboran y el día viernes en la tarde de 12.30 a 4.30 de la tarde, que efectivamente se les paga y reconoce su periodo pro y post natal, a la Interrogante número DOS que no laboran menores de dieciséis años, a la Interrogante tercera; que en ningún momento a las trabajadoras se les trata mal por ninguna persona salvo las sanciones que son disciplina por violación a los preceptos legales establecidos se dan con normalidad, a la Interrogante número cuatro que existen un total de QUINIENTOS SETENTA Y CINCO EMBLADOS Hondureños divididos así: CINCO CIENTOS SETENTA Y SIETE MUJERES y NOVIENTA Y OCHO varones, con un total de OCHO trabajadores de nacionalidad Coreana. A la pregunta quinta que que efectivamente cualquier trabajador que es requerido a laborar hora extra le son cancelados en su totalidad y conforme ley las piden, los



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En la ciudad de Choloma, departamento de Cortes a los veintinueve días del mes de Junio de mil novecientos noventa y seis, los suscritos Inspectores de Trabajo, en uso de las facultades que la ley laboral les confiere, se constituye en las oficinas de la empresa denominada **CHOLOMA MANUFACTURING COMPANY, S.A.** ubicada en el Parque Industrial INHDELVA salida a carretera a la Jutosa con el único propósito de darle cumplimiento al AUTO que antecede de fecha siete de Junio del presente año emitido por el Jefe de la Inspección Regional de Trabajo de la Ciudad de San Pedro Sula. Misma que consiste en realizar inspección completa en las instalaciones físicas de la empresa y constatar los siguientes extremos: PRIMERO: El número de trabajadores que laboran en la empresa, hombres, extranjeros y mujeres en estado de embarazo. SEGUNDO: Si laboran trabajadores menores de diecisiete años y si la empresa cumple con la jornada de seis horas diarias equivalentes a cuarenta y ocho de salario semanal. TERCERO: Si reciben buenos tratos por los ejecutivos de la empresa y los supervisores de producción. Si les pagan tiempo extraordinaria de conformidad con el código de trabajo cuando son requeridos por la compañía. Seguidamente se le cede la palabra a la Ing. Ligia X. Ayestas en su condición de Gerente Administrativo y teniendo conocimiento de la visita expresa lo siguiente: Consideramos que esta es una empresa solidamente establecida en la que los empleados cuentan con una serie de beneficios tales como: Plan médico (Clínica Bendaña), Desayuno gratis, Cooperativa empleados financiada por empresa, Transporte gratis (San Pedro Sula - Choloma), Servicio de Cafetería higiénica, Salario mínimo superior al establecido un mil ciento cuarenta y dos con ocho centavos mensuales (Lps. 1,142.08) y un operario al cien por ciento gana un mil seiscientos once con noventa y un centavos mensuales (Lps. 1,711.91), Instalaciones con aire acondicionado y Club de fútbol patrocinado por empresa. Los horarios de trabajo son de Lunes a Jueves de Siete y Media a Doce Meridiano y de Doce y media a Cinco de la tarde, contando con dos recesos de quince minutos cada uno en la mañana y en la tarde y el día viernes de Siete y Media hasta las Cuatro de la Tarde cumpliendo así las horas reglamentarias de la semana y así no trabajar los Sábados. Queremos mencionar que hay operarios como el señor Melvin Hernández que vevega salarios de más de ochocientos Lempiras semanales (Lps. 600.00) haciendo un total de dos mil quinientos noventa y ocho Lempiras mensuales (Lps. 2,598.00) que es mayor al mínimo establecido del rubro de la maquila. En lo que a mandos medios se refiere, supervisores, instructores, auditores e ingenieros, se cuenta con un programa de entrenamiento KSA (Kurt Salmon & Associates) desde el inicio de operaciones de la empresa que costo a la empresa aproximadamente cincuenta y cinco mil dólares (US\$ 55,000.00). Dicho entrenamiento fue impartido por personal de el Centro Asesor para el Desarrollo de Recursos Humanos de Honduras (CADERH). En la compañía laboran actualmente un total de 172 empleados de los cuales 97 son mujeres y 75 son varones de los cuales todos son mayores de diecisiete años. Contamos con ocho mujeres embarazadas que reciben control prenatal y los derechos de Pre y Pos natal y Lactancia; siendo ellas: María Concepción Mejía, Maritza Oliva, Elena Lizeth Pacheco, Anabel Romero, Yessenia K. Flores, María Teresa Nunez, Nubia Idalis García y Delmy Azucena Martínez a las que no se les obliga trabajar horas extras. A ninguno de los empleados se le da mal trato, ni físicamente, ni verbalmente y mucho menos psicológicamente. Seguidamente se le cede la palabra a las empleadas en estado de embarazo: MARITZA OLIVA, ELENA PACHECO, ANABEL ROMERO, NUBIA GARCIA, DELMY MARTINEZ, MARIA TERESA NUNEZ, YESSANIA K. FLORES, DORIS DIAZ, SARA AYALA y DILCIA MELENDEZ quienes en un sola voz y por querer hacerlo así manifiestan lo siguiente: "En relación al lo expuesto por la Ing. Ligia Ayestas en su condición ya mencionada, estamos totalmente de acuerdo que recibimos de la empresa el Pre y Pos Natal y la hora de lactancia de conformidad como lo establece el código de trabajo y la jornada de trabajo es: Lunes a Jueves de Siete y Media a Doce Meridiano y de Doce y media a Cinco de la tarde, contando con dos recesos de quince minutos cada uno en la mañana y en la tarde y el día viernes de Siete y Media hasta las Cuatro de la Tarde y que en ningún momento nos obligan a trabajar tiempo extraordinaria ya que si lo hicieramos sería voluntariamente, también dejamos constancia que no recibimos malos tratos por ningún ejecutivo y supervisores de la empresa ya que tenemos una buena relación obrero patronal; también tenemos un receso de quince minutos por la mañana y por la tarde." Los Suscritos Inspectores de Trabajo dejan constancia que tuvieron a la vista los expedientes de cada uno de los trabajadores donde se hace constar que no laboran menores de diecisiete años ni tampoco laboran extranjeros, así mismo adjuntamos foto copias de planillas de pago donde se hace constar que ganan salarios más altos del Mínimo Establecido en el rubro de la Maquila. Leído que le es el contenido de la presente acta a los declarantes y estando de acuerdo con la misma, la ratifican y firman para constancia juntamente con los actuantes que dan fe.

ING. LIGIA AYESTAS
GERENTE ADMINISTRATIVO

MARITZA OLIVA

PASA A LA



REPÚBLICA DE HONDURAS. C. A.
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EN LOS
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PAGINA NO. 2 .

Elena Pacheco
ELENA PACHECO

Dilcia Melendez
DILCIA MELENDEZ

Anabel Romero
ANABEL ROMERO

NUBIA GARCIA

Nubia Garcia

Delmy Martinez
DELMY MARTINEZ

Maria Teresa Nuñez
MARIA TERESA NUNEZ

Yessenia K. Flores
YESSENIA K. FLORES

DORIS DIAZ

Doris Diaz

Sara Kyala
SARA KYALA

Miguel Perez Pleitez
MIGUEL PEREZ PLEITEZ
INSPECTOR DE TRABAJO

Manlio Mejia del CID
MANLIO MEJIA DEL CID
INSPECTOR DE TRABAJO

Gabriel Chavarria D.
GABRIEL CHAVARRIA D.
INSPECTOR DE TRABAJO

Gerardo Mejia Munoz
GERARDO MEJIA MUÑOZ
INSPECTOR DE TRABAJO

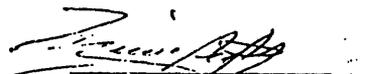
Ubaldo Madrid
UBALDO MADRID
INSPECTOR DE TRABAJO

ACTA ESPECIAL

En la ciudad de Choloma, Departamento de Cortes, a los diez y ocho dias del mes de Junio de mil novecientos noventa y seis, los Suscritos Inspectores de Trabajo, en uso de la facultad que la ley laboral le confiere, se constituyen en las oficina de la empresa denominada 'J.E. MORGAN DE HONDURAS', ubicada en el Parque Industrial INHDELVA carretera a la Jutosa con el unico proposito de darle cumplimiento al Auto que antecede de fecha siete de Junio del presente año emitido por el jefe de la Inspeccion Regional de Trabajo de la ciudad de San Pedro Sula. Misma que se deriva en realizar Inspeccion completa en las instalaciones fisicas de la empresa y contratar los siguientes extremos; PRIMERO: El numero de trabajadores que laboran en la empresa SEGUNDO: si laboran mujeres en estado de embarazo y si cumplen con los pagos del pre y post- natal de conformidad del codigo del trabajo vigente y la jornada que tienen. TERCERO: Si laboran menores de diez y seis años y si cumplen con la jornada de seis horas diarias equivalentes a cuarenta y ocho de salario. Seguidamente se le cede la palabra a la Señora Amanda Montoya en su condicion de Gerente de personal y teniendo conocimiento de la visita libre y espontaneamente expresa lo siguiente: El numero de trabajadores de la empresa son doscientos sesenta y dos empleados y sus horarios son de Lunes a Jueves de siete de la mañana a doce meridiano, por la tarde de doce y treinta p.m. a cuatro y treinta p.m. y el dia viernes de siete de la mañana a doce meridiano y por la tarde doce y treinta a tres y treinta p.m. con un equivalente de cuarenta y cuatro horas a la semana y para no laborar el dia sabado. SEGUNDO la empresa J.E. MORGAN DE HONDURAS S.A no laboran menores de diez y seis años, ademas aclaro que no trabaja ningun extranjero. Tambien quiero dejar constancia en esta acta que los reglamento interno de trabajo y Reglamento de higiene y seguridad se encuentra en tranite y en el transcurso de esta semana le presentare las constancias ante la inspectoría de trabajo. Que unicamente labora una empleada en estado de embarazo y su jornada de trabajo es de ocho horas diarias y en ningun momento a nadie se le obliga a trabajar tiempo extraordinario. Seguidamente se le cede la palabra a la empleada: Dora Rivera quien libre y espontaneamente expresa lo siguiente: "En relacion a lo manifestado por la Señora Amanda Montoya en su calidad de jefe de personal de la mencionada empresa, ratifico que me encuentro en estado de embarazo y que mi jornada de trabajo es de ocho horas diarias equivalente a cuarenta y ocho de salario semanal, ademas aclaro en esta acta que no me obligan a trabajar tiempo extraordinario y si lo hiciera fuera voluntariamente". Lo suscritos inspectores de trabajo dejan constancia que tuvieron a la vista los expedientes de los trabajadores donde se hace constar que no se encuentra laborando menores de diez y seis años, que no se encuentra laborando ningun extranjero y en estado de embarazo solamente se encuentra la empleada Dora Rivera, ademas tuvimos a la vista la planilla de pago donde se refleja que los trabajadores de la empresa devengan un salario mayor del minimo establecida en el rubro de la maquila. Leido que le es el contenido de la presente acta a los declarantes y estando de acuerdo con la misma, la ratifican y firman para constancia juntamente con los actuantes que dan fe.

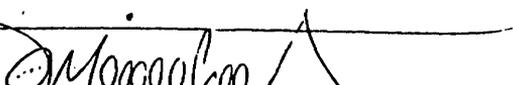

AMANDA MONTOYA
Gerente de Personal


DORA RIVERA
Supervisora de Linea


MARIO MEJIA DEL CID
Inspector de Trabajo


OBISPO MADRID
Inspector de Trabajo


GABRIEL CHAVARRIA DISCUA
Inspector de Trabajo


MIGUEL PEREZ PLEITEZ
Inspector de Trabajo


GERARDO MEJIA NUÑEZ



REPUBLICA DE HONDURAS, O. A.
SECRETARIA DE ESTADO
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ACTA ESPECIAL

EN LA CIUDAD DE CHOLOMA, DEPARTAMENTO DE CORTES, A LOS TRECE DIAS DEL MES DE JUNIO DE MIL NOVECIENTOS NOVENTA Y SEIS, LOS SUSCRITOS INSPECTORES DE TRABAJO, EN USO DE LA FACULTAD QUE LA LEY LABORAL LES CONFIERE, Y CON INSTRUCCIONES DEL INSPECTOR GENERAL DEL TRABAJO SE CONSTITUYE EN LAS OFICINAS DE LA EMPRESA DENOMINADA OPTIMA S.A. DE C.V. UBICADA EN EL PARQUE INDUSTRIAL INHDELVA, CON EL UNICO PROPOSITO DE DARLE CUMPLIMIENTO AL AUTO QUE ANTECEDE DE FECHA SIETE DE JUNIO DEL CORRIENTE AÑO. EMITIDO POR EL JEFE DE LA INSPECCION REGIONAL DE TRABAJO. MISMA QUE SE DERIVA EN REALIZAR INSPECCION COMPLETA EN LAS INSTALACIONES DE LA EMPRESA Y CONSTATAR LOS SIGUIENTES EXTREMOS. EL NUMERO DE EMPLEADOS QUE LABORAN EN LA EMPRESA MUJERES Y HOMBRES HONDURENOS, EXTRANJEROS, MUJERES EN ESTADO DE EMBARAZO Y LA JORNADA QUE TIENEN EN EL DIA O EN LA SEMANA, SI LABORAN MENORES DE DIEZ Y SEIS (16) AÑOS Y SI TRABAJAN LAS SEIS HORAS DIARIAS ESTABLECIDAS, EQUIVALENTE AL CUARENTA Y CUATRO A LA SEMANA CON GOZE DE SALARIO DE CUARENTA Y OCHO DE SALARIO. SEGUIDAMENTE SE LE EDE LA PALABRA AL SENOR DOMINGO RAUDALES EN SU CONDICION DE JEFE DE PERSONAL DE LA REFERIDA EMPRESA Y TENIENDO CONOCIMIENTO DE LA VISITA LIBRE Y ESPONTANEAMENTE MANIFIESTO LO SIGUIENTE: QUE LA EMPRESA OPTIMA, S.A. DE C.V. ESTA TOTALMENTE DE ACUERDO EN PROPORCIONAR LOS DATOS QUE SOLICITA LA INSPECTORIA LOS QUE A CONTINUACION SE DETALLA. 1) EL TOTAL DE TRABAJADORES ES DE CUATROCIENTOS SESENTA Y UNO EMPLEADOS (461) - LOS QUE SE DESGLOSAN DE LA MANERA SIGUIENTE: DOSCIENTOS SESENTA Y SIETE (267) MUJERES, CIENTO NOVENTA Y CUATRO (194) HOMBRES Y EXTRANJEROS SIETE (7) 2) QUE EN LA EMPRESA OPTIMA, S.A. DE C.V. NO LABORAN EMPLEADOS MENORES DE DIEZ Y SEIS AÑOS COMO SE PUEDE COMPROBAR EN LOS ARCHIVOS O EXPEDIENTES QUE LLEVA LA EMPRESA. 3) QUE EN LA EMPRESA SE ENCUENTRA EN ESTADO DE EMBARAZO SIETE (7) EMPLEADAS Y QUE LAS MISMAS GOZAN DEL PRE Y POST NATAL Y GOZAN DE ASISTENCIA MEDICA Y QUE SU HORARIO ES DE SIETE A DOCE MERIDIANO Y DE UNA A CINCO P.M. DE LUNES A JUEVES Y EL VIERNES DE SIETE A DOCE Y DE UNA A CUATRO HACIENDO UNA HORA ADICIONAL DURANTE ESOS DIAS PARA NO LABORAR LOS DIAS SABADOS, Y EN CASOS ESPECIALES SE TRABAJA LOS DIAS SABADOS HACIENDOLES EFECTIVO EL RECARGO DEL TIEMPO EXTRAORDINARIO, ADEMAS QUIERO DEJAR CONSTANCIA QUE EN NINGUN MOMENTO SE LES OBLIGA A TRABAJAR TIEMPO EXTRAORDINARIO A LAS MUJERES EN ESTADO DE EMBARAZO Y SI LO HACEN ES VOLUNTARIAMENTE. QUIERO DEJAR CONSTANCIA EN ESTA ACTA QUE A NINGUNO DE LOS EMPLEADOS DE ESTA EMPRESA SE LE DA MALOS TRATOS LO QUE SE HACE NORMALMENTE ES SOLICITARLES QUE CUMPLAN CON SU TRABAJO PARA LO CUAL FUERON CONTRATADOS Y CUMPLIR CON LOS COMPROMISOS CON LOS CLIENTES DEL EXTERIOR ES TODO LO QUE MANIFIESTO AL RESPECTO." SEGUIDAMENTE SE LE CEDE LA PALABRA A LAS EMPLEADAS EMBARAZADAS, JOHANA YAMILETH MARTINEZ, IRIS MARLENY FLORES, MARY MATAMOROS, MIRIAN MUNOZ, MARIA YANETH DIAZ, CARMEN ORELLANA SANCHEZ QUIENES EN UNA SOLA VOZ Y POR QUERER HACERLO ASI EXPRESAN LO SIGUIENTE. " EN RELACION A LO MANIFESTADO POR EL SENOR DOMINGO RAUDALES EN SU CONDICION DE JEFE DE PERSONAL DE LA REFERIDA EMPRESA LIBRE Y ESPONTANEAMENTE MANIFIESTA LO SIGUIENTE: " EN RELACION A LO MANIFESTADO POR EL SENOR DOMINGO RAUDALES EN SU CONDICION DE JEFE DE PERSONAL DE LA REFERIDA EMPRESA, ESTAMOS TOTALMENTE DE ACUERDO QUE TENEMOS UN HORARIO DE 7:00 A.M. A 12:00 P.M. Y POR LA TARDE DE 1:00 P.M. A 5:00 DE LUNES A JUEVES Y EL DIA VIERNES DE 7:00 A.M. A 12:00 Y DE 1:00 P.M. A 4:00 P.M. PARA NO LABORAR EL DIA SABADO, ADEMAS ACLARAMOS QUE NO LOS OBLIGAN A TRABAJAR TIEMPO EXTRAORDINARIO Y SI LO HACEMOS ES VOLUNTARIAMENTE.

JEFES INMEDIATOS ES TODO LO QUE MANIFESTAMOS AL RESPECTO. Y LOS SUSCRITOS DEJAN CONSTANCIA, QUE ADJUNTAN FOTOCOPIA DE LAS PLANILLAS DE PAGO DONDE REFLEJAN LOS SALARIOS DEVENGADOS POR CADA UNO DE LOS TRABAJADORES DE LPS. 30.00 DIARIOS. LEIDO QUE LE ES EL CONTENIDO DE LA PRESENTE ACTA A LOS DECLARANTES Y ESTANDO DE ACUERDO CON LA MISMA, LA RATIFICAN Y FIRMAN, PARA CONSTANCIA JUNTAMENTE CON EL ACTUANTE QUE DA FE.


~~DOMINGO RAOULES
JEFE PERSONAL~~

Mary Matamoros

Carolina Carranza

San Trillo Melina

Carmon Sabbe

Victoria Garcia Herrera

Jascea Antonia Garcia

Maria Ina Gonzalez

Yesenia Martinez

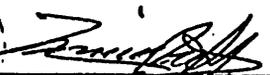
Jia Marcelly Flores

Liliana Amara Romero

Jolben Yamileth Martinez S

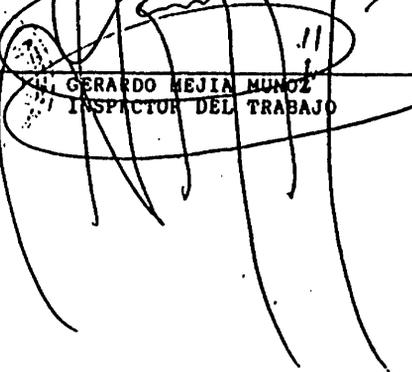
Cleria Idalmi Alvarado

Miriam S. Munoz Escobar


MARIO MEJIA DEL CID
INSPECTOR DEL TRABAJO



GABRIEL CHAVARRIA
INSPECTOR DEL TRABAJO


GERARDO MEJIA MUNOZ
INSPECTOR DEL TRABAJO


GERARDO MADRID
INSPECTOR DEL TRABAJO



REPÚBLICA DE HONDURAS, C.
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ACTA ESPECIAL

En la Ciudad de Choloma, Departamento de Cortés, a los diez y siete días del mes de junio de mil novecientos noventa y seis, los Suscritos Inspectores de Trabajo, en uso de las facultades que la Ley Laboral les confieren se constituyen en las oficinas de la Empresa Denominada "KAYU-KNITWEAR, S.A.", ubicada en el PARQUE INDUSTRIAL INHDELVA, Carretera a la Jutosa, con la finalidad de darle cumplimiento al Auto que antecede de fecha siete (7) de junio del corriente año emitido por el Jefe de la Inspección Regional de Trabajo. Misma que se deriva, en realizar Inspección Completa en las Oficinas y las Instalaciones Físicas de la Empresa y constatar lo siguiente extremos. PRIMERO. El Número de Trabajadoras que laboran en estado de embarazo, el horario que tiene, si no las obligan a trabajar tiempo extraordinarios y si les pagan el pre y postnatal como lo establece el Código de Trabajo. SEGUNDO. Si laboran menores de dieciséis (16) años y si la empresa cumple con la jornada de seis (6) horas diarias equivalentes a cuarenta y ocho (48) de salario semanal. TERCERO. Si reciben buenos tratos por los ejecutivos de la empresa y de Supervisores de Producción. CUARTO. El total de trabajadores Hondureños, mujeres, hombres y el número de extranjeros. QUINTO. Si les pagan el tiempo extraordinario cuando son requeridos por la empresa a través de sus jefes inmediatos. Los Suscritos Inspectores de Trabajo, para tal fin le ceden la palabra MARIA EDITH MUNGUIA en su calidad de Jefe de Personal de la mencionada empresa y teniendo conocimiento de la visita expresa lo siguiente: "Esta empresa esta en plena disposición de proporcionar toda información solicitada por el Ministerio de Trabajo, y que a continuación se detalla (a) El total de Trabajadores es de 165 de los cuales 78 son hombres y 87 mujeres. (B) No existe ningún extranjero realizando labores con nosotros. (C) No existen mujeres en estado de embarazo, al menos no se nos ha hecho de nuestro conocimiento. y (D) No existe menores de 16 años y tampoco se trabaja tiempo extraordinario; debo agregar que trabajamos 9 horas de lunes a jueves, para compensar las

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las cuatro horas del sábado, ya que éste día no se labora en la empresa, igualmente quisiera expresar que la Empresa inició labores el día diecinueve de febrero del año en curso, es todo lo que deseo manifestar al respecto". Los Suscritos Inspectores de trabajo, dejan constancia que la Empresa ANVIL KNITWEAR, S.A., no se encuentran laborando menores de 16 años, ni mujeres en estado de embarazo en vista que la empresa inició sus labores el día diez y nueve de febrero del corriente año, asimismo adjuntamos fotocopias de planillas de pago donde se hace constar el salario que devenga cada uno de los Trabajadores que es mayor al salario mínimo a lo establecido a la Industria de la Maquila y que la jornada ordinaria de Trabajo es de Lunes a Jueves de 7:00 a 11:30 A.M. y de 12:00 a 4:30 P.M. y el día viernes de 7:00 a 11:30 A.M. y de 12:00 a 3:30 P.M. para no laborar los días sábados. Leído que el contenido de la presente Acta a los declarantes y estando de acuerdo con la misma, la ratifican y firman juntamente con los actuantes que dan fe. E.L. "HONDURAS"

"HONDURAS": VALEN



EMITH HUNGUIA
Jefe de Personal



MARIO MEJIA DELCID
Inspector de Trabajo



GABRIEL CHAVARRIA
Inspector de Trabajo



OSALDO MADRID
Inspector de Trabajo



GERARDO MEJIA MUÑOZ
Inspector de Trabajo

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ACTA

En San Miguel Choloma, Cortes al primer día del mes de julio de mil novecientos noventa y seis, Los Suscritos Inspectores de Trabajo en pleno uso de las facultades que la ley laboral les confiere se constituyen en el centro de Trabajo denominado ~~GLOBAL FASHION~~ S.A. DE C.V sito en esta misma Jurisdicción, con el propósito de dar fiel y estricto cumplimiento al Auto emitido por la Jefatura Regional de Trabajo de fecha diez y nueve de junio del año en curso, mismo que hace mandato ha realizar Inspección Completa en el centro de trabajo arriba indicado, una vez en dicho centro de Trabajo los Suscritos se abocan con el señor HARRY GILBERTO DAVIS en su calidad de Asistente de Jefe de Producción, a quien sobre el caso se le dice de la palabra y dice " en la empresa laboran quinientos sesenta y cuatro trabajadores de los cuales cuatrocientos cuarenta y siete son mujeres y ciento setenta y cinco hombres, actualmente laboran dos menores de diez y seis años Karol Patricia Machado y Karla Vanessa Rivera, actualente laboran un número de veinte personas en estado de embarazo, Ana Iris Orellana, María Borjas, Hilda Zelaya, Fatima Turcios, Bertha Marquez, Nancy Padilla, Merari Castellanos, Alba Rodríguez, Elsa Barrera, Marra Tejada, Marlene Gutierrez, Veronica Zavala, Lourdes Cruz, Ingrid Monterroso, Rosa Ramirez, Rosa Gomez, Nuvia Rivera, Mercedes Lopez, Reyna Garcia y Veronica Cruz; la empresa cuenta con sus reglamentos de higiene y seguridad y trabajo en este acto autorizo a los Inspectores actuantes Investiguen lo que estimen pertinentes" Los Suscritos Inspectores de Trabajo dejan constancia que realizaron un recorrido en las instalaciones físicas de la empresa y mediante inspección ocular constataron que de que existen 20 empleadas en estado de embarazo de las cuales cuatro se encuentran gozando del pre y post natal siendo ellas FATIMA ZELA, MERALY CASTELLANO, ROSA RAMIREZ Y VERONICA CRUZ, también se encuentran laborando dos menores de edad Karol Patricia Machado y Karla Vanessa Rivera, quienes únicamente se encuentran laborando treinta y seis horas a la semana de lunes a viernes, no laboran horas extras ni las embarazadas. A.- se han cambiado las lámparas que quemadas por nuevas, B.- se han instalados focos nuevos en todos los servicios sanitarios de hombres, C.- existe personas permanentes para mantener limpios y secos los servicios sanitarios sin humedad y vigilando por el buen uso de los mismos, D.- no se han puesto servicios sanitarios nuevos, pero si se han arreglado los que estaban malos, E.- se ha colocado un nuevo filtro de agua y suman cuatro los mismos, F.- se han instalados ventiladores en el departamento de plancha y quedan pendientes algunos para ser instalados, G.- se han instalado puertas dobles de vaiven de madera para impedir la fuga del aire acondicionado, H.- no se ha habierto ninguna puerta de seguridad en la sección de corte y confección de la empresa, I.- no se ha formado la comisión de los representantes de los trabajadores y la empresa para ventilar las quejas de los mismos, J.- tampoco se formado la comisión de seguridad. estos últimos dos puntos no se han concretizados porque permanentemente son visitados por comisiones extranjeras y hondureñas, según manifestación de la empresa. Seguidamente se les cede la palabra a las siguientes empleadas Ana Iris Orellana, María Borjas, Hilda Zelaya, Bertha Marquez, Nancy Padilla, Alba Rodríguez, Elsa Barrera, María Tejada, Marlene Gutierrez, Veronica Zavala, Lourdes Cruz, Ingrid Monterroso, Rosa Gomez, Nuvia Rivera, Mercedes Lopez y Reyna -

PG. 2

Garcia; quienes por así quererlo se manifiestan a una sola voz lo siguiente: " que la empresa nos paga correctamente nuestros salarios, vacaciones aguinaldo y catorceavo mes correctamente - como lo estipula la ley laboral y gozamos de los beneficios de maternidad, en ningun momento la patronal nos trata mal por el estado en que nos encontramos mas bien esta pendiente de nosotros no laboramos horas extras ni hacemos trabajos que nos puedan perjudicar a nuestra salud". Acto seguido se le cede la palabra a las trabajadoras Karol P. Machado y Karla Vanessa Rivera, quienes libremente y sin presion alguna sobre el mismo dicen: " que nosotros unicamente laboramos treinta y seis horas a la semana de lunes a viernes, no trabajamos horas extras, como lo estipula la ley es todo lo que puedo decir" Leido el contenido de la presente Acta a las partes declarantes que estas estando de acuerdo con la misma la ratifican y la firman para efectos de constancia - juntamente co los Suscritos que dan fe.

[Signature]
HARRY GILBERTO DAVIS

[Signature]
ANA I. ORELLANA

MARIA BORJAS

[Signature]
HILDA ZELAYA

[Signature]
BERTHA MARQUEZ

[Signature]
NANCY PADILLA

[Signature]
ALBA RODRIGUEZ

[Signature]
ELSA BARRERA

[Signature]
MARIA TEJADA

[Signature]
MARLENE GUTIERREZ

[Signature]
VERONICA ZAVALA

[Signature]
LOURDES CRUZ

[Signature]
INGRID MONTERROSO
[Signature]
MERCEDES LOPEZ

ROSA GOMEZ
[Signature]
REYNA GARCIA

* NUVIA RIVERA
[Signature]
VERONICA CRUZ

[Signature]
KAROL P. MACHADO

[Signature]
KARLA V. RIVERA

[Signature]
FRANCIS L. ENANORADO

[Signature]
RENE GUEVARA

[Signature]
GABRIEL CHAVARRIA D.

[Signature]
MARICEL CRISTIANOS

RESULTADOS DE LA VISITA DE LA "ORGANIZACION INTERNACIONAL DEL TRABAJO"

- LAS INSPECCIONES LLEVADAS A CABO POR EL DOCTOR JUAN CARLOS BOSSIO ROTONDO, EXPERTO EN CONDICIONES Y EN MEDIO AMBIENTE DE TRABAJO SE REALIZARON EN EL PERIODO COMPRENDIDO ENTRE EL 13 DE JUNIO Y EL 22 DE JULIO DE 1996, VISITANDO EMPRESAS HONDUREÑAS, AMERICANAS Y COREANAS Y DE OTRAS NACIONALIDADES, ASI COMO PARQUES INDUSTRIALES Y ZONAS LIBRES. EL REPORTE DEL DOCTOR BOSSIO AUN NO LO HA PRESENTADO A LA "OIT", POR LO QUE TAMPOCO ESTA AUN EN PODER DE LA ASOCIACION HONDUREÑA DE MAQUILADORES.

**EXPLICACION SI LAS VIOLACIONES GRAVES SON RESTRINGIDAS EN LAS
COMPAÑIAS COREANAS**

1. LA BARRERA DEL IDIOMA. ACTUALMENTE LOS EMPRESARIOS COREANOS ESTAN CONTRATANDO PERSONAL DE COREA CON CONOCIMIENTOS DE ESPAÑOL O INGLES.
2. LA TENDENCIA DE LAS ORGANIZACIONES SINDICALES Y DE DERECHOS HUMANOS EN MAGNIFICAR LOS PROBLEMAS LABORALES QUE SURGEN EN LAS EMPRESAS COREANAS, NO OBSTANTE, QUE TALES PROBLEMAS SON COMUNES EN LA INDUSTRIA EN GENERAL, Y FACILMENTE SE PUEDEN RESOLVER UTILIZANDO LAS INSTANCIAS LEGALES QUE EXISTEN EN EL PAIS.
3. LA DIFERENCIA EN LA IDEOSINCRACIA Y LA CULTURA DE TRABAJO COREANA CON RESPECTO A LA HONDUREÑA.

Tegucigalpa, M.D.C., 9 de Julio de 1996

Sr. Jesús Canahuati
ASOCIACION HONDUREÑA DE MAQUILADORES
San Pedro Sula

Estimado Sr. Canahuati:

Para su información, adjunto encontrará copia de carta enviada por la Sra. Angelina Ulloa Duarte de Veniz, Directora General de la Dirección General de Población, referente a la deportación de nueve ciudadanos Coreanos.

Sin otro particular, le saluda

Atentamente,



ANTONIO YOUNG TORRES
Vice Presidente Ejecutivo



MINISTERIO DE GOBERNACION Y JUSTICIA
DIRECCION GENERAL DE POBLACION
 APARTADO POSTAL, 494 — TEGUCIGALPA, D. C.

8 de Julio de 1996

Oficio N° 260-96-DG

Licenciado
ANTONIO YOUNG TORRES
 Vice-Presidente Ejecutivo de FIDE
Su Oficina

Estimado amigo :

Inmediatamente que me incorpore a mi oficina, estoy dándole respuesta a la solicitud de información que me hiciera, a través del informe que nos presentara el Jefe del Departamento de Información, el cual adjunto.

Del mencionado informe se desprende, que de los 9 ciudadanos de origen coreano que fueron deportados en el período comprendido en los años 1992-1993 hasta la fecha, únicamente el señor CHUN HO KIM laboraba en la Maquila - Jordae Honduras Ltda. de la Zona Libre de Puerto Cortés, asimismo, conforme su expediente se confirma que fue deportado por abusos laborales.

En espera de que esta información le sea de utilidad, reciba las muestras de mi consideración y afecto.



C.D. **CELINA BELLA DUARTE DE VENTURA**
 Directora General

DIRECCION GENERAL DE POBLACION Y POLITICA MIGRATORIA

TARJETA DE INSCRIPCION



1. Clave: 2. Lugar y fecha de inscripción: La Ceiba, Atlida

3. Nombre del inscrito: JUNG HO KIM
 1er. Apellido 2do. Apellido 1er. Nombre 2do. Nombre

4. Sexo M. F. 5. Estado Civil casado 6. Prof. u Oficio:

7. Conexión: Morino 8. Nacionalidad: Coreana

9. Lugar de nacimiento: Corea 10. Fecha: 10 de Diciembre de 1955

11. Pelo: Negro, Liso 12. Ojos: Oscuros

14. Marca: radita 15. Estatura: 1.72 Mts 16. Peso: 175 lbs 17. Señales Particulares: Ninguna

18. Dirección exacta: La Ceiba, Atlida
 Av. C/tales N.º Barrio o Colon's Tel. Municipio Departamento

19. N.º. de Pasaporte: 51734 20. N.º. de Resolución: 21. Fecha:

22. Delegación por donde ingresó: 08 La Ceiba, Atlida 23. Fecha de ingreso: 11 de mayo de 1955
 Día Mes Año

24. Motivo de la inscripción: Deportación

25. Nombre de la Esposa (o) Compañera (o): Kim Seang Ho 26. Domicilio: Coreana

27. Nacionalidad: Coreana 28. Residente No

29. Nombre del Padre: Gun Jong Kim 30. Domicilio: Corea
 Nacionalidad Coreana 31. Nombre de la Madre: Guni Sen Kim
 Nacionalidad Coreana 32. Domicilio Corea

33. Cambio de Domicilio.

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

34. Renovación o Reposición de Cartas

| Fecha |
|-------|-------|-------|-------|-------|-------|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

OBSERVACIONES: _____

Saul Urbina
 NOMBRE

[Firma]
 FIRMA



Fecha = 20-05-93

REGISTRACION Y POLITICA MIGRATORIA

FORMULARIO DE INSCRIPCION

Lugar y fecha de inscripción: La Ceiba, Atida.

Nombre: IMAN GIM

Apellido: IMAN 2do. Apellido: GIM 1er. Nombre: IMAN 2do. Nombre: GIM

4. Sexo M. F. Estado Civil: Conado Prof. u. Oficio:

7. Ocupación: Marino 8. Nacionalidad: Coreano

9. Lugar de nacimiento: Busan, Corea 10. Fecha: 13 de Septiembre de 1957

11. Pelo: Negro 12. Ojos: cafe 13. Piel: trigueño

14. Mani: recta 15. Estatura: 1.67 mts. 16. Peso: 165 lbs 17. Señas Particulares: Luz en la cara

18. Dirección exacta: La Ceiba, Atida.

19. No. de Pasaporte: B 8-824-52012 20. No. de Resolución: 21. Fecha:

22. Delegación por donde ingresó: AA- La Ceiba, Atida. 23. Fecha de ingreso: 11 de mayo de 1993

24. Motivo de la inscripción: Deportación

25. Nombre de la Esposa (o) Compañera (o): Miky Yeong Yean 26. Domicilio: Corea

27. Nacionalidad: Coreana 28. Residente SI No

29. Nombre del Padre: San Gu Kim 30. Domicilio: Corea

Nacionalidad: Coreana 31. Nombre de la Madre: Su Yeon Kim

Nacionalidad: Coreana 32. Domicilio: Corea

33. Cambio de Domicilio:

- a) _____
- b) _____
- c) _____
- d) _____
- e) _____

34. Renovación o Reposición de Carnet

Fecha					
Fecha					
Fecha					

OBSERVACIONES: _____

NOMBRE

FIRMA



MINISTERIO DE GOBERNACION Y JUSTICIA
DIRECCION GENERAL DE POBLACION
 APARTADO POSTAL 494 TEGUCIGALPA, D. C.

MINISTERIO DE GOBERNACION Y JUSTICIA
DIRECCION GENERAL DE POBLACION

TEGUCIGALPA, D. C. PUERTO CORTES, CORTES EXPEDIENTE No. 06-92-001
 KIM CIUM HO
 Primer Apellido Segundo Apellido Primer y Segundo Nombre
 Lugar y Fecha de Nacimiento JANG SUNG, KORZA DEL SUR 4-3-63
 NACIONALIDAD KOREANA OCUPACION MECANICO
 PASAPORTE No. 2364300 TIPO DE TRANSPORTE AEREA
 PERMANENCIA EN EL PAIS 30 DIAS CLASE DE VISA NEGOCIO
 OTROS DOCUMENTOS DE IDENTIFICACION NINGUNA ESTADO CIVIL CASADO
 NOMBRE DE LA ESPOSA O COMPAÑERA KYUNG HEEY KIM NACIONALIDAD KOREANA
 No. DE HIJOS 2 NOMBRE DEL PADRE JANG HEEUN KIM
 NACIONALIDAD KOREANA NOMBRE DE LA MADRE SOON HA CHOI
 NACIONALIDAD KOREANA
 DIRECCION Y DOMICILIO EN EL PAIS JARRIO EL PORVENIR, PUERTO A BASE NAVAL
PUERTO CORTES, CORTES LUGAR Y FECHA DE INGRESO AL PAIS AGROPUNTO RAMON
VILLEDA MORALES 19 DE JULIO DE 1991

DESCRIPCION PERSONAL

COLOR ANARILLA PELO NEGRO LISO OJOS CAJES
 NARIZ ANCHA FRENTE PEQUEÑA PESO 120 Lbs. ESTATURA 1.71
 CONTESTURA MEDIANA COMPLECCION DELGADA SEÑAS PARTICULARES
NINGUNA

IDENTIFICADO EN FABRICA JORDAE HONDURAS LTDA. UBICADA EN LA ZONA LIBRE
DE PUERTO CORTES IDENTIFICADO POR DELEGADO DE INMIGRACION
 OBSERVACIONES EL TITULAR FUE REQUERIDO POR DEMANDA DEL SEÑOR RICARDO
HEBRERA DE NACIONALIDAD HONDUREÑA, QUIEN MANIFESTO HABER SIDO ULTRAJADO
POR EL SEÑOR KIM VERBAL Y FISICAMENTE (EMPUJONES) Y HABERLO AMENAZADO
CON UN DESARMADOR (AMBOS EMPLEADOS DE LA FABRICA JORDAE HONDURAS LTDA.)
EL SEÑOR CIUM HO KIM SERA DEPORTADO POR ORDEN DEL SEÑOR DIRECTOR ORAL.

PUERTO CORTES, 18 DE ENERO DE 1992

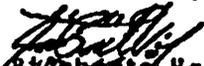
Puerto Cortes 6 de enero de 1992.

Sres
Departamento de Migracion
ciudad.

Con el debido respeto me dirijo a ustedes para comunicarles que el día de hoy por la mañana, en la Empresa Jordae de Honduras, cuando me encontraba tratando de resolver un problema laboral de una companera afiliada a nuestra organizacion, fui agredido en forma verbal y fisica por parte del Supervisor coreano (mecanico), accion que se agudizo, por que despues de insultarme y de pegarme tres empujones saco un desarmador con intensiones de utilizarlo, accion esta ultima que no se concretizo gracias a la oportuna intervencion de otros dos coreanos que forcejearon con el para controlarlo, en el momento que se produjo esta agreccion se encontraban presentes dos directivos del sindicato, el jefe de personal y otros trabajadores, adjunto a la presente se hace acompañar las firmas y nombres de los companeros que pueden dar fe de lo aqui denunciado.

Sin otro particular y esperando contar con su valiosa colaboracion a efecto de que se le aplique la ley a este sr. ya que es reincidente en su forma de tratar a los trabajadores que laboramos para esta empresa, me suscribo de usted,

atentamente,



Roberto Herrera
Vice Presidente S. Trajordae.



cc: Fesitranh
cc: Empresa Jordae
cc: Ministerio del Trabajo
cc: Archivo del Sindicato



JERONIMO MONCADA BUESO
SECCION INSPECCION DEL TRABAJO.

C E R T I F I C A C I O N

El suscrito Jefe de la Sección de Inspección de Trabajo de esta ciudad, por este medio certifica el Informe que literalmente dice: ---
 " INFORME. Señor. Jerónimo Moncada Bueso, Jefe de la Sección de Inspección de Trabajo de esta ciudad, Su despacho: Para su conocimiento y demás fines legales el suscrito Inspector de Trabajo tiene a bien informarle lo siguiente: que en uso de lo que le confiere la Ley -- laboral y por instrucciones de la superioridad se constituye en el centro de trabajo denominado JORDAE DE HONDURAS, sito de esta en la zona libre de esta ciudad puerto, con el propósito de dejar constancia del problema laboral suscitado en dicha empresa, para lo cual el -- actuante se presentó a la reunión sostenida por representantes de la empresa en este caso Mister Adolfo, el Licenciado Jesús Mejía como -- apoderado de la empresa el cual pertenece el Bufete Mandel Rivera -- de San Pedro Sula también el encargado de Migración de esta ciudad -- el señor Mario Ravenau, el suscrito tuvo la presencia de los testigos de el caso entre el coreano Mister Kim y el dirigente sindical Rigoberto, los testigos son: Rosa Jerezano, Edwin Armando Solís, -- Juan Ramón Bustillo, Manuel Membreño, Maritza García, Ana Silvia -- Pérez, Karla Herrera, Mauricio Ríos, Selvin Garza, Víctor Antonio Martínez, quienes fueron preguntados por el señor Ravenau, contestando que afirmativamente al señor coreano Mister Kim le pegó tres empujones a Rigo, y después sacó un desarmador amenazándolo con dicho -- artículo, entonces en ese momento fué detenido por dos coreanos que estaban cerca de él, dicha declaración fué de todos los testigos -- ya mencionados. Con lo antes expuesto se da por finalizado el presente Informe en la ciudad de Puerto Cortés a los trece días del mes de enero de mil novecientos noventa y dos. f) y Sello Armando Reyes Guera, Inspector de Trabajo".

ES CORRECTO CON SU ORIGINAL

Extendida le presente en Puerto Cortés, departamento de Cortés, diecisiete ^{días} de enero de mil novecientos noventa y dos.



JERÓNIMO MONCADA BUESO
 JEFE SECCIÓN INSPECCION DEL TRABAJO.

Alcibiades # 114470	Adolfo Martínez	✓	4
Alfonso # 3426	Ricardo Jiménez	✓	4
Alfonso # 4887	Antonio Rodríguez	✓	4
Amel Quintero # 13827	Manuel Martínez	✓	4
Francisco # 2584	Manuel G. Díaz	✓	4
Edilberto # 3571	Administración	✓	4
Beltrán # 4544	Antonio López	✓	4
Rafael # 2279	María R.	✓	4

FOR YANHO: La Dirección General de Población y Política Migratoria, en uso de las atribuciones que le confiere la Ley; y en aplicación del artículo 30 de la Constitución de la República, 13 No. 7, 37, 43 No. 4 de la Ley de Población y Política Migratoria, RESUELVE: Proceder a la expulsión del País del señor _____

LA LISTA QUE A CONTINUACION SE DETALLA SON LAS PERSONAS QUE EL SEÑOR RIGOBERTO HERRERA PRESENTO COMO TESTIGOS DE HABER OBSERVADO EL PROBLEMA Y QUE SE ENCONTRABAN PRESENTE EN ESE MOMENTO:

- 1- MARITZA GARCIA
- 2- JUAN RAMON BUSTILLO
- 3- VICTOR ANTONIO MARTINEZ
- 4- ROSA JULIA JEREZANO
- 5- ANA SILVIA PEREZ
- 6- MANUEL MEMBREÑO
- 7- MAURICIO RIOS
- 8- EDWIN SOLIS
- 9- SELVIN GAIZA PAZ
- 10- KARLA HERRERA

NOTA: TODAS ESTAS PERSONAS FUERON INTERROGADAS CONFIRMANDO LO QUE EL SEÑOR HERRERA HABIA MANIFESTADO.

POR TANTO: La Dirección General de Población y Política Migratoria, en uso de las atribuciones que le confiere la Ley; y en aplicación del artículo 30 de la Constitución de la República, 13 No. 7, 37, 43 No. 4 de la Ley de Población y Política Migratoria, **RESUELVE:** Proceder a la expulsión del País del señor -

APARTADO POSTAL 694

TEGUCIGALPA, D. C.

DIRECCION GENERAL DE POBLACION Y POLITICA MIGRATORIA. Tegucigalpa Municipio del Distrito Central diecisiete de enero de mil novecientos noventa y dos.

RESOLVA: Que en fecha ocho de enero del año en curso, el señor RICOBERTO HERRERA, Vice-Presidente del Sindicato de Trabajadores JORDAE "SITRAJORDAE, presentó ante el señor Delegado de Migración de la Ciudad de Puerto Cortés, un escrito denunciando al señor SHUN HO KIM de nacionalidad Coreana, emplea do de la Fábrica " JORDAE DE HONDURAS LTDA.", ubicada en la Zona Libre del mencionado Puerto, sobre una agresión verbal y física de que fué objeto por parte del referido señor SHUN HO KIM; denuncia que fué investigada por autoridades de la Dirección General de Población y Política Migratoria y asimismo por Inspectores del Ministerio de Trabajo y Previsión Social; habiendo comprobado la veracidad del hecho denunciado, cometido por el señor SHUN HO KIM, en perjuicio del señor RICOBERTO HERRERA.

CONSIDERANDO: Que los extranjeros están obligados desde su ingreso al territorio nacional a respetar las autoridades y a cumplir las leyes.

CONSIDERANDO: Que de la investigación realizada por las autoridades Migratorias y Laborales del País, se desprende que el señor SHUN HO KIM de nacionalidad Coreana, ha violado normas constitucionales y legales contempladas en nuestro Ordenamiento Jurídico.

CONSIDERANDO: Que de conformidad con el artículo 43 numeral 4 de la Ley de Población y Política Migratoria, se proceda a la expulsión del territorio nacional del señor SHUN HO KIM de nacionalidad Coreana.

POR TANTO: La Dirección General de Población y Política Migratoria, en uso de las atribuciones que le confiere la Ley; y en aplicación del artículo 30 de la Constitución de la República, 13 No. 7, 37, 43 No. 4 de la Ley de Población y Política Migratoria, **RESUELVE:** Proceder a la expulsión del País del señor

SHUN HO KIM de nacionalidad Coreana, dentro del plazo perentorio de veinticuatro horas. CUMPLASE.



DR. MARIO ENRIQUE BOONIN HERNÁNDEZ
Director General



DR. ENRIQUE LARA RIVERA
Secretario General

RECLAMOS OBRERO - PATRONALES DE COMPAÑIAS LABORALES					
AÑO: 1992/1993					
FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
RECLAMOS OBRERO - PATRONALES DE COMPAÑIAS LABORALES					
AÑO: 1992/1993					
FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
19/1/92	Golden Eagle Trading	INDELVA	Sara María Caschanti	Despido Verbal	Se levanta acta de comparecencia
26/11/93	Global Fashion, S.A.	Zip San Miguel	María Elena Ramos	Suspension de labores por 8 días sin goce de sueldo.	Se levanta acta donde la empresa deja sin efecto el valor en vi da que la empresa ignoraba el estado.
26/10/92	Paiza Industrial	Chip Choloma	Rigoberto Paredo	Constata falta cometida	Se levanta acta donde se const que, en efecto, el Sr. Rigoberto Paredo falta al respeto, segun version de sus compañeros.
16/10/92	Sección de Honduras	INDELVA	Dania Judith M. Mendez	Entrega despido indirecto. No. 594.	El autante levanta acta de la entrega del despido indirecto la trabajadora, pero no firmo Sr. Wanz, Gerente de la Empresa
16/10/92	Hung Sung Honduras, S.A.	Zip Continental	Freddy Alexander Ayala Carlos Alberto Casan	Suspension de labores, Carlos Alberto Casan termino de 5 días.	Se levanta acta en la cual la suspensiones se dejaron sin va y efecto en virtud de que la empresa no siguió los procedimientos legales para di suspensiones.
19/10/92	Wanchang Industriales, S.A.	Chip Choloma	Luis Alonso Zelaya Elvia Lenia Peralta Elvin Paredo Alfredo Pagas Elizandro Funes Jorge Alberto Barroza Carlos Jerez Gonzalez Rafael Rivera Wilfredo Amaya María Javier Lopez Remy Yolanda Astanga Haydee Oliva Nancy Valerio Dorely January N. Felicita Barroza Ana Maritza Castellon Xiomara Torres, y Olivia...	Suspension de labores de todo el personal de la empresa.	En esta ocasion se levanta acta en la cual se constata que habian parado las labores desde las 8 a.m. por el mal comportamiento Samuel de Jesus Aguilar Villed

RECLAMOS OBRERO - PATRONALES DE COMPAÑIAS LABORALES					
AÑO: 1992/1993					
FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
16/10/92	Elle Jln Honduras Co, S.A. INHDELVA		Olga María Caballero Jefe de Personal	Constatare despido No. 681	Se Constato el mismo. Esta trabajadora se encontraba en estado de embarazo, pero la empresa le pago el total compt de sus prestaciones y maternid
16/10/92	S.P. Honduras, S.A.	Chip Choloma	Elena Barahona Paz Trabajadora	Suspension de labores sin goce de salario, 5 al 7 de Oct. de 1992. No. 680.	En esta oportunidad la empresa manifestó en el acta que dejó sin valor ni efecto la primera suspensión por tres días, y que dichos días desconocidos los pagaria a dicha trabajadora.
09/10/92	Coamas Apparel, S.A. de C/Zip San Miguel Dulce Siesta			Suspension de labores	se levanto acta en la cual el de Personal, Leslie O. Pardoos hace los correctivos al caso y que segun el fue error involuntario de parte de la empresa, de acuerdo al reglamento interno de Trabajo.
16/10/92 Solicitud presentada por la empresa.	Sunny Industales Co.	Chip Choloma	Cecilia Casarez A.	Abandono de labores	Se levanto acta donde se toman declaraciones de ciertas compañeras, quienes afirman que dicha compañera abandono sus labores.
13/10/92	NI honey Honduras	Zip Continental	Fady Fernandez	Constatare despido	Quedo resuelto el reclamo, ya se cancelaron a las trabajadoras sus derechos laborales.
08/10/92	Fenix Apparel	Galaxy Industrial	Elba Montoya Jenny Janeth Oliva	Constatare despido	Llegaron a un acuerdo conciliatorio con la empresa.
14/10/92	Pacalco, S.A.		Juventina Guadado	Constatare Despido	Se le liquidaron sus derechos empleada.
08/10/92	Global Fashion, S.A. de C/Galaxy Industrial		Widia Velasquez	Deja sin valor y efecto unaSe resolvió el problema Suspension de labores sin cancelandose los días de la goce de salario por cinco suspensión a la trabajadora días.	
07/10/92	Fenix Apparel	Galaxy Industrial	Rubenia Holasco	Requeria a la empresa para que le proporcionen un sillón para desempeñar sus labores ya que se encuentran	Se le arreglo el problema, considerando su estado.

RECLAMOS OBRERO - PATRONALES DE EMPRESAS LABORALES

Año: 1992/1993

FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
				embazazada.	
08/10/92	Hyp Sung Honduras, S.A.	Zip Bajala	Ganalliel Castellanos	Dejar sin valor y efecto unaSe resolvió el problema suspensión de labores sin cancelandose los tres días d goce de sueldo por tres díasalabores a dicho trabajador. de forma verbal.	
20/10/92	Suelin Honduras, S.A.	BelIndelva	Ann Suyapa Hernandez	Dejar sin valor y efecto la suspensión de labores por tres días, por ser injusta injusticadamente.	Se dejó sin valor ni efecto al
13/10/93	Mi Kwang Honduras	Zip Continental	Madrid Nidia Tenese caus	Constataz los motivos por loEl Inspector Juan Jose Anita que dichas empresas fueron siendo un informe en el que se de tenaciable a la Inspecci despedida.	General de Trabajo, en virtud d que no se le permitió que realitara la investigación y e senor Jefe de Personal la falt respeto.
21/10/93	Monty, S. de R.L.	Zip Choloma	Dayal Analy Mejia	Despido verbal	Se dejó en libertad a las part para que hicieran uso de sus derechos ante quien correspondiera, en virtud de q la empresa nego haberte desped
0.2043010753	Manufacturas Internaciona	Inhdelva	Ramon Roney Suarez	Constataz despido verbal	Se constato segun los testigos trabajo.
20/01/93	Global Fashion, S.A.	Zip San Miguel	Marla Elena Ramos	Despido verbal de la trabajadora Ramos. La acusaban de haber motivado ausencia a estas oficinas. Las companera para que no laboraran horas extras, y tambien de tardarse mucho al le al baño.	Esperaron que la empresa le pa en la misma, de lo contrario (no regreso).
14/01/93	Manufacturas Internaciona	Inhdelva	Ramon Roney Suarez	Constataz que no le permitianl Inspector Carlos Jalla sind al ingreso a sus labores, niun informe en el cual hizo co al pasque.	que en efecto a dicho trabajad no se le permitió el ingreso a labores llegando finalmente a acuerdo conciliatorio con dich empresa.
28/01/93	Wanchang Industriales, S.A.	Chip Choloma	Iana Hernandez Hernandez	Reclamo de todas sus	Fue una comparecencia de dicha

RECLAMOS OBRERO - PATRONALES DE COMPAÑIAS LABORALES

AÑO: 1992/1993

FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
			María Patricia Canales Maribel Dilecia Carolina Vaquedano Dayal Maribel Ortiz	prestaciones sociales.	Trabajadora donde se resolvió se envió un Inspector de Trabajo para buscarle solución.
25/01/93	Big Yank Corp. De Honduras	Zip Choloma	Jose Abraham Vallejos	Dejar constancia de despido verbal para que no le acusaran de abandono de trabajo.	Pendiente de enviar al Inspector para constatar el despido.
07/09/92	Global Fashion, S.A.	Zip San Miguel Balsa Diaz		Reclamo pre-natal y post-natal	Se cancelaron sus derechos reclamados en efectivo.
02/10/92	Fabiana Fashion	Zip Nujalo	Estanislao Hamedinga	Constatare despido	Resuelve el problema, se le cancelaron los derechos al reclamante.
02/10/92	Fenix Apparel	Galaxy Industrial	Jessy Janneth Oliva Elda Patricia Montoya Canales.	Constatare despido y sus prestaciones.	No atendieron al Inspector advirtiendo el Jefe de Personal ese día era día de pago y tenía mucho trabajo.
02/10/92	Cotton Club Manufac. de Honduras	Zip Nujalo	Olga Marina Nilla	Reclamo de sus prestaciones sociales y derechos adquiridos.	Se resolvió el problema.
05/10/92	S.P. Honduras, S.A.	Zip Choloma	Lealle Marlene Rivera	Recibió malos tratos por partes partes decidieron llegar a de la costura Sindy, quien arreglo conciliatorio, dando p agoras del pelo y la tina con la pared.	terminado el contrato de trabajo.
21/10/93 No. 705 Susy Yadira Aguacila.	Monty, S. de R.L.	Zip Choloma	Dayal Anely Mejia	Despido.	Se levanto acta de comparecencia en la cual la trabajadora recl sus prestaciones sociales, por se logro nada en virtud de que empresa alega que no la ha despedido y que siga con su reclamo.
15/01/93	NI Kwang Honduras, S.A.	Zip Continental	Liliana Hernandez María Patricia Canales Maribel Maribel Dilecia Carolina Vaquedano		El Inspector envió un Informe ya que el Jefe de Personal Norman Serrano se mostró renuente a que se hiciera la investigación en el caso que ocupa expresando en presencia del Inspector frases que iban contra la dignidad moral y seguridad física de la misma;

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
02/10/92	Cotton Club Manufac. de Honduras	Zip Choluteca	Olga Marina Nilla	Reclamo de sus prestaciones sociales y derechos adquiridos.	Se resolvió el problema. mucho trabajo.
05/10/92	S.P. Honduras, S.A.	Zip Choluteca	Leslie Marlene Rivera	Recibió malos tratos por parte de la cosecha Cindy, quien arreglo conciliatorio, dando por agotado del peso y la lira terminando el contrato de trabajo. contra la pasad.	Se resolvió el problema. mucho trabajo.
21/10/93 No. 785 Sany Yadian Aguacia.	Monty, S. de R.L.	Zip Choluteca	Delcy Anely Mejia	Despido.	Se levanto acta de comparecencia en la cual la trabajadora reclama sus prestaciones sociales, pero no se logro nada en virtud de que la empresa alega que no la ha despedido y que siga con su reclamo.
15/01/93	Mi Romay Honduras, S.A.	Zip Comisarato	Laura Hernandez María Patricia Canales Marisol Madrid Ridia Teresa Cruz		El Inspector recibió un informe ya que el Jefe de Personal Rosana Sarano se muestra renuente a que se hiciera la investigación en el caso que ocupa expresando en presencia del Inspector frases que iban contra la dignidad moral y seguridad física de la misma; no obstante, entreviste a la, persona a quien Irma Hernandez H. Supuestamente había faltado el respeto.
14/01/93 No. 592 Melvin Chinchilla	KIL 7ta Honduras Co. S.A. Inabdelva		Diana Lina Rivera Luis Edgardo Mejia Zulea Ballita Paz Wilma Enrique Martinez Nancy Elizabeth Naveira	Despido verbal	En esta ocasión se levanto acta de comparecencia, donde el Jefe de Personal la esta poniendo problemas para el pago de las prestaciones.
19/01/92 No. 683 María Portillo	King Star Garments	Zip Tegucigalpa	Rosa Cristina Rousea	Despido.	El suscrito procedio a levantar informe en virtud de que el Sr. Lawrence tal en condición de Gerente administrativo, dijo que no podan ser atendido por nadie, solamente por el Jefe de Personal, y que El no se encontraba.
20/01/93	Honchang Industriales, S.A. Zip Choluteca		Eddy Mejia	Malos tratos	Para que se constata, malos

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
21/10/93	Houty, S. de R.L.	Zip Choloma	Dayal Anely Mejia	Despido verbal	Se dejo en libertad a las partes para que hicieran uso de sus derechos ante quien correspondiera, en virtud de que la empresa nego haberla despedido.
0.2043010753	Manufacturas Internacionales	Inhdelva	Ramon Roney Suarez	Constatar despido verbal	Se constato segun los testigos que trabaja.
20/01/93	Global Fashion, S.A.	Zip San Miguel Naxla Elena Ramos		Despido verbal de la trabajadora Ramos. La acusaban de haber motivado a otras oficinas. Las compaenias para que no trabajaran horas extras, y tambien de tardarse mucho al ir al bano.	Esperaron que la empresa le pagara en la misma, de lo contrario [no pagaron].
14/01/93	Manufacturas Internacionales	Inhdelva	Ramon Roney Suarez	Constatar que no le permitian el ingreso a sus labores, ning informe en el cual hizo constar al parque.	El Inspector Carlos Julio andio que en efecto a dicho trabajador no se le permitio el ingreso a sus labores llegando finalmente a un acuerdo conciliatorio con dicha empresa.
28/01/93	Wanchang Industrials, S.A.	Zip Choloma	Irene Hernandez Hernandez María Patricia Canales Nazliel Dileta Carolina Vaquezano Dayal Hazelbel Ortiz	Reclamo de todas sus prestaciones sociales.	Fue una comparecencia de dichas trabajadoras donde se resolvió que se enviara un Inspector de Trabajo para buscarles solución al reclamo.
29/01/93	Big Yank Corp. De Honduras	Zip Choloma	Jose Abraham Vallejos	Dejar constancia de despido verbal para que no la acusaran de abandono de trabajo.	Pendiente de enviar al Inspector para constatare el despido.
07/09/92	Global Fashion, S.A.	Zip San Miguel Naxla Diaz		Reclamo pre-natal y post-natal	Se cancelaron sus derechos que reclamaba en efectivo.
02/10/92	Febena Fashion	Zip Bajala	Estanislao Masadinga	Constatar despido	Resuelto el problema, se le cancelaron los derechos al reclamante.
02/10/92	Feenix Apparel	Galaxy Industrial	Jessy Janneth Olive Elba Patricia Montoya	Constatar despido y sus consultas.	No atendieron al Inspector aduciendo al Jefe de Personal que ese día era día de pago y tenía

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
20/01/93 No. 644	Wanchang Industrial, S.A.	Chip Choloma	Eddy Mejía Marceles Cocho	Malos tratos	Para que se constate, malos tratos, el suscrito hizo un informe en virtud de que lo notificó al Sr. Vigilante que el Sr. Gerente no le podía atender porque no se encontraba en la empresa.
22/01/93 No. 670	HL Kwang Honduras, S.A.	Tip Continental		Nada injusta.	Se levanta acta donde la empresa paga una sanción recriminatoria, por la no comparencia a estas oficinas.
13/01/92 No. 180 Quincy Yadira Aguacá	Manufacturas Internacionales	Inhdelva	Ramon Honey Suarez	Problemas relacionados con salario.	Edice el trabajador que cuando llega a la oficina se entrevista con el Sr. Edwin Escoto, que es el Gerente de dicha empresa, y cuando le plantea el problema le dice que le vale verga si el gana igual o menos.
11/01/93 No. 196 R.C. Bayas	S. P. Honduras	Chip Choloma	Hery Selva Alvarado	Despido en estado de embarazo	Esta trabajadora se presenta a esta oficina y se levanta acta de comparencia por haber sido despedida una vez que se dieron cuenta de que se encontraba en estado de embarazo. Estaba en control con el medico de la empresa. El despido se lo dio en forma verbal el Jefe de Personal Arturo Carranza P., entregandole unicamente la suma de los Lps. 235.1 por salarios, y no así las prestaciones y maternidad correspondientes.
12/01/93 No. 539 Natalia R. Portillo	Fenix Apparel	Galaxy Industrial	Lucilla Lopez	Desape	En esta ocasion el Inspector levanta informe en virtud que despues de haber esperado en los portones por mas de 20 minutos, el vigilante Rigoberto Hernandez le comunico que el Sr. Lucilla O. Paredo, Jefe de Personal, dijo que alguien se esperaba. Al final no le atendio.

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
07/01/93 No. 116 Acta a Comparencia Retvin Rafael Rafael Chinchilla	Hypu Sang honduras, S.A.	Zip Bajalo	Gladys Gonzalez Oscar Postillo Santos Jose Nollan Ana Marcela Funes Gertrudis Elizabeth Castro Nelson Geovany Archila	En vietas de que nos tenían sentados sin labores.	Una vez que estuvimos en el puesto de la empresa, vino el Sr. Yong de quien cocamos quien, sin razon alguna, se enfurecio: "Yo atiendo a ustedes", refiriendose al Inspector de Trabajo como a nosotros. Señalando al Inspector le manifesto: "Con usted vamos a pelear".
08/01/93 No. 123 Francis A. Enamorado	Prima Industriales Ltd, S.A.	Choloma	María Nelly Baines	Sociedad de la empresa en vietas	que la operacion al inicio cometio errores en su trabajo al realizar la operacion que ella hace.
06/01/93 No. 166 Suspension de labores por tres dias	Hl Kwang honduras, S.A.	Zip Continental	Gladys Ruby	Suspension de labores.	Cuando se presento el Inspector dicha trabajadora renuncio manifestando que no queria trabajar mas para esa empresa, en adquiridos.
11/01/93 No. 170 Informe Mario Postillo	Paralelo, S.A. De C.V.	Carret. a vieja Nioca Valladecar Ticunaya, Costa.		Suspension.	En esta ocasion el Inspector citado en Informe en vietas de que el Jefe de Personal, Luis Alonso Escoto no quiso atenderlo.
04/01/93 No. 94 Mario Postillo	Feliz Apparel	Galaxy Industrial	Continua la Investigacion y malos tratos. del Inspector Mario Postillo.		Continuaron manifestando los trabajadores que el Sr. Niter Yu es la persona que los hostiga, que se apista en el puesto para no dejarlos entrar. Como tambien el dia 30/12/92 fueron sacados del plantel por el coronel Yu, segun manifestaban todos los trabajadores. Tambien expresaban que en esa empresa son maltratados y que ese día los sacaron a empujones.
04/01/93	Hypu Sang Honduras, S.A.	Zip Bajalo	Gladys Odina Gonzalez Nelson Geovany Archila Santos Jose Nollan Oscar Rolando Postillo Cora Marcela Funes Gertrudis Elizabeth Castro		En esta ocasion se levanta acta de comparencia en vietas de que a los trabajadores los querian obligar a trabajar el dia 24/12/92, despues de haber llegado a un acuerdo con la empresa de que trabajaran los sabados para responer los 24 y 21 y trabajar

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					hasta el 23/12/92. Como se opusieron a hicieron el reclamo los señores fuera del Plantel como 45 minutos. Después del incidente, cuando regresaron a laborar, los mandaron al día 5/01/93 a la oficina del Sr. Jefe de Personal Rolando Encarnado, a unos en horas por la mañana y otros por la tarde, y los mantuvo sentados sin hacer nada; a unos los amonestaron con 5 días de castigo.
04/01/93 No. 9 Melania Galdames	Elm de Honduras	Zip Continental	Maria Selvia Anaya	Salario adeudado. Se cindio lajorare.	No se acregio en virtud de que la trabajadora se fue para su casa.
04/01/93 No. 92 Francis L. Enamorado	Fenix Apparel	Galaxy Industrial	Veronica Lizeth Hernandez Olga Galdames Rodas Yana Lucia Ullon Betsy Hazelbel Guzman Nely Snyapa Maritza Isabel Inteziano		La insculta se presenta a esta empresa con el objeto de constatar despido, cosa que fue imposible en virtud que cuando se anunció dijeron que el Sr. Lelio Pardo, en su condición de Jefe de Personal, no se encontraba; luego solicito entrevistas con el gerente o con cualquier ejecutivo de la empresa, luego el guardia le manifestó que estos se negaban a atenderla ya que tenían instrucciones de no permitir el ingreso de los trabajadores antes referidos. La insculta indago con los trabajadores que venían saliendo quienes manifestaron que el Jefe de Personal Lelio Pardo si se encontraba en la empresa.
04/01/93 No. 94 Nelis Pontillo	Fenix Apparel	Galaxy Industrial	Olga Galdames Rodas Nely Snyapa Mejia Yana Lucia Ullon Maritza Isabel Inteziano	Despido indirecto y malos tratos	los trabajadores dicen que el Sr. Julio Rio ha llegado al grado de golpearlos con su pierna y hombro. Segun propias palabras de una de las afectadas "El Sr. Niolet ya intento golpear con un banco, y no cal al suelo porque me sostiene en una vena". Ademas dicen que se

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11/01/93 No. 366 Informe Jose Lorenzo Rivera	Huap Sang Honduras, S.A.	Zip Bajelo	Héctor Alonso Villanueva-Jurado Verbal Blanca Esperanza Madina P. Marlen Esthela Flores H.		consideran d: apedidos porque no les dejaron entrar. Nos entrevistamos con el Sr. Tony Chang, quien manifestó que no los había despedido, que si se querían reintegrar su trabajo estaba allí, o si querían llegar a un arreglo que estaba dispuesto. Al final los trabajadores accedieron.
13/01/93 No. 372 Carlos Jellin	Peasajo, S.A. de C.V.	Casert. viaja alomada Edith Tejada Ticomayo, Costa		Reclamo de vacaciones aguiñado y horas extras.	El actuante envió un informándole la empresa le cancelada un pago de dinero por los reclamos mencionados, los cuales no los quiso recibir aduciendo que todavía le faltaba.
15/01/93 No. 376 Acta de Cooperancia María Pineda	Elle Zin Honduras Co., S.A.Indultra		Diamantina Rivera Luis Edgardo Mejia Zelia Dollya Paz Wilma Enrique Martinez	Despido Verbal	Resulta que el Jefe de Personal nos tiene asegurados dictámenes que nos va a pagar, y así nos tiene y no ha cumplido, por lo que hemos solicitado el auxilio de la autoridad de trabajo.
20/01/93 Juan José Arita	Hu Huang Honduras, S.A.	Zip Continental		Reclamo entrega	El actuante levantó de entrega de una cédula de citación al Sr. Ly Uom Chang, para que comparezca a estas oficinas sobre el despido de 7 trabajadores
01/09/92	Melana Entrepuerto, S.A.Indultra		Andrés Tercero	Despido	Les hicieron pago de sus derechos adquiridos.
04/09/92	Bonchang Industriales, S.A. Chip Choloma		Norma Guzmán	Despido	Se envió Inspector.
01/09/92	Saelin Honduras, S. A. de Indultra		Jessica Martinez	Solicitud presentada por el Arreglo con la trabajadora. Jefe de Personal	
07/09/92	S.P. Honduras, S.A.	Chip Choloma	Elean Marina Arita	Suspension de labores	Se le dejó sin valor la suspensión.
07/09/92	Global Fashion, S.A.	Zip San Rafael	Carlos Alexis Senceda Males Tzucos		Lo accesoran los concensos de sobre los que el trabajador manifestó que se les acusa de con fecha para accedidos.

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
07/09/92	Global Fashion, S.A.	Zip San Rafael Occidente		Reclamo pre-natal y post-natal	Se cancelaron sus derechos que reclamaba en efectivo.
02/10/92	Fabiana Fashion	Zip Bajío	Estanislao Hernández	Constatación despido	Resuelto el problema, se le cancelaron los derechos al reclamante.
02/10/92	Fenix Apparel	Galaxy Industrial	Jessy Janneth Oliva Ethel Patricia Montoya	Constatación despido y sus causas.	No atendieron al inspector advirtiendo al Jefe de Personal que ese día era día de pago y tenía mucho trabajo.
02/10/92	Cotton Club Manajac. de Hidalgo		Olga Marisa Nilla	Reclamo de sus prestaciones sociales y derechos adquiridos.	Se resolvió el problema.
05/10/92	S.P. Honduras, S.A.	Chip Choloma	Lealce Marlene Rivera	Recibió malos tratos por parte de la costurera Sindy, quien agarró del pelo y la tiró contra la pared.	Se le dio un día de licencia para ir a casa y se le terminó el contrato de trabajo.
21/10/93	Monty, S. de R.L. No. 105 Sunny Tullán Agencia.	Zip Choloma	Dolay Arcely Mejía	Despido.	Se levantó acta de comparecencia en la cual la trabajadora reclamó sus prestaciones sociales, pero no se le pagó nada en virtud de que la empresa alega que no la ha despedido y que siga con su reclamo.
15/01/93	Hi Kwang Honduras, S.A.	Zip Continental	Laura Hernández María Patricia Canales Marisol Rodríguez Nidia Torres Cruz		El inspector rindió un informe ya que el Jefe de Personal Norman Serrano se negaba a que se hiciera la investigación en el caso que ocupa expresando en presencia del inspector frases que iban contra la dignidad moral y seguridad física de la misma; no obstante, entrevistó a la persona a quien Laura Hernández H. Supuestamente había faltado al respeto.
14/01/93	RLI Jira Honduras Co. S.A. No. 592 Hollin Chilpancingo	Hidalgo	Diamantina Rivera Luis Edgardo Mejía Yolita Valeria Paz Wilmar Enrique Martínez	Despido verbal	En esta ocasión se levantó acta de comparecencia, donde el Jefe de Personal le está poniendo problema para el pago de las

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
			Miriam Elizabeth Malcom		por lesiones.
19/01/92 No. 603 Manatí Pastillito	King Star Guaymas	Zip Bajío	Rosa Celastina Rocco	Despido.	El suscrito procedió a levantar informe en virtud de que el Sr. Lawrence Leí en condición de Gerente administrativo, dijo que no podía ser atendido por nadie, solamente por el Jefe de Personal, y que El no se encontraba.
20/01/93 No. 644	Wanchang Industrials, S.A.	Chip Choloma	Eddy Mejía Narcisca Cecho	Malos tratos	Para que se constatare, malos tratos, el suscrito hizo un informe en virtud de que le manifestó el Sr. Vigilante que el Sr. Gerente no le podía atender porque no se encontraba en la empresa.
22/01/93 No. 670	HL Kwany Honduras, S.A.	Zip Continental		Nada injusto.	Se levanta acta donde la empresa paga una sanción recurrente, por la no comparencia a estas oficinas.
13/01/92 No. 130 Quincy Yadira Agencia	Manufacturas Internacionales	Inhabela	Ramon Arroy Suarez	Problemas relacionados con edico salario.	el trabajador que cuando llega a la oficina se entrevista con el Sr. Erwin Basco, que es el Gerente de dicha empresa, y cuando le plantea el problema le dice que le vale verga si el gana igual o menos.
11/01/93 No. 196 R.C.Reyes	S. P. Honduras	Chip Choloma	Nezy Selva Alvarado	Despido en estado de embarazo	Esta trabajadora se presenta a esta oficina y se levanta acta de comparencia por haber sido despedida una vez que se dieron cuenta de que se encontraba en estado de embarazo. Estaba en control con el medico de la empresa. El despido se lo dio en forma verbal el Jefe de Personal Arturo Casanova P., entregandole unicamente la suma de los lps. 195.1 por salarios, y no así las prestaciones y maternidad correspondientes.
12/01/93	Fenix Apparel	Galaxy Industrial	Lucilla Lopez	Despa	En esta ocasion el Inspector

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12/01/93 No. 559 Mario R. Portillo	Fenix Apparel	Galaxy Industrial	Lucilla Lopez	Despe	En esta ocasion el Inspector levanta informe en virtud que despues de haber esperado en los puestos por mas de 20 minutos, el vigilante Rigoberto Hernandez le comento que el Sr. Lucilla O. Pareda, Jefe de Personal, dijo que alguien esperando. Al final no le atendio.
07/01/93 No. 116 Acta a Companecencia Helvia Rafael Rafael Chinchilla	Nyam Sung honduras, S.A. Zip Bajala	Gladya Gonzalez Oscar Portillo Santos Jose Molina Ana Marcela Ponce Gustavillo Elizabeth Castro Nelson Geovany Archila		En virtud de que nos tenian sentadas sin labores.	Una vez que estuvimos en el porton de la empresa, vino el Sr. Yong de origen coreano quien, sin razon alguna, se enfrento: "Yo atiendo a ladrones", refiriendose al Inspector de Trabajo como a nosotros. Señalando al Inspector le manifesto: "Con usted vamos a pelear".
08/01/93 No. 123 Francis A. Enamorado	Palma Industrial Ltd, S.A. Chip Choloma	Maria Holly Balboa		Sociedad de la empresa en virtud que la operacion al inicio comenzo excesiva en su trabajo al realizar la operacion que ella hace.	
06/01/93 No. 166 Suspension de labores por tres dias	Ni Kwang honduras, S.A. Zip Continental	Gladya Ruby		Suspension de labores.	Cuando se presento el Inspector dicha trabajadora anuncio manifestando que no queria trabajar mas para esa empresa, en adelante.
11/01/93 No. 170 Informe Mario Portillo	Panclan, S.A. De C.V.	Caxat. a vieja Yicamayo, Costa.	Maria Valladares	Suspension.	En esta ocasion el Inspector siendo un informe en virtud de que el Jefe de Personal, Luis Alonso Escoto no quiso atenderlo.
04/01/93 No. 96 Mario Portillo	Fenix Apparel	Galaxy Industrial		Continua la Investigacion Despido y malos tratos. del Inspector Mario Portillo.	Continuaron manifestando los trabajadores que el Sr. Mister Yu es la persona que los hostiga, que se apoya en el porton para no dejarlos entrar. Como tambien el dia 30/12/92 fueron acusados del plantel por el coreano Yu, segun manifestaban todos los trabajadores. Tambien expresaban que en esa empresa son maltratados

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
06/01/93	Hypn Suny Honduras, S.A.	Zip Bajala	Gladys Ordina Gonzalez Nelson Geovany Achilla Santos Jose Medina Oscar Rolando Pozillito Cora Maricela Pineda Guatandia Elizabeth Castro		y que ese día los sacaron a empujones. En esta ocasión se levanta acta de comparecencia en virtud de que a los trabajadores les querían obligar a trabajar el día 24/12/92, después de haber llegado a un acuerdo con la empresa de que trabajarían los sábados para reponer los 24 y 21 y trabajar hasta el 23/12/92. Como se opusieron e hicieron al reclamo los sacaron fuera del Plantel como 45 minutos. Después del incidente, cuando regresaron a laborar, los mandaron al día 5/01/93 a la oficina del Sr. Jefe de Personal Rolando Escamero, a unos en horas por la mañana y otros por la tarde, y los mantuvo sentados sin hacer nada; a unos los amonestaron con 5 días de castigo.
04/01/93	Kini de Honduras No. 9 Melania Galdames	Zip Continental	Maria Selvin Anaya	Salario adeudado. Se pidió informe.	No se arreglo en virtud de que la trabajadora se fue para su casa.
04/01/93	Fanta Apparel Co. 92 Francis L. Escamero	Galaxy Industrial	Veronica Lizeth Hernandez Olga Galdames Rodas Irene Lucia Wilson Bessy Hazelbel Guzman Nelly Saguna Maritza Isabel Interiano		La suscrita se presenta a esta empresa con el objeto de constatar despido, cosa que fue imposible en virtud que cuando se anunció dijeron que el Sr. Lelio Pardo, en su condición de Jefe de Personal, no se encontraba; luego solicito entrevistarse con el gerente o con cualquier ejecutivo de la empresa, luego el gerente le manifestó que estos se negaban a atenderla ya que tenían instrucciones de no permitir el ingreso de los trabajadoras antes referidas. La suscrita indago con los trabajadores que venían saliendo quienes manifestaron que el Jefe de Personal Lelio Pardo no se encontraba en

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
04/01/93	Fenix Apparel No. 94 Hacío Postillo	Galaxy Industrial	Olga Galdames Rodas Nely Sagaya Mejia Juan Lucía Villos Mariluz Isabel Interiano	Despido indirecto y malos tratos	Las trabajadoras dicen que el Sr. Julio Rizo ha llegado al grado de golpearlas con su pierna y hombos. Segun propias palabras de una de las afectadas "El Sr. Mister Yu intento golpear con un banco, y no cul al suelo porque me sostiene en una mesa". Ademas dicen que se consideran despedidas porque no las dejaron entrar.
11/01/93	Hyoop Sang Honduras, S.A. No. 366 Informe Jose Lorenzo Riveza	Zip Bajalo	Waldon Alonso Villanueva Blanca Esperanza Medina P. Marlen Esther Flores H.	Despido Verbal	Los entrevistamos con el Sr. Tony Chong, quien manifiesto que no los habia despedido, que si se querian reintegrar su trabajo estaba allí, o si querian llegar a un acuerdo que estaba dispuesto. Al final las trabajadoras accedieron.
13/01/93	Panatino, S.A. de C.V. No. 372 Carlos Jatta	Casert. vieja alonados Ticomayo, Comas	Edith Tejeda	Reclamo de vacaciones aguiñado y horas extras.	El actuante envio un informandote la empresa le cancelada una suma de dinero por los reclamos mencionados, los cuales no los quisio recibir aduciendo que todavia le faltaba.
15/01/93	KIL 71a Honduras Co., S.A. No. 376 Acta de Companecencia Melvin Placida	Ataholva	Blamantina Riveza Luis Eduardo Mejia Zelia Vallila Paz Wlmer Enrique Martinez	Despido Verbal	Resalta que el Jefe de Personal nos tiene ex., -idos diciendonos que nos va a pagar, y así nos tiene y no ha cumplido, por lo que hemos solicitado el auxilio de la autoridad de trabajo.

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FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
28/01/92 San Jose Azica	Hi Honey Honduras, S.A.	Zip Continental		Hacer entrega	El actuante levanta de entrega de una copia de citacion al Sr. Ey Woon Chang, para que comparezca a estos oficios sobre el despido de 7 trabajadores
01/09/92	Adelana Entrepasa, S.A.	Inhdelva	Andres Trucios	Despido	Le hicieron pago de sus derechos adquiridos.
04/09/92	Wochang Industriales, S.A.	Chip Chotona	Norma Guzman	Despido	Se envió Inspector.
01/09/92	Sectin Honduras, S. A.	deInhdelva	Jessica Martinez	Solicitud presentada por el arreglo con la trabajadora. Jefe de Personal	
07/09/92	S.P. Honduras, S.A.	Chip Chotona	Elsa Marian Arita	Suspension de labores	Se le dejó sin valor la suspension.
07/09/92	Global Fashion, S.A.	Zip San Miguel Carlos Alzola Sencada	Wales Tontos		Le acusaron los costeros de robo lo que el trabajador manifestó es que se les acusa de esa forma para acusarlo.
04/09/92	Global Fashion, S.A.	Zip San Miguel Fernandezobon		Despido.	Le pagaron sus prestaciones.
08/09/92	Wochang Industriales, S.A.	Chip Chotona	Maria Ruth Navillo	Pago de incapacidad.	Le fue pagada la Inc. Incapacidad quedando pendiente otra.
09/09/92	Elle Jia Honduras, Co. S.A.	Inhdelva	Rosalina Garcia P.	Suspension sin goce de sueldo	El Inspector tuvo a la vista el expediente de la trabajadora donde tiene muchas amonestaciones la Jefe de Personal se compromete a pagarle 1 día aceptando la trabajadora.
08/09/92	Wochang Industriales, S.A.	Chip Chotona	Alex Rosa Medina	Despido	Se reintegro.
08/09/92	Wochang Industriales, S.A.	Chip Chotona	Gabriela L. Lavin	Despido	Fue despedida aunque presentara incapacidad.
09/09/92	Elle Jia Honduras, S.A.	Inhdelva	Gloria E. Matgor Maritza Isabel Irujo	Derechos adquiridos	La Jefe de Personal se compromete a hacerles efectivo su pago.
11/09/92	Comos Apparel	Galaxy Industrial	Carma S. Lopez	Suspension 3 días	La trabajadora se presenta a que se le reintegre por escrito la suspension, por lo que se le dijo que estaba despedida.

RECLAMOS OBRERO - PATRONALES DE COMPAÑIAS LABORALES

AÑO: 1992/1993

FECHA	EMPRESA	LOCALIZACION	PERSONA	RECLAMO	ACCION
9/09/92	Global Fashion, S.A.	Zip San Miguel Lilián Orellana		Pago de 4ta. semana de pre y post-natal.	
16/09/92	Hochang Industrias, S.A.	Chip Choloma	Milán Y. Amador	Pago de derechos adquiridos	Se le hizo efectivo el pago.
17/09/92	Hochang Industrias, S.A.	Chip Choloma	Milán S. Duarte	Despido	Se envió Inspector.
11/09/92	Paraiso, S.A. de C.V.	Casaca, vieja María Victoria	Marjiva	Pago de prestaciones sociales	Acepto bonificaciones ofrecida.
28/09/92	Hyp Sang Honduras, S.A.	Zip Tegucigalpa	Gladya Y. Ramos Magdalena Franco Glenda Zavala Xiomara Sanchez	Despido	Pendiente de enviar Inspector
29/09/92	Fenix Apparel	Galaxi Industrial	Rubén H. Holgado	Despido	Pendiente de enviar Inspector.
13/01/93	Hi Kwang Honduras	Zip Continental	Madrid Hilda Teresa Cruz	Constata los motivos por los que el Inspector Juan José Alito en informe en el que pedía que dichas empleadas fueran recibidas en el que pedía se transcribiera a la Inspección General de Trabajo, en virtud de realizar la investigación y el según Jefe de Personal le falta el aspecto.	
21/01/93	Henty, S. de R.L.	Zip Choloma	Dagat Henty Mejía	Se deja en libertad a las partes para que hicieran uso de sus derechos ante quien correspondiera, en virtud de que la empresa negó haberla despedido.	
19/01/93	Manufacturas Internacionales	Maldita	Ramon Ronny Suarez	Constata despido verbal.	Se constata según los testigos que el trabajador había abandonado el trabajo.
20/01/93	Global Fashion, S.A.	Zip San Miguel	María Elena Ramos	Despido verbal de la trabajadora Ramos. Le acusaban de haber motivado agresiones a otras oficinas. Las compañías para que no laboraran horas extras, y también de tardarse mucho al ir al baño.	Esperamos que la empresa le pague en la misma, de lo contrario (no regreso.)

CUADRO DE CONFLICTOS SUSCITADO DURANTE 1994/1995, EN EMPRESAS MAQUILADORAS, ZONA INDUSTRIAL.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	FEDERACION SINDICAL
1. A.A.A. HONDURAS APPAREL	TICAMAYA, COLOMA.	17/1/94	SUSPENSION LABORES	FITE
2. SGOIN HONDS., S.A. DE C.V.	INDEBELVA	19/1/94	SUSPENSION LABORES, RECLAMO PAGO DE SALARIO.	
3. GALAXY INDUSTRIAL	GALAXY, COLOMA	15/3/94	RECLAMO POR PAGO SALARIO CORRECTO	FESITRANH
4. COSMOS APPAREL, S.A. DE C.V.	GALAXY, COLOMA	17/2/94	RECLAMO POR INCORPORNI- DAD PAGO DE SALARIO	FESITRANH
5. SUNNY INDUSTRIES CO. LTM.	CHIP COLOMA	13/4/94	SUSPENSION DE LABORES POR 1 HORA, CON INCORPOR- NIDAD PAGO DE HORARIO. RACIONAMIENTO HERR	C.G.T.
6. PRIMA INDUSTRIES	CHIP COLOMA	24/5/94	SUSPENSION LABORES POR INCORPORNIDAD CAMBIO DIA DESCANSO.	C.G.T.
7. MAINTA	INDEBELVA	12/5/94	SUSPENSION LABORES, INCORPORNIDAD DIA DE PAGO.	C.G.T.
8. PRIMA INDUSTRIES	INDEBELVA	24/5/94	SUSPENSION DE LABORES, INCORPORNIDAD PAGO DE SALARIO.	C.G.T.
9. PRIMA INDUSTRIES	INDEBELVA	15/6/94	SUSPENSION LABORES CAMBIO DE HORARIO. RACIONAMIENTO HERR.	C.G.T.
10. SUNNY INDUSTRIES	CHIP COLOMA	27/6/94	SUSPENSION LABORES, APOTO DESPIDO TRABAJADORES.	C.G.T.
11. A.A.A. APPAREL HONDURAS S.A. DE C.V.	ZIP COLOMA	09/8/94	SUSPENSION LABORES POR MOVIMIENTO DE ORGANIZARSE SINDICALMENTE.	F.T.B.
12. SKIPS HONDURAS	ZIP HONDURAS, VILLANUEVA	9/14/94	SUSPENSION LABORES, NO ESTAR DE ACUERDO CON HONORAMIENTO.	
13. OPTIMA, S.A. DE C.V.	INDEBELVA	13/11/94	SUSPENSION LABORES, INCORPORNIDAD PAGO TRICRADO HERR (AJUSTE).	
14. SUN'S HONDURAS, S.A.	ZIP HONDURAS,	16/1/95	SUSPENSION LABORES,	

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CAMBIO DE CONFLICTOS SUSCITADO DURANTE 1994/1995, EN EMPRESAS MAQUILADORAS, ZONA INDUSTRIAL.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	FEDERACION SINDICAL
14.	VILLANUEVA		INCONFORMIDAD POR MALOS TRATOS.	
15. CHEIL HONDURAS, S.A.	ZIP BUHALO, VILLANUEVA	16/1/95	SUSPENSION LABORES, INCONFORMIDAD AUMENTO SALARIO.	FESITRANH
16. H.S. HART	CONTINENTAL LA LINA	16/1/95	SUSPENSION LABORES INCONFORMIDAD AUMENTO SALARIO.	FESITRANH
17. NI EVANG HONDURAS	CONTINENTAL LA LINA	20/1/95	SUSPENSION LABORES AUMENTO SALARIAL.	FESITRANH
18. YOO YANG, S.A.	CONTINENTAL LA LINA	21/1/95	SUSPENSION LABORES, AUMENTO SALARIAL.	FESITRANH
19. CHEIL HONDURAS	CONTINENTAL, LA LINA	20/1/95	SUSPENSION LABORES, AUMENTO SALARIAL.	FESITRANH
20. I.N.P. HONDURAS		24/1/95	SUSPENSION LABORES, AUMENTO SALARIAL.	F.I.T.H.
21. CHEIL HONDURAS, S.A.	CONTINENTAL, LA LINA.	20/1/95	SUSPENSION LABORES, AUMENTO SALARIAL.	FESITRANH
22. GALAXY INDUSTRIAL	GALAXY, CHOLONA	15/2/95	SUSPENSION LABORES, RECLAMO INFRACCION Y PROBLEMA HEREDOS DE EDAD.	FESITRANH
23. GALAXY INDUSTRIAL	GALAXY, CHOLONA	28/2/95	SUSPENSION LABORES, AUMENTO SALARIAL.	FESITRANH
24. KINI HONDURAS	CONTINENTAL LA LINA	31/3/95	SUSPENSION LABORES, 1-1/2 HORA, RECLAMO FERIADO SEMANA SANTA.	
25. HALIN HONDURAS	PARQUE SAN NIGUEL	3/4/95	SUSPENSION LABORES, AUMENTO DE SALARIO.	
26. GALAXY INDUSTRIAL	GALAXY, CHOLONA	7/4/95	SUSPENSION LA. ORES SOPUESTOS MALOS TRATOS.	FESITRANH.
27. COSMOS APPAREL	GALAXY, CHOLONA	12/4/95	SUSPENSION LABORES, RECLAMO AJUSTE PARA SEPTIMO DIA.	FESITRANH.

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCION Y SOLUCION
GLOBAL FASHIONS	PARQUE GALAXY	29/1/96	SOLICITUD VERBAL DE LA TRABAJADORA KARLA PATRICIA RIVERA, POR SUS PENSION 8 DIAS, APLICADOS POR INDISCIPLINA. EL INSPECTOR NO PUDO REALIZAR LA INVESTIGACION, YA QUE DICHA TRABAJADORA, ABANDONO LA OFICINA, LLEVANDOSE ESTA EL AUTO Y LA NOTA DE CASTIGO.	
PERRY DE BONDOLAS	ZIP CROLOMA	31/1/96	SOLICITUD VERBAL DEL TRABAJADOR ROBERTO REINDECE, CONSTATOR VERBAL. NO ATENDIERON A LA SOLICITANDOSE UNA CITA.	
POLO GARMENT	ZIP SAN NUGOEL	12/1/96	SOLICITUD ESCRITA POR PARTE DE LA JEFE DE PERSONAL, PARA TRATAR PROBLEMA CON EL TRABAJADOR ALEXIS PERDOMO, QUIEN INSTABA A LOS COMPAÑEROS A NO LABORAR EL DIA 5/1/96, ACASIONANDO PERDIDA A LA EMPRESA EN VIRTUD DE QUE SE ATASO UN EMBAQUE.	
COSMOS APPAREL	PARQUE GALAXY	12/2/96	SOLICITUD PRESENTADA POR LA PESITRANE, PARA CONSTATAR DESPIDO VERBAL DE LA TRABAJADORA NIRMIA GLORIA MARTINEZ, LA JEFE DE PERSONAL MANIFESTO QUE EN NINGUN MOMENTO LE HAN DESPIDIDO.	
MI KWANG BONDOLAS	ZIP CONTINENTAL	12/1/96	SOLICITUD ESCRITA, PARA CONSTATAR DE SABEDIENCIA DE LA TRABAJADORA LOURDES RAMOS, NEGANDOSE ROTUNDAMENTE A LABORAR EN SECCION DE PLANCHA, SEGUN LABORABA EN LA SECCION DE ENPAQUE.	
FENIX APPAREL	PARQUE GALAXY	11/1/96	SOLICITUD VERBAL DEL TRABAJADOR JURIAN JOSE CANALES, CONSTATAR DESPIDO VERBAL. NOTA: INSPECT. NO CONCILIADO YA QUE SOLO LE PAGABAN AL TRABAJADOR LOS DERECHOS ADQUIRIDOS	

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCION Y SOLUCION
APA HONDURAS	ZIP CHOLONA	8/1/96	SOLICITUD VERBAL DE LA TRABAJADORA DENIA COZE QUIEN RECLAMO PRESTACIONES Y DEMAS INDEMNIZACIONES, YA QUE SE ENCONTRABA EN ESTADO DE EMBARAZO. NOTA: INSPECT. GABRIEL CH. POSPOSICION AGENCIA PARA EL 11/1/96.	
APA HONDURAS	ZIP CHOLONA	16/1/96	SOLICITUD VERBAL DE LA TRABAJADORA DENIA QUENDAMO DE RESOLVERLE EL 16/1/96, ESTANDO DE ACUERDO LA MENCIONADA TRABAJADORA.	
INDUSTRIAS IMP HONDURAS	ZIP VILLANUEVA	17/1/96	SOLICITUD VERBAL, DEL TRABAJADOR JUANITO SANTANA V., CONSTATAR DESPIDO VERBAL. NOTA: INSPECT. WALTER XELAYA, NO RESUELTO.	
GLOBAL FASHIONS	PARQUE GALAXY	1/2/96	SOLICITUD VERBAL DE LA TRABAJADORA CARLA PATRICIA RIVERA. INVESTIGAN SUSPENSIÓN 3 DIAS SIN COZE DE SUELDO POR GRAVES FALTAS (LE FALTO RESPETO A LA JEFE DE PERSONAL), MANIFESTANDO LA TRABAJADORA Y EN ESE MOMENTO SE RETIRABA DE LA EMPRESA Y QUE ACEPTABA EL PAGO DE SUS DERECHOS ADQUIRIDOS.	
GJM HONDURAS	ZIP SUZALO	2/2/96	SOLICITUD VERBAL POR PARTE DE LAS TRABAJADORAS: VEDONICA VERAS, MARILU RIVAS Y KAREN BONILLA; PARA RECLAMAR ESTERNIDAD; NO PUDIENDO DE RESOLVER EL PROBLEMA, EN VIRTUD DE QUE LA JEFE DE PERSONAL, DICE QUE LA EMPRESA CERDO OPERACIONES EN APLICACION DEL ART. (111 NUMERAL 9) DEL CODIGO DE TRABAJO Y 101 Y 102 DE NUESTRO CODIGO.	

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCION Y SOLUCION
9/2/96	ZIP SAN NIGUEL	9/2/96	SOLICITUD VERBAL POR LAS TRABAJADORAS JUANA PERDOMO Y GLADYS DIAZ, PARA CONSTATAR DESPIDO VERBAL DE QUE FUERON OBJETO; MANIFESTANDO LA EMPRESA QUE FUERON DESPEDIDAS PORQUE COMETIERON ACTOS VIOLENTOS, TENIEN VIRTUD DE HABER SIDO DESPIDIDO MANIFESTANDO LA JEFE DE PERSONAL QUE SE DESPIDIO A DICHA TRABAJADORA, PORQUE SE LE ENCONTRO UNA PRENDA DE VESTIR EN SU MARIQUERA, LO QUE TRADUCIDO EN ROBO, POR LO QUE LA EMPRESA NO RESPONSABILIZA AL PAGO DE PRESTACIONES UNICAMENTE AL PAGO DE LOS DERECHOS ADQUIRIDOS RECONOCIENDO LA TRABAJADORA LA FALTA COMETIDA.	
COSMOS APPAREL	PARQUE GALAXY	26/2/96	SOLICITUD VERBAL, POR PARTE DE LOS TRABAJADORES: ROBERTO CASTRO MARVIN PINTO, GIOVANNY LOPEZ, MARVIN BUENO, JESUS GONZALES, WENDY CASTILLO Y OTROS, CONSISTENTE EN CONSTATAR QUE, LUNES 12/2/96, LA SEÑORA ELOISA CACHERES, NOS DESPACHO, DICIENDONOS QUE FUERAMOS PARA LA CASA QUE NO SE TRABAJARIA ESE DIA Y QUE NOS LOS IBAN A PAGAR; PERO AL RECIBIR EL PAGO CORRESPONDIENTE A ESA SEMANA, NO ESTABA INCLUIDO ESE DIA QUE NOS DESPACHARON. NO PUDIENDO EL INSPECTOR REALIZAR LA INVESTIGACION, EN VIRTUD DE QUE LA EMPRESA PERMITIA LA ENTRADA AL INSPECTOR, NO ASI A LOS TRABAJADORES, OPTANDO ESTE POR RETIRARSE LA INDICADA EMPRESA.	
CHEIL HONDURAS, S.A.	ZIP CONTINENTAL	1/3/96	SOLICITUD VERBAL DE LAS TRABAJADORAS MARIA SUTAPA QUINTANILLA, MARIA NELLY SANTO Y PERLA CHAVARRIA ORTGA, PARA INVESTIGAR SUSPENSION POR CINCO DIAS, SIN GOSSE DE SALARIO. MANIFESTANDO LA EMPRESA QUE DICHA SUSPENSION ESTABA APLICADA DE ACUERDO AL REGLAMENTO INTERNO DE TRABAJO Y EL CODIGO DE TRABAJO, Y QUE AUN ASI LES REBAJARIA LA SUSPENSION A TRES DIAS, MANIFESTANDO EL INSPECTOR QUE DICHA SUSPENSION ESTABAN BIEN FUNDAMENTADAS YA QUE HABIA REVISADO EL REGLAMENTO INTERNO DE LA INDICADA EMPRESA.	

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCION Y SOLUCION
FENIX APPAREL	PARQUE GALAXY	6/3/92	SOLICITUD ESCRITA, PRESENTADA POR UN GRUPO DE TRABAJADORES, PARA VERIFICAR LA FORMA DE PAGO A QUE ESTAN SIENDO SOMETIDAS SIN HABERLES PARTICIPADO A LOS MENCIONADOS TRABAJADORES. MANIFESTANDO LA JEFE DE PERSONAL, QUE DEBIDO A QUE LA PAGADORA HABIA SIDO OBJETO DE ASALTO Y ANTE EL PELIGRO DE OTRO ASALTO, SE TOMO LA DECISION DE PAGAR EL SALARIO MAS PROXIMO A LA QUINCENA Y QUE TIENEN LISTA DE LA MAYORIA DEL PERSONAL HABIA ACEPTADO LA FORMA DE PAGO, Y QUE LA EMPRESA NO TOMARIA REPRESENTACIONES CONTRA LAS RECLAMANTES.	
AMERICAN APPAREL CORPORATION	ZIP CHOLONA	26/3/96	SOLICITUD VERBAL DE LA TRABAJADORA, SILVIA ARGENTINA MADRID, PARA CONSTATAR DESPIDO VERBAL, MANIFESTANDO LA JEFE DE PERSONAL, QUE LA TRABAJADORA MENCIONADA FUE DESPEDIDA POR GRAVE INDISCIPLINA QUE CONSISTIO AL ENTERRARLE UN LAPIZ EN EL BRAZO AL COMPAÑERO ROGER FERRERA, SIENDO ESTA UNA CAUSAL DE DESPIDO SIN RESPONSABILIDAD DE LA EMPRESA, PAGANDOLE UNICAMENTE SUS DERECHOS ADQUISITIVOS, LA TRABAJADORA SILVIA MADRID, MANIFESTO QUE ELLEA SE ENCONTRABA EN SU PUESTO DE TRABAJO, CUANDO LLUGO EL COMPAÑERO ROGER FERRERA A BURLARSE DE ELLEA, ENFADANDOME TANTO QUE LE DI UN PUYON EN EL BRAZO, Y QUE QUIEN HABIA DADO ORIGEN AL PROBLEMA ERA EL TRABAJADOR FERRERA.	
PRIMA INDUSTRIES	CHIP CHOLONA	16/3/96	SOLICITUD ESCRITA PRESENTADA POR LAS TRABAJADORAS MARIA ROSARIO GOMEZ Y OTROS, CONSISTENTE EN INVESTIGAR EL MOTIVAMIENTO DE QUE ESTAN SIENDO OBJETO DE PARTE DE LA CORREANA S. INVESTIGACION QUE EL INSPECTOR NO PUEDE LLEVAR A CABO EN VIRTUD DE QUE NO LO DEJARON ENTRAR, APOCIENDO LOS GUARDIAS QUE NO HABIA NADIE QUE LO PUDIERON ATENDER.	

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCION Y SOLUCION
PRIMA INDUSTRIAS	CHIP CROLOMA	8/4/96	SOLICITUD VERBAL POR LA TRABAJADORA ALBA LOY RANIREZ, CONSISTENTE EN EN REQUERIR EL PAGO DE DERECHOS ADQUIRIDOS, INCLUYENDO LOS DE MATERNIDAD, POR RENUNCIA BAJO PRESION SEGUN ADOCE LA TRABAJADORA EL INSPECTOR SE ABOCO CON LA CONTADORA, QUIEN LE MANIFESTOQUE EL CHEQUE POR LOS DERECHOS ADQUIRIDOS YA ESTABA LISTO PERO QUE MATERNIDAD LA LEY NO LOS OBLIGABA A PAGARLA. EN ESE MOMENTO SE PRESENTO EL SR. CARLOS MONTES Y SIN ANTES IDENTIFICARSE PROCEDIO A IMPONER SUS PROPIOS CRITERIOS SOBRE EL RECLAMO.	
OPTINA, S.A. DE C.V.	CHIP CROLOMA	4/4/96	SOLICITUD VERBAL, POR EL EMPLEADO JESUS NOEL GUERRERO MADRID, CONSISTENTE EN INVESTIGAR SUSPENSION DE LABORES POR 3 DIAS SIN GORE DE SALARIO. EL INSPECTOR PROCEDIO A SOLICITARLE AL SR. DOMINGO RAUDALES QUE LE PERMITIERA HACER LA INVESTIGACION, NEGANDOSE ESTE A QUE EL INSPECTOR REALIZARA LA MISMA.	
CONFECCIONES DOS CANINOS, S.A.	ZIP BUFALO	24/4/96	EL INSPECTOR SE PRESENTO CON UN TRABAJADOR A REALIZAR UNA INVESTIGACION LE QUITARON EL CARNET LOS AGENTES DE SEGURIDAD, RECLAMADONLO ESTE Y NO SE LO DEVOLVIERON.	
KIL JIN HONDORAS, S.A.	PARQUE INDELVA	26/4/96	SOLICITUD ESCRITA PRESENTADA POR LA SRA. MARIA ESPERANZA REYES, DEL CODEN, CONSISTENTE EN INVESTIGAR PROBLEMA LABORAL RELACIONADO CON LA TRABAJADORA SANTOS PAY, QUIEN SEGUN LA SRA. REYES, SE ENCUENTRA EMBARAZADA Y QUE RENUNCIO POR SU ESTADO DE SALUD. EL INSPECTOR SE PERSONO CON EL SR. EDUARDO MENDOZA JEFE DE PERSONAL QUIEN LE MANIFESTO QUE LA TRABAJADORA EN MENCION AL POVER SU RENUNCIA ADUJO QUE SE QUERIA IR DE LA EMPRESA Y NUNCA MANIFESTO QUE SE ENCONTRABA ENFERMA, QUE DE HABER TENIDO CONOCIMIENTO DE TAL SITUACION, LA HUBIERAN MANDADO AL MEDICO DE LA EMPRESA, POR LO QUE DUBAN DE QUE SE ENCUENTRE EMBARAZADA.	

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCION Y SOLUCION
PARAISO, S.A.	AREA DE COLONA	2/5/96	SOLICITUD ESCRITA PRESENTADA POR LAS TRABAJADORAS, SANDRA MIRANDA, MELBA BENITEZ Y NORMA GONZALEZ, CONSISTENTE EN INVESTIGAR HOSTIGAMIENTO CASTIGO Y QUE NO LES PAGAN HORAS EXTRAS EL INSPECTOR SE ABOCO CON EL SR. CARLOS BONILLA, JEFE DE PERSONAL, QUIEN LE MANIFESTO QUE NO TENIA TIEMPO PARA ATENDERLE, POR LO QUE NO PUDO CUMPLIR SU COMETIDO.	
CHARMING GARNETT	ZIP DUFALO	7/4/96	SOLICITUD VERBAL, DE LA TRABAJADORA SANTOS MIRANDA, CONSISTENTE CONSTATAR DESPIDO VERBAL. EL INSPECTOR SE ABOCO CON LA LIC. VELAZQUEZ, JEFE DE PERSONAL, QUIEN MANIFIESTA QUE FUE DESPEDIDA POR HABERSE AUSENTADO TRES DIAS SIN TENER JUSTIFICACION, Y LA TRABAJADORA LE DIJO QUE NO PUEDE TRABAJAR ESOS DIAS POR ENFERMEDAD DE ELLA Y SU MADRE Y QUE NO TENIA PRUEBA DE ELLO PORQUE NO FUERON AL MEDICO YA QUE SU MADRE LA LLEVAN DONDE UN CURANDERO. LA TRABAJADORA MANIFESTO, QUE ELLA LE PRESENTO UNA CONSTANCIA MEDICA A LA JEFE DE PERSONAL, Y ESTA LE DEJO QUE PODIA CONTINUAR LABORANDO, LO QUE LA TRABAJADORA NO ACEPTO, POR QUE YA HABIA SIDO DESPEDIDO.	

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DENUNCIAS DE PROBLEMAS LABORALES PRESENTADAS ANTE EL MINISTERIO DE TRABAJO (S.P.S.) ENERO-MAYO, 1996.

No. EMPRESA	ZONA O PARQUE	FECHA	MOTIVO DE CONFLICTO	INTERVENCIO Y SOLUCION
VRANGLER DE HONDURAS	ZIP VILLANUEVA	13/4/96	<p>SOLICITUD ESCRITA PRESENTAD POR LA SRA. ESPERANZA INYES DEL CODEN, CONSISTENTE EN INVESTIGAR QUE LA TRABAJADORA KARLA PEÑA ESTA SIENDO OBJETO DE BOSTIGAMIENTO POR PARTE DE LA SUPERVISORA JESSICA UMAÑA. EL INSPECTOR SE ABOCO CON LA SRA. MARIBEL DE BORJAS, JEFE DE PERSONAL QUIEN MANIFESTO QUE NO HA TENIDO QUEJA POR PARTE DE ESTA TRABAJADORA Y QUE LES EXTRAÑA QUE SE QUEJE ANTE LAS DE CODEN, YA QUE LO QUE MAS RESPETA EN ESTA EMPRESA SON LOS DERECHOS DEL TRABAJADOR.</p> <p>QUE CUANDO UN TRABAJADOR SE QUIERE IR, SE LE PAGAN TODOS LOS DERECHOS QUE POR LEY LE CORRESPONDEN Y UNA BONIFICACION SI HA SIDO BUEN EMPLEADO EL INSPECTOR NO INTERROGO A LA TRABAJADORA POR QUE ESE DIA NO SE PRESENTO A SUS LABORES.</p>	
INTERTEX APPAREL, S.A.	PARQUE INDELVA	24/5/96	<p>SOLICITUD VERBAL DE LA TRABAJADORA, LILIAN FIGUEROA, CONSISTENTE EN RECLANAR LA NOTA DE DESPIDO DE LA TRABAJADORA MENCIONADA QUIEN FUE DESPEDIDA VERBALMENTE. EL INSPECTOR SE APERSONO CON LA SRA. ESNELDA DE MEMOCAL, JEFE DE PERSONAL, QUIEN MANIFESTO QUE EN EL ACTO LE ENTREGARIA LA NOTA, YA QUE FUE DESPEDIDA EL 20/5/96.</p>	

COPY



The Walt Disney Company

Richard M. Bates
 Vice President
 Government Relations

May 16, 1996

The Honorable George Miller
 Co-Chairman
 Democratic Policy Committee
 U.S. House of Representatives
 Washington, D.C. 20515

Dear Congressman Miller:

Thank you for the chance to respond to questions about the manufacture of products that bear Disney images. We are aware of the statements made at the April 29 hearing and are confident that such remarks are incorrect.

When the allegations regarding Haitian manufacturers of Disney licensed products were first put forward, we made an immediate investigation to determine the facts. We found that there were, in fact, no minimum wage law violations, as improperly alleged. We are aware also that the office of the U.S. Ambassador to Haiti has done its own investigation of the subject allegations and has determined that they have no basis in fact.

In response to the specific questions in your letter, I note that, except in very limited circumstances, our company is not a manufacturer. Rather, licensed products bearing our intellectual property are manufactured by licensees and their subcontractors in many countries (as well as in the United States) around the world. Over the past several years, we have begun to include in all standard Disney license and manufacturing agreements language pursuant to which the licensee or manufacturer agrees not to use child labor and to observe all applicable wage and hour and other employment laws in their jurisdiction. I am enclosing a copy of those provisions in their entirety.

In addition, Disney's commitment to the principles espoused in its contracts includes unscheduled inspection of manufacturers' facilities even though they are not under Disney's control. Moreover, in the future it is our intention to elicit periodic written certification of continuing monitoring and compliance with the terms of our agreements.

In view of all this, we continue to believe that consumers can rely, as they do, on the Disney name and on the government officials and agencies that are charged with protecting workers, in our own country and elsewhere.

Very truly yours,

Richard Bates

Attachments

Ambassador of the United States of America

Port-au-Prince, May 14, 1996

Mr. Chuck Champlin
Director of Communication
Disney Consumer Products
500 South Buena Vista Street
Burbank, California 91521

Dear Mr. Champlin:

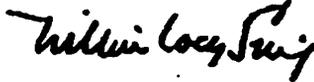
In reference to your recent request, we would like to provide you with our current assessment of conditions in the Haitian assembly sector. The Embassy conducts regular surveys of the assembly sector to gauge overall activity, employment, wages and working conditions. In addition, Embassy representatives make periodic announced and unannounced factory visits, including recent visits to three of the facilities you mention in your inquiry. Our latest survey showed a pattern of widespread compliance with the minimum wage among 47 firms operating in the sector. Base daily minimum wages range from 36 (the legal minimum) to 52.5 gourdes, with ten firms paying a daily minimum wage above 36 gourdes. Actual daily earnings are higher (38-100 gourdes) because most assembly workers are paid by the piece. Reported median daily earnings are 60 gourdes, with 25 firms reporting average daily earnings of 50-60 gourdes.

Working conditions vary throughout the assembly sector. In general, we have found factories to be adequately lit and ventilated (fans, windows and large open doors), warm -- but not oppressively hot -- reasonably clean and with adequate work space for each employee. These conditions appear to meet international standards.

Many factory owners provide other services for their workers. Companies often pay to have a doctor come in regularly to treat employees. Most companies dispense condoms and over-the-counter medication (mainly aspirin) free of charge and many sell common prescription medications at cost. Still others cover all major medical expenses. We know of a number of employers who subsidize meals. Some firms also maintain a lending fund for their employees.

We believe Alan Kaufman's survey for Disney was characterized by great thoroughness and attention to detail, and we encourage you to continue to take an active interest in the way your contractors are operating their facilities in Haiti. Please do not hesitate to contact us if we can be of further assistance. Kind regards.

Sincerely,

A handwritten signature in cursive script that reads "William Lacy Swing".

William Lacy Swing



United States Department of State

Washington, D.C. 20520

MAY 31 1996

Dear Mr. Gephardt:

I am writing in response to your letter to Assistant Secretary Shattuck of May 14, 1996, concerning allegations that licensed Haitian suppliers of clothing for the Walt Disney Company are in violation of applicable wage and child labor laws in Haiti.

In response to similar allegations brought to the attention of the U.S. Embassy in Port au Prince, Haiti, Embassy staff have recently made unannounced visits to several assembly sector plants, including some of those used by the Disney suppliers. The results of these visits (in addition to regular, periodic announced and unannounced visits by Embassy personnel) show a pattern of widespread compliance with minimum wage laws with most workers earning substantially more than the minimum wage.

Working conditions vary throughout the assembly sector where the firms in question are located. In general, Embassy surveys have found factories to be adequately lit and ventilated, reasonably clean and with adequate work space for each employee. Embassy personnel have not found any incidences of violations of child labor laws in these factories.

The Embassy shares your concern about labor conditions in Haiti and will continue to closely monitor the situation there through periodic announced and unannounced visits to plants in the assembly and other sectors.

Thank you for your interest in this issue. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

Barbara Larkin
Acting Assistant Secretary
Legislative Affairs

The Honorable
Richard A. Gephardt,
House of Representatives.

Embassy of El Salvador
2308 California Street, N.W.
Washington, D.C. 20008

Ana Cristina Sol
Ambassador

June 10, 1996

Dear Congressman Smith:

The Government of El Salvador has followed with interest the recent news accounts in the United States regarding working conditions in the maquila industry. We are fully cognizant of the great importance that respect for labor rights has in the region as well as in the United States and in the rest of the world.

For this reason, our Government fully supports your call to action to eradicate once and for all these illegal labor practices throughout the world, and we welcome the upcoming "Fashion Summit" being organized in Washington D.C., under the leadership of U.S. Labor Secretary Robert Reich, to which we hope to be invited.

In February, 1995, the Government of El Salvador received charges alleging labor rights violations by some plants in our country. We promptly created a special dispute resolution and prevention commission, integrated by representatives from our Ministries of Labor and Economy, the labor unions, Salvadoran Apparel Manufacturers Association, and the Human Rights Office of El Salvador. Their investigation made several findings of violations of El Salvador's labor laws, which International Labor Organization experts consider one of the most modern labor codes in Latin America.

Fortunately, these findings only involved less than one percent (1%) of our maquila plants. The most common violations included improper terminations of employment, delays in the payment of regular wages and overtime pay, and illegal salary withholdings.

The Honorable
Christopher H. Smith
U.S. House of Representatives
Washington, D. C.

The Honorable
Christopher H. Smith
Page 2

Since then, our Government has been implementing additional measures to prevent and penalize labor law violations. Among the most significant ones are the following:

- The establishment, by Executive Order in the Labor and Social Prevision Branch, of a "Joint Public/Private Free Trade Zone Conflict Prevention Commission", whose mission is to address and attempt to resolve in the best possible manner, any labor or financial disputes arising between employers and employees. This Commission is composed of public and private sector representatives, including employers and employees.

- Reforms to our Free Trade Zone Act to include among other things a social clause (enclosed). This last provision subjects all plants in those zones to our labor and employment benefits statutes, including the right to organize, prohibitions against compulsory labor, minimum working age for minors, minimum labor requirements (e.g., minimum wage, working hours, and work site safety and security requirements). These amendments authorize the Ministry of Economy, when petitioned by the Ministry of Labor, to impose fines on any business violating these provisions. In more serious cases, their license to operate in the free trade zones can be temporarily suspended or permanently canceled.

- The design and implementation of an enforcement monitoring program, with unannounced plant inspections to verify compliance and identify any abnormal practices which may potentially give rise to labor conflicts.

In addition to the above, the Salvadoran Apparel Manufacturers Association is developing a self-monitoring system and a code of conduct to enable its members to be recognized throughout the world as an industry with very high and modern labor standards.

The Government of El Salvador is firmly committed to the strict enforcement of its labor laws. In this regard, we are pleased to note the return of two U.S. companies to El Salvador who had previously suspended operations. We view this as further evidence that we have taken the right course of action and that our Government's message has been well received.

The Honorable
Christopher H. Smith
Page 3

We also want the American public to know that the new challenges we face, as a result of the world's economy becoming increasingly open and international, requires us to become more competitive and productive to attract foreign sales and investors. Our competitive character cannot and shall not be based on offering cheap, unskilled labor; rather, it must and will be based in having higher productivity rates resulting from investment in human capital and infrastructure, from promoting free trade, and from modernizing our government services.

Our implementation of these policies poses no threat to the economy of the United States; quite the contrary, it offers broad opportunities to promote bilateral trade and strengthen the flow of investments, because it allows us both to complement our respective comparative advantages, thereby contributing to the creation of more and better paying jobs in both our countries.

We recognize that we face a major challenge in the field of labor issues, both in Latin America as well as in the United States. It is for this reason that the U.S. Labor Secretary Robert Reich's and the U.S. Congress' initiatives are encouraging and deserve our full support. Our Government has made the decision to take an active role in combating illegal labor practices and eliminating the unfair exploitation of labor from our hemisphere. To achieve that mission, you will be able to count on the experience of a country that was able to engage in a dialogue for peace to put an end to the 12 year old conflict, and one with more recent and fresh experience in promoting employment rights among its work force.

In closing, we respectfully request that this letter be included in the official record of your Committee's hearing on this subject of June 11th of 1996.

Thank you very much for providing us with this opportunity to share our views with you and your colleagues in the Committee.

Sincerely yours,



[TRANSLATION]

Art. 4.- A subsection is added to Art. 31:

Art. 31.- f) Comply with the requirements set forth in the statutes, regulations and other legal provisions concerning labor and social security, as well as the other duties arising from the legal system generally, except those that have been exempted by virtue of this Law.

Art. 5.- Art. 32 is amended as follows:

Art. 32.- The beneficiaries of the incentives granted pursuant to this Law who fail to comply with its provisions shall, aside from being subject to sanctions under the Penal Code and other laws, be sanctioned administratively by the Ministry of Economics based upon information provided by other public institutions or the Ministry itself.

The sanctions shall be fixed based on the seriousness of the offense and shall consist of:

- a) Written warning and prevention.
- b) Temporary suspension of benefits.
- c) Revocation of benefits.

Art. 6.- Art. 33 is replaced by the following:

Art. 33.- If the beneficiaries fail to comply with the obligations set forth in this Law, the Ministry of Economics may, depending on the gravity of the violation, admonish and warn the violator in writing, temporarily suspend benefits for the remainder of the fiscal year and an additional fiscal year, or permanently revoke the benefits granted.

Should the violations to this Law recur or persist, the Ministry of Economics may permanently revoke the benefits granted and communicate this to the appropriate public institutions.

Art. 7.- Art. 34 is replaced by the following:

Art. 34.- The Ministry of Economics shall issue written warnings and admonishments, temporarily suspend or permanently revoke benefits granted pursuant to this Law whenever it verifies on its own or based on a complaint from other public institutions that any machinery, equipment, raw materials, semi-finished products and any other articles that the recipient has acquired through the benefits granted, and also, for any violation of the labor, social security, and other

obligations of the law.

Art. 8.- Art. 48 is amended as follows:

Art. 48.- A request for reconsideration of any ruling which results in the temporary or permanent suspension of benefits granted may be filed with the Ministry of Economics not more than eight days following the notification date. The reconsideration petition shall include the appropriate and relevant evidence and arguments.



Embajada de Honduras
Washington, DC

June 10, 1996

The Honorable Christopher Smith
Chairman of the International Operations
and Human Rights Subcommittee
United States House of Representatives
2401A Rayburn House Office Bldg.
Washington, DC 20515

Dear Mr. Chairman:

I have been informed that you will be conducting an open session of the Subcommittee on International Operations and Human Rights on Tuesday June 11 1996, on child labor. With regard to this subject, my country has been recently mentioned in the media and Congress. I would therefore wish to convey our ideas and impressions to you and the Subcommittee members.

The Honduran government shares the Subcommittee's concerns on the issue of abuse and exploitation of underage workers. In fact, this issue is continually monitored and infractions enforced by the Inspectors General's Office of the Ministry of Labor under the authority and Laws that have been enacted by the Honduras Government. Recent allegations on this subject have been brought to our attention, and our Ministry of Labor has initiated specific inspections in the apparel workplaces. Any company, foreign or not, found in breach of our labor legislation, would receive the sanctions established by Law. These may be from a fine, up to the closure of operations and imprisonment. Since the first inspections in early May, there has been no confirmation of these alleged abuses.

I enclose four brief documents that I hope will be helpful for the Subcommittee's deliberations.

Yours sincerely,


Roberto Flores Bermúdez
Ambassador



For immediate release:

Embajada de Honduras
Washington, DC

Government of Honduras launches investigation on alleged abuse of workers

The Government of Honduras today announced its intention to conduct a thorough investigation of alleged mistreatment of workers by foreign companies that produce garments in Honduras for export to the United States and other countries.

"My Government is fully committed to protect the rights of Honduran workers, to enforce the labor laws, and to expel foreign companies that systematically flout our laws and abuse or exploit our workers," said Roberto Flores Bermudez, Honduran Ambassador to the United States.

The investigation was sparked by the accusations of Wendy Diaz, a 15-year girl old formerly employed at Korean-owned Global Fashions, which produces women's pants for Wal-Mart bearing the name of celebrity Kathie Lee Gifford. Diaz, an orphan who began working at the factory when she was 13, accused her former employers of exploiting child labor, imposing 14 to 16-hour workdays, subjecting employees to physical and verbal abuse, and firing workers who attempt to organize a union.

"Ms. Diaz has alleged serious violations of Honduras' labor laws, which, if proven, will result in heavy penalties against her former employers," said Ambassador Flores. He added that Honduras has expelled two Korean Companies in the past two years for labor law violations.

"Fortunately," Ambassador Flores continued, "such companies are the exception in Honduras, not the rule." He emphasized that the Government and the private sector, including organized labor, respect Honduran law and workers.

As a result of these efforts, Ambassador Flores explained, "many manufacturers, especially those from the United States, have agreed to comply with labor standards even more demanding than those required by law. Medical care is now provided on a permanent basis in most factories. Food costs are covered if workers stay overtime. Wages have improved. And seminars are held frequently to educate manufacturers and supervisors on required standards and practices."

Honduras has also taken steps to strengthen its capacity to supervise employment practices and enforce its labor laws, especially in the industrial parks and free trade zones where most foreign garments companies operate, Ambassador Flores said. To this end, the Government has benefitted from technical assistance from the U.S. Department of Labor and the AFL-CIO.

The United States is Honduras' main trading partner, and most garments produced in Honduras are exported to the United States. "Out of every dollar earned from trade with the U.S. in Honduras," Ambassador Flores said, "at least 75 cents returns to the U.S. through purchases and services. For every 100 garment-industry jobs in Honduras, at least 15 jobs are created in the United States. So trade with Honduras is good for the United States, too."

May 30, 1996

For additional information contact:
Benjamin Zapata (202) 966 4596



EMBAJADA DE HONDURAS

WASHINGTON, D.C.

PRESS RELEASE

FOR IMMEDIATE RELEASE

June 4, 1996

PRESS CONFERENCE: June 7, 1996, 9:00 a.m., Zenger Room, The National Press Club
R.s.v.p.: Hugh Clifton (202) 463-6161

**HONDURAN AMBASSADOR AND PRIVATE SECTOR EXECUTIVE
TO SPEAK ON HONDURAN TEXTILE INDUSTRY
JUNE 7, 1996**

Allegations have been made about the possible mistreatment of Honduran workers in the manufacturing of garments for export to the United States, including the Kathie Lee Gifford clothing line. Immediately upon hearing these allegations, the Honduran government announced its intention to conduct an investigation of alleged violations of Honduras' labor laws.

On Friday, June 7th, His Excellency Roberto Flores Bermudez, the Ambassador of Honduras to the United States, will be addressing allegations of child labor abuse in the Honduran textile industry. He will be joined by a special guest speaker, Mr. Norman Garcia, Executive President of the Foundation for Investment and Development of Exports in Honduras (a non-profit agency from the Honduran private sector whose mission to promote foreign investment in Honduras). The press conference will be held at 9:00 a.m. in the Zenger Room of the National Press Building on the 13th floor. The National Press Building is located at 14th and F Streets, NW.

The Government of Honduras is committed to protecting the rights of Honduran workers, enforcing its labor laws and taking action against any companies that may systematically flout Honduran laws and exploit Honduran workers. The Government of Honduras has taken various measures to demonstrate its commitment to protecting the rights of Honduran workers. For example, three foreign investors were expelled for labor law violations in the last two years.

Contact: J. Benjamin Zapata, Embassy of Honduras, (202) 966-7702
Hugh Clifton, Washington World Group, (202) 463-6161



EMBASSY OF HONDURAS

REFERENCES ON LABOR CONDITIONS IN HONDURAS

Recently there have been public accusations alleging abuse and mistreatment of minor workers in sweatshops in New York and overseas, including factories in Honduras.

The Government of Honduras does not condone violations of its labor laws. Any transgression of those rights will continue to be dealt with swiftly to ensure due process of the law. Three Asian investors were asked to leave Honduras two years ago because of their lack of compliance with our legislation. When violations are detected, corrective measures are taken through established legal procedures.

Given the increased investment from the United States in the garment industry, Honduras has striven to strengthen the inspection capabilities in the Ministry of Labor to ensure full compliance with labor laws in the industry. The Honduran government and the Honduran private sector (management and labor) continue to work with foreign investors from the United States and other parts of the world to ensure the highest possible working standards.

To maintain those high standards, manufacturers, especially from the United States, have established a social security system that goes beyond local legal requirements. Medical care is provided on a permanent basis in almost all factories. Food costs are covered if the workers work overtime. Seminars are held to educate manufacturers on applicable norms and practices. Our legislation has been translated into English, Korean, Mandarin and Chinese.

A U.S. government led delegation which included members of the USTR, the Labor Department and the AFL-CIO visited Honduras last November to encourage the strengthening of the supervisory and enforcement role of Honduran labor authorities in the industrial parks. A Memorandum of Understanding was signed with Ministry of Labor and is being implemented.

Co-production with the United States in the area of garment manufacturing has grown at a rate of 24% for the past two years. For every 100 jobs created in Honduras in this sector by US investment, 15 are created in the United States. For every dollar earned from trade with the US in

Honduras, 75 cents returns to the United States through purchases and services. Investing in Honduras is also a means of investing in the United States because it is our main trade and investment partner. These are facts that usually escape analysis by those interested in limiting US investment overseas.

The wage situation has also been recently addressed in the media. In order to compare wages between Honduras and the United States, account must be taken of the cost of living, which varies from country to country. According to our Laws, the minimum wage in the manufacturing sector is 3.75 Lempiras (US \$0.36) per hour, equivalent at this rate, in an 8 hour day, a worker will earn LPS. 30.00 or \$2.85 a day. The minimum wage for workers in this sector is the highest in the country. The mining workers minimum wage is LPS. 26 00 per day, or the equivalent. to \$2.50 a day. Working in agriculture brings in LPS. 14.95 a day or \$1.40. These are impossible wages to live on if you reside in the United States. In Honduras, it is also a relatively small wage, but its purchasing power is much higher in our country.



EMBAJADA DE HONDURAS
WASHINGTON, D.C.

Oficio /CV /093 /BHW /95

Washington D.C., November 9, 1995

Mr.
H. J. Rosebaum
Office of the United
States Trade Representative
G. S. P. Division
Washington D.C.

Dear Mr. Rosebaum:

As a preview to your upcoming, fact finding trip to Central America on labor relations, I would like to highlight several points with regard to the labor situation in the Maquila Industry in Honduras:

- Despite intense investigations, by the labor authorities, it has not been possible to substantiate allegations against the Maquiladoras that women are forced to work 15 hours a day or 80 hours a week. No evidence has been found that the women have been forced to take stimulants to force them to work 48 hours without resting.

- Current labor regulations cannot be independently changed either by the government authorities nor by the judicial branch. This can be done only by reforming existing legislation in congress. In this regard, Legislation has been proposed to reform and strengthen the protection of workers rights. It is expected that these changes will be approved shortly by the Supreme Court and the Honduran Congress. The changes currently being contemplated have been formulated by a special Committee integrated by representatives of the government, the labor organizations and the private sector. This has been done as per the recommendations and the principles of the International Labor Organization (ILO).

- The Ministry of Labor has issued recommendations to the Honduran unions to present all their complaints promptly to the authorities in order to allow them to fulfill their duties and search for a solution to each case. In those instances when workers have been unjustly dismissed, the Ministry has intervened on behalf of the workers requesting management that they be promptly reinstated. The government cannot force the companies to rehire said workers as this can only be done in a court of law.

- In order to improve the inspection services and to guarantee the full respect of the law, the Ministry of Labor has taken steps to carry out the necessary administrative changes, such as: the recruitment and training of staff, and the termination of personnel that failed to properly enforce our laws.

- Although the three national labor confederations (CTH, CGT and CUTH), did not participate in the National Commission of Minimum Wage, alongside representatives of the private and public sectors, the Ministry of Labor undertook the task of improving the minimum wage, based on technical studies done by the Dirección Nacional de Salarios. The upward adjustment of the minimum wage was decreed by Executive Order N 001 on December 23, 1994.

- Some clear examples that the Honduran authorities will not tolerate the violation of our labor laws and worker rights, is the expulsion last year of an investor from Korea, Mr. Boo-Woo Lee, of the company, SILVER STAR INDUSTRIAL, and this year of Mr. Mie Wan, and Mr. Kin Chiun Ho, from HARDAB HONDURAS LIMITADA. All of these investors were found to be in complete violation of our laws, and it was proven there had been serious mistreatment of workers in their establishments.

In September, 1994, the national authorities called meetings between members of the Maquiladora Association and the three union confederations (CTH, CGT, CUTH), in order to analyse all labor conflicts and look for solutions to them. In those meetings the Maquiladores were required to allow investigations in those factories that had complaints against them. Also, two commissions were created and charged with the duties of supervising the observance of worker rights and the state of relations between workers and management. One of the Committees resides in San Pedro Sula and has as members representatives of the unions and the maquilas. The other committee, is in Tegucigalpa and is also integrated by representatives of the maquilas, the unions and Government.

- The Ministry of Labor opposes creating a separate worker regime for the Maquila Industry, it considers that any separate labor regulations would result in the abdication of some worker rights and a weakening of the law. This position coincides with the official stipulations of the International Labor Organization.

The above has been reiterated as the official position of the government in statements to the national press, and in various international gatherings and high level summit meetings.

Please feel free to contact me anytime if you need clarification or further information.

Best regards,

A handwritten signature in black ink, appearing to read 'Benjamin Zapata', written over a horizontal line.

Benjamin Zapata
Minister Counselor



EMBAJADA DE HONDURAS

Washington, D.C.

May 5, 1995

Mr. Joaquin Otero
Deputy Under Secretary for
International Affairs
U.S. Department of Labor
Washington, DC 20210

Dear Mr. Deputy Under Secretary:

Please find attached my written testimony concerning the legal framework in place in Honduras for the protection of underage workers. My testimony explains the stipulations set forth both in our Constitution and Labor Code, to protect the rights of underage workers, and also refers to the institutions and mechanism that Honduras has set up for the pertinent control and supervision.

I am also enclosing the relevant articles of the Labor Code in force at present. In this regard revisions are being considered to some aspects of the Labor Code, including those related to child labor, and shall be proposed to our Congress in the near future. If you have any question concerning this information do not hesitate to contact my office.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Roberto Flores Bermúdez', with a large flourish extending to the right.

Roberto Flores Bermúdez
Ambassador

INTRODUCTION

The protection of underage workers is contemplated in the Honduran Constitution and Labor Code.

As a country of high democratic principles and respectful of the individual rights of its citizens we have strived to provide an adequate legal framework to protect our workers, particularly underage workers.

We have subscribed and ratified all the international agreements of the International Labor Organization that protect the welfare of minors in the workforce.

THE CONSTITUTION

Chapter IV of the Constitution of Honduras covers the rights of children and the obligation of the State to protect them. The children of Honduras are also protected by all International Agreements that have been created for that purpose, as their stipulations have been incorporated into the Constitution.

Article 124, clearly states that minors shall not work at an early age, and that they will not be forced to work in areas that will endanger them in any way or impede their physical, mental or moral development.

The Constitution further directs (article 128) that no minor under the age of sixteen who is still in school as dictated by law shall be put to work.

Nevertheless, under extraordinary circumstances, the authorities can authorize the employment of workers between the ages of fourteen and sixteen, even if they are still in school, when their survival or that of their immediate family depends on it. The job undertaken shall not interfere with their schooling.

All those under seventeen cannot work more than six hours a day and 36 hours a week.

LABOR CODE

The Labor Code further mandates and lays down several strict guidelines to protect underage workers. (Title 111, Chapter 1)

Among the key guidelines are the following: All tasks given to them shall be appropriate for their age, physical condition, and intellectual and moral development.

No worker under the age of sixteen shall carry out tasks that under this code, the Sanitary Code, or all regulations or stipulations of hygiene and safety conditions, have been labeled dangerous or unsanitary.

Workers under the age of sixteen shall not work at night. Also, it is not permitted to employ minors in clubs, theaters, circuses, coffee houses, saloons, and establishments that sell alcohol for immediate consumption, or establishments of prostitution. Employers are not authorized to employ minors in the distribution of any graphic material or literature considered to be contrary to high moral standards and customs.

Underage workers shall be granted two hours of rest during the workday.

Underage workers can be employed in, commercial agriculture or ranching activities within the limits set in articles 32 and 33 of the Labor Code.

Article 32 states that no minor still in school will be employed in any endeavor unless it is indispensable for their own survival, the survival of their parents and other members of their immediate family. This employment should not interfere with school attendance.

Article 33 states that workers under sixteen years old need written permission from their Parents or legal guardian to be employed. If the Minor has no legal guardian, then a work inspector or an appropriate government representative must grant written permission.

Furthermore, any employer with workers under the age of sixteen in his payroll must keep a detailed registry on the workers, type of job given, duration (hours per day/week) within the timeframe allowed by law, salary, age of the worker, starting date, full name and names of the parents or guardians, exact location where they work and a copy of the written authorization from parents or guardians. The written authorization contains the conditionality the employer must satisfy to guarantee the safety of the minor.

All authorizations granted by the parents or guardians of a minor are given final approval by an inspector from the Labor Ministry or an appropriate government representative before the minor can start working.

Also the registry must include a certificate attesting that the minor is fulfilling his educational obligations. Once a month, the employer has to submit to the labor inspector for his verification, a copy of the registry for each employee.

RECENT INITIATIVES

Over the past few months the government of Honduras has undertaken a comprehensive review of the labor code with the aim of improving and strengthening some of its most important concepts.

The regulations and specific legislation that cover the portion of underage workers is under careful study to determine if there are areas or concepts that are in need of improving.

Two of the sectors identified as needing more transparent regulatory guidelines in relation to employment of underage workers are the commercial agriculture sector and the informal urban job market, where a lot of children are employed,

Some of the recommendations that have been introduced up to now include:

- The harmonization of all the laws in the central american countries that relate to underage employment. It is proposed that this harmonization be done according to the guidelines of the Convention on Children Rights, Agreement No. 138 and Recommendation No. 146 of the International Labor Organization.
- The creation of a special team of inspectors with attributions solely directed to the protection of child laborers in all sectors of the economy, as stipulated in the above mentioned international agreements.
- Sensitize and involve all employer organizations, worker organizations and social organizations to the special needs of underage workers and to the full application of the law in this area.
- Work closely with the appropriate regional agencies, within the framework of the Central american integration system, to obtain the review and adoption at a regional level, of the the recommendations made to improve and strengthen child labor.

- Carry out information campaigns to familiarize all those involved with the rights and needs of underage workers.

- Promote among children and teens the formation of "Rights Promoters" for children; and in general terms, the establishment of special offices dedicated to supervising that all the rights of children are duly respected.

- Unify criteria to better define the risks for minors in the workplace; introduce legislation which contains, based on unified criteria, a listing of the type of child labor activities that should be abolished.

- Work with regional worker and employee organizations with the aim of getting them involved in the application of norms related to underage workers.

- Develop or if necessary create mechanisms with the purpose of assuring both the application and supervision of said application of all norms related to underage workers. The supervision mechanisms should be reinforced with powers to apply sanctions or other punitive measures to assure the rights of children are duly observed.

ADMINISTRATIVE ORGANIZATIONS THAT SUPERVISE CHILD LABOR

The *Secretaría de Trabajo y Previsión Social*, (Ministry of Labor and Social Security) is the Ministry in charge of authorizing, observing and assuring that our national labor legislation is duly applied.

Within the Ministry we have two agencies that have direct jurisdiction over that aspect of the law that relates to underage workers. These agencies are:

The *Dirección General de Previsión Social*, (Directorate of Social Security) is charged with coordinating activities between all social assistance agencies; and the *Inspección General del Trabajo*, (Labor Inspection Bureau) supervises within the context of the workplace the compliance with labor and social security guidelines.

The Inspection Bureau keeps a careful watch over those Sites that employ underage workers, to make sure that the employer complies with the requirements dictated by law for the protection of underage workers. In the attached copies of the Labor Code there are more details of the functions carried out by both Departments.

Statement of Congressman Barney Frank (4th-MA)

House Committee on International Relations Subcommittee on International Operations and Human Rights June 11, 1996

I hope this hearing represents the beginning of a bipartisan effort to tackle the complex and pressing problems which of child labor. The use of child slavery in the production of manufactured goods and mining is an abusive and exploitative practice occurring today in places all over the world. Despite the fact that virtually every country in the world has laws on its books prohibiting forced labor and that there are countless international conventions outlawing slavery, millions of children are working as slaves, recruited by unscrupulous contractors, sold by their parents, or born into generational debt bondage.

The United States currently has no law which specifically bans the importation of goods made with child labor. We do have a law that prohibits the importation of goods made with prison labor. However, this law has not been interpreted to cover bonded labor or indentured servitude. While forced labor refers to the enslavement of workers through the threat or use of coercion, bonded labor (or debt bondage) is a form of forced labor in which children enter into virtual servitude as a result of some initial financial transaction.

In addition to the gross violation of children's rights, the use of child labor has an equally distressing effect on our own domestic economy. Domestic manufacturers have moved operations abroad to exploit child laborers' pliability -- they work for less money, work longer hours and demand fewer benefits than American counterparts -- and with lower labor costs, companies earn bigger profits when selling these products back in the U.S. This vicious cycle has the effect of widening income disparities and exacerbating class tensions throughout the country. But, while some economists will argue that this loss of American jobs is the natural result of a developing country's comparative advantage in low skill labor, there is another greater, more systematic economic problem which child labor presents -- the loss of foreign markets for U.S. goods and service. The fact is: child laborers do not earn enough money to support their most basic human needs. How, then, can we expect to export U.S. value added goods to those countries where the workers cannot afford to eat, much less purchase the products which U.S. workers need to sell abroad? The importation of goods made by children doubly punishes Americans with losses in jobs and in markets. -In the growing global marketplace, it seems to me foolish for us to continue to pursue a trade policy which will have the end result of closing, rather than opening, markets for U.S. goods.

It is also important to understand what is meant by child labor. This does not refer to a family who has their children working on the family farm, or in the family store, or in an apprenticeship, or even working at a job after school. What is meant is the abusive practice of having children

under the age of 14 working full-time, and in some cases as much as 6 days a week 12 hour days, in conditions fraught with health and safety hazards. In most cases these children receive no education, a fraction of adult wages (if they are fortunate enough to be paid for their work), no medical attention, and are kept from their parents for extended amounts of time (in some cases up to three months or more).

The use of child labor is an abominable practice which arises from the unscrupulous practice of brokers who purchase the use of children from unsuspecting individuals who little realize that the acceptance of money would lead to a life of servitude. This is not an outgrowth of culture or tradition. If it were, these countries would not have laws forbidding the practice. This justification of culture is usually one made by those who trade in slavery, not by the government or people who suffer from it.

The United States can act to help put an end to this terrible injustice facing the children of the world by using our vast economic power and preventing the importation of good made with child labor. To this effect, I have introduced H.R. 2065, "The Child Labor Deterrence Act," in the House. This legislation would prohibit the U.S. from importing those products made with child labor. Other preventive measures such as stickers labeling products made with child labor, and marks on products indicating child labor-free production are also options open to the U.S. and industry. In addition, U.S. companies can make a real commitment not to purchase goods from manufacturers that use child labor and devise some means to effectively police and enforce these commitments.



U. S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

June 20, 1996

The Honorable Christopher H. Smith
Chairman
Subcommittee on International Operations and Human Rights
Committee on International Relations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

We appreciate this opportunity to discuss the Department of Justice's efforts on behalf of exploited children, specifically focusing on the issue of child labor. Please accept this letter for inclusion in the record of your Subcommittee's June 11 hearing on that subject. This statement describes the Administration's work to combat one of the most pernicious forms of child labor -- the sex industry, in which children are subjected to molestation, photographing for purposes of pornography, and to the sale of their young bodies for sexual purposes.

Federal law prohibits trafficking of children and adults in interstate and foreign commerce for illicit sexual conduct. This conduct can include prostitution, statutory rape, sexual abuse ranging from simple molestation to aggravated rape, incest, and some types of child pornography offenses.

Several provisions of federal law, including some added by the Violent Crime Control Act of 1994, provide the basis and tools for the Department's international prosecutions against such child exploitation. In particular, 18 U.S.C. § 2423(b), which prohibits the travel for purposes of prostitution or other criminal sexual activity, provides a new tool that prosecutors will be able to use against "sex tourism": the travel across state or international borders for purposes of prostitution or other criminal sexual behavior, including the molestation of children. This statute provides "extra-territorial jurisdiction" allowing jurisdiction for the United States to punish those who travel to other countries to engage in criminal sexual activity in those countries. Along with the United States, many countries in Europe, as well as Australia and New Zealand, have enacted

extra-territorial jurisdiction laws to address this pressing issue. The 1994 Crime Act similarly established extraterritorial jurisdiction to prohibit the distribution via foreign commerce of visual materials illustrating the exploitation of children. In addition, a pre-existing statute, 8 U.S.C. § 1328, prohibits the smuggling of aliens into the United States for immoral purposes.

The Criminal Division's Child Exploitation and Obscenity Section (CEOS) coordinates the Department's enforcement of federal statutes covering obscenity, child exploitation, child sexual abuse, and child pornography. CEOS is actively implementing the Department's effort to identify and prosecute those who transport minors (and adults) for the purpose of prostitution, or violate the "sex tourism" statute by traveling abroad to engage in criminal sexual activity, including rape, child sexual abuse, and prostitution.

Ease of international communications and decreased costs of travel have contributed to the global trafficking in women and children for criminal sexual activity and the travel of "tourists" to exploit these individuals in other countries. "Sex tourism" is particularly popular for travelers to some Southeast Asian and South American countries. Once in these countries, the traveler may have sex with many individuals, many of whom are young boys and girls under the age of 14. In some countries, the children are likely to be housed in large "homes" with small rooms, with few amenities, and expected to service a significant number of travelers per day. In some countries, the children are found in bars or beaches and either wait to be approached by tourists or actually make the advances themselves. Many of these children are from poor rural areas; many of them eventually return home to die of AIDS.

The Department of Justice recognizes that combatting the scourge of international trafficking in prostitution and pornography often requires reaching out to law enforcement groups around the world. As part of this effort, Acting Section Chief Terry R. Lord serves on the Interpol Standing Working Party on Offenses Against Children, which meets to review means of enhancing law enforcement on child-related crimes internationally. The Working Party is made up of law enforcement agency representatives from more than 25 member countries. The Department anticipates that the Interpol relationship will result in early notification to the United States Government of crimes committed by Americans in other countries, leading to prosecution under the sex tourism statute upon the tourists' return to the United States.

The Department also has taken an active role in preparations for the forthcoming World Congress Against Commercial Sexual Exploitation of Children in Stockholm later this summer. There are three major sponsors of the World Congress: The Queen of

Sweden, End Child Prostitution in Asian Tourism (ECPAT), and UNICEF. The Department has been involved in the preparation of background materials for the World Congress, and in discussions with other Executive Branch Departments about participation at the meetings. This will be the first opportunity for law enforcement, prosecutors, and assistance providers around the globe to meet and develop systems for working with individuals who have been exploited and victimized by traffickers and pornographers. CEOS provided comments on background papers and will highlight American activities in this area with the goal of increasing international coordination for prosecutions. The statutory provisions outlined above will be the focus of the World Congress and an indication of the leading role of the United States in combatting the trafficking of minors for pornography and prostitution. One of the major issues of the World Congress will be sex tourism laws and extraterritorial jurisdiction; the United States was the sixth country to enact such provisions.

In cooperation with the Criminal Division's Office of International Affairs, the Federal Bureau of Investigation (FBI), and the State Department, CEOS has developed a process to effectuate investigations and prosecutions of individuals who travel abroad with a purpose of engaging in criminal sexual activity, including prostitution and pornography, under the newly enacted sex tourism extraterritorial jurisdiction statute and pornography statutes mentioned earlier. CEOS is following leads provided by non-governmental Organizations (such as ECPAT) in the United States and abroad. These organizations collect information from local foreign law enforcement as well as from outreach programs for the exploited youth. These sources are critical to initiating inquiries with foreign governments regarding violations by Americans abroad. Once confirmation of an arrest is made by the State Department, or demonstrative evidence of intent to travel for criminal sexual activity is found, CEOS works with OIA and FBI to develop the cases which would then be prosecuted in the offender's home district or point of departure for the travel. Investigations on these cases require coordinated efforts between the foreign countries and American law enforcement to obtain evidence of the purpose of the travel and the activities during travel.

In addition to pursuing prosecutions of Americans in the United States for these crimes which are committed both at home and abroad, the Department of Justice has sought the cooperation of foreign governments to prosecute their own citizens on charges of production and distribution of child pornography and related offenses in the foreign country. In this manner, the offender is brought to justice in either the United States or the foreign country, depending on which venue can provide the most efficient and expeditious resolution of the matter.

Thank you again for providing this opportunity for the Department to describe its work to significantly reduce the international trafficking and exploitation of children.

Sincerely,


Andrew Fois
Assistant Attorney General



June 6, 1996

The Honorable Christopher Smith
 Chairman, Subcommittee on
 International Operations and Human Rights
 U.S. House of Representatives
 2401-A Rayburn House Office Building
 Washington, D.C. 20515

Dear Chairman Smith:

LIFE magazine's June issue contained a very disturbing story on the use of child labor in the soccer ball industry in Pakistan. The article was critical of NIKE and several other sports companies operation's within Pakistan. NIKE found the article (where it referred to NIKE) misleading and inaccurate and we would like to set the record straight prior to your sub-committee's hearing on child labor currently scheduled for June 11, 1996.

Though NIKE is new to Pakistan, in less than one year of subcontracting production there we have taken more steps to protect worker rights than any other company sourcing products in Pakistan -- something of which LIFE reporter Sydney Schanberg was informed, but chose to ignore. What was left out of the article is the following:

- At NIKE's urging and with our help, SAGA Sports, a Pakistani soccer ball subcontractor, is establishing five new, modern stitching centers with 500 workers each under the direct employment of SAGA. The employment of the stitchers will be controlled and observed to avoid under-age labor, and working hours will be fixed at nine hours per day, with lunch and tea breaks. The first center will open this fall, with three more of the five centers completed by the first half of 1997.
- SAGA will open fair price shops in the immediate vicinity of the stitching centers to provide basic commodities at subsidized rates for workers and their families.
- SAGA will expand existing on-site health care service for workers and their family members at the new centers.
- NIKE will also work with SAGA to establish recreational facilities and literacy training for workers at these facilities.

The Honorable Christopher Smith

June 6, 1996

Page 2

Much to our dismay, what Schanberg witnessed is outsourced labor to meet current production volumes. The use of any forced or under-age labor is in direct violation of NIKE's Code of Conduct and Memorandum of Understanding which we require all of our production partners to sign and enforce. The above-outlined measures are intended to address this practice for the long-term. Until the new stitching centers are complete, we will redouble our efforts to enforce child labor prohibitions with our partners. NIKE believes that it is more effective to work for change in the child labor system, to the extent that we can, than to ignore that such conditions exist.

Regarding the photograph accompanying the article: NIKE finds it highly ironic that LIFE, a publication built on a decades-long reputation of excellence in photo journalism, would chose to publish a photograph so clearly staged. The scene depicted in the lead photo of the article is extremely unlikely for a couple of reasons: three different styles of balls shown, none of which are stitched in the same center; and, the balls are inflated to playing pressure, which is impossible at the stitching centers, since the balls are not inflated until much later in the production process. It is even stated in the article that the locations where workers stitch the ball components are dramatically different from the "clean, well-lit factories" where the balls are assembled and inflated.

Wherever NIKE operates around the globe, it is guided by principles set forth in a Code of Conduct that binds its production subcontractors to a signed Memorandum of Understanding (MOU). This MOU strictly prohibits child labor, and requires certification of compliance with applicable government regulations regarding minimum wage, overtime, as well as occupational health and safety, environmental regulations, workers insurance and equal opportunity provisions.

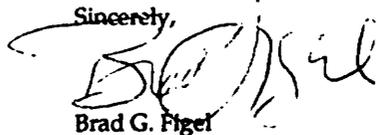
NIKE enforces its standard through daily observation by NIKE staff members. Every factory in the world that manufactures NIKE components and finished goods has NIKE staff assigned to it who are responsible for monitoring adherence to the MOU. The next level of enforcement is a system of third-party audit, conducted by Ernst & Young. These thorough reviews conducted over several days include interviews with workers, examination of safety equipment and procedures, review of free health-care facilities at the work site, investigation of worker grievances and audits of payroll records.

Attached for your review is a copy of NIKE's Production Primer -- a briefing notebook explaining how NIKE does business throughout the world. I respectfully request that this letter and the production primer be included as part of the Committee record.

The Honorable Christopher Smith
June 6, 1996
Page 3

Please let me know if I can provide you or your staff any additional information.
Thank you for your consideration of our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad G. Figel". The signature is fluid and cursive, with a large initial "B" and "F".

Brad G. Figel
Director of Governmental Affairs
and International Trade Counsel

NIKE PRACTICES

Wherever NIKE operates around the globe, the company is guided by the following Code of Conduct, and binds its business partners to the code's principles with a signed Memorandum of Understanding.¹

THE NIKE CODE OF CONDUCT

NIKE, Inc. was founded on a handshake.

Implicit in that act was the determination that we would build our business with all of our partners upon trust, teamwork, honesty and mutual respect. We expect all of our business partners to operate on the same principles.

At the core of the NIKE corporate ethic is the belief that we are a company comprised of many different kinds of people, appreciating individual diversity, and dedicated to equal opportunity for each individual.

NIKE designs, manufactures and markets sports and fitness products. At each step in that process, we are dedicated to minimizing our impact on the environment. We seek to implement to the maximum extent possible the three "R's" of environmental action: reduce, reuse and recycle.

We seek always to be a leader in our quest to enhance people's lives through sports and fitness. That means at every opportunity—whether in the design, manufacturing and marketing of products; in the environment; in the areas of human rights and equal opportunity; or in our relationships in the communities in which we do business—we seek to do not only what is *required*, but, whenever possible, what is *expected* of a leader.

There Is No Finish Line.

¹ The American Footwear Association has also established guidelines of practice. See Appendix F for these guidelines and the list of companies who support them.

MEMORANDUM OF UNDERSTANDING

1 Government regulation of business

(Subcontractor/supplier) certifies compliance with all applicable local government regulations regarding minimum wage; overtime; child labor laws; provisions for pregnancy, menstrual leave; provisions for vacation and holidays; and mandatory retirement benefits.

2 Safety and health

(Subcontractor/supplier) certifies compliance with all applicable local government regulations regarding occupational health and safety.

3 Worker insurance

(Subcontractor/supplier) certifies compliance with all applicable local laws providing health insurance, life insurance and worker's compensation.

4 Forced labor

(Subcontractor/supplier) certifies that it and its suppliers and contractors do not use any form of forced labor—prison or otherwise.

5 Environment

(Subcontractor/supplier) certifies compliance with all applicable local environmental regulations, and adheres to NIKE's own broader environmental practices, including the prohibition on the use of chloro-flouro-carbons (CFCs), the release of which could contribute to the depletion of the earth's ozone layer.

6 Equal opportunity

(Subcontractor/supplier) certifies that it does not discriminate in hiring, salary, benefits, advancement, termination or retirement on the basis of gender, race, religion, age, sexual orientation or ethnic origin.

7 Documentation and inspection

(Subcontractor/supplier) agrees to maintain on file such documentation as may be needed to demonstrate compliance with the certifications in this Memorandum of Understanding, and further agrees to make these documents available for NIKE's inspection upon request.

ENFORCEMENT

NIKE takes a three-pronged approach to the enforcement of its standards.

The first is daily observation by NIKE expatriates. Every factory in the world that manufactures NIKE components and finished goods has several NIKE staff members assigned to it. These employees are as responsible for monitoring adherence to the Memorandum of Understanding as they are for issues of product design, development and quality control.² They ensure that, wherever possible, the Memorandum and Code of Conduct are posted in each factory, creating a public, visible (and for many subcontractors, unprecedented) standard of conduct. In addition, NIKE country managers formally update Memorandum reports on a semi-annual basis.³

The next level of enforcement is NIKE's ongoing third-party audits. NIKE's strategic partners know that the Memorandum's enforcement can also include systematic evaluation by auditors Ernst & Young. In broad terms, this arrangement means that any factory, anywhere in the world, is subject to unannounced spot checks. If an auditor or NIKE expatriate discovers that a subcontractor is not adhering to the signed Memorandum, NIKE will demand that the subcontractor address the situation in writing, including timelines of corrective measures.⁴ If neither the response nor the improvement is made, NIKE may terminate the business relationship.

The final means of establishing NIKE standards is less tangible, but no less important, than the others: how NIKE relates to its strategic partners. From its first links to Asia, NIKE has tried to build long-term business ties with selected contractors. This policy had a practical origin: The more familiar the factories were with NIKE product, the greater their efficiency. But it has had another, unforeseen result. After nearly 20 years of working together, NIKE's sense of corporate responsibility has influenced its partners. In the last five years, NIKE contractors have made voluntary improvements unheard of in the decade and a half before.



At Pau Chen, worker facilities include the mosque at left. A Christian chapel is also located on the factory grounds.

² Commenting on NIKE's investment in expatriate personnel, one independent industry analyst noted, "As far as we know, no other athletic footwear company has nearly as large an infrastructure associated with its overseas production." (Faye L. Landes and Jessica Oliver, investment report for Smith Barney, August 1994: p3.)

³ See Appendix C for examples of recent updates.

⁴ See Appendix B for examples.

RESULTS

Human rights are about the treatment of people. And the people NIKE is most concerned about in its source countries are those working where NIKE has the most influence: on the factory floor. Here, the Code of Conduct expresses the principles of fair management. The Memorandum of Understanding gives those ideas form. The job of NIKE's expatriate staff is to interpret both the spirit and letter of these guidelines.

The result is tangible progress in the lives of people directly associated with NIKE business— not ineffective gestures in poorly defined areas where NIKE has little impact. These improvements touch an array of issues: fair treatment, health and safety, corporate responsibility. NIKE believes that if these changes clearly advance the circumstances in this corner of a society, then they elevate the whole:

- At a South Island Garment apparel facility in Malaysia, four Bangladeshi workers were publicly caned in October 1995. The NIKE expatriate sent a letter to the factory (and all factories in the region) describing the action as totally unacceptable and a breach of the Memorandum of Understanding. As a result, the Minister of Labor investigated the incident, the workers were reinstated and the two senior staff members responsible for the caning resigned.
- In the spring of 1994, a local NIKE expatriate learned of a line supervisor verbally assaulting workers in the Indonesian factory Pou Chen. When the expatriate brought the matter to the factory manager's attention, the supervisor was subsequently dismissed.
- Korea Polymer, a Korean factory, was discovered to be providing jobs to prisoners in a work-release program. In keeping with NIKE's prohibition of forced labor, NIKE put pressure on the factory and the arrangement was terminated in June 1994.
- When NIKE noticed some of its subcontracted Indonesian factories paying training wages to a disproportionately high number of workers in the summer of 1994, NIKE expatriates investigated. (By law, the training wage—less than minimum wage—can only be paid to new employees who are not involved with production work.) After the subcontractors were questioned, the number of workers on training wages was significantly reduced.
- In the fall of 1995, NIKE's aggressive monitoring and a third-party audit revealed that Astra, an Indonesian footwear operation, was working its employees overtime without the necessary government waiver. Astra applied for the regulatory waiver immediately.
- Constructed in the summer of 1995, the new Vietnamese factory Tae Kwang has landscaping, insulated roofs and scrubbers for cleaning generator waste—features requested by the NIKE production manager. The Chinese factory Wellko Industrial Limited attributes its new ventilating fans and worker dormitories to the advice of its NIKE expatriate.

1.4 • NIKE practices

- Currently, NIKE is working with the Indonesian footwear factory NASA to develop a solvent recovery system. In 1994, the same company invested US\$700,000 in temperature-reducing equipment and conducted a study on air quality, noise quality and waste management.⁵
- At NIKE's bidding, the Dongguan Wellko Shoes Factory Ltd. in China assembled a crisis management team in 1995. In addition to this team—designed to prevent and handle industrial accidents—the factory built a karaoke parlor and dance hall for its workers, and is currently planning basketball and volleyball facilities.
- In the autumn of 1994, an Indonesian bus exploded while carrying factory workers home. There were no fatalities, but 16 workers were injured and eight were taken to the hospital. The bus company pledged to cover all medical costs while the factory promised to cover any interim payments. The recovering workers received their full salary during their convalescence. The factory, Garuda, is a NIKE subcontractor.
- Youngone, the only apparel factory group that NIKE contracts with in Bangladesh, has made it a mission to improve living conditions for its workers. With accessible medical support and generous cafeteria services, Youngone exceeds the standards of its local colleagues—and epitomizes the type of business partner NIKE seeks.⁶



Workers on a Pou Chen stitching line, where upper pieces are assembled, marked and stitched together.

⁵ Appendix C contains the factory's description of these measures; refer to P.T. Nagasaki Paramashoes Industri (NASA).

⁶ Youngone is also distinguished by its refusal to employ children. The widespread use of underage labor in Bangladeshi factories recently led the government to require all factories to sign a pledge against the practice.

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**United States Council for
 International Business**

ABRAHAM KATZ, President

Serving American Business as U.S. Affiliate of:

The International Chamber of Commerce
 The International Organisation of Employers
 The Business and Industry Advisory Committee to the OECD
 The AIA Carnet System

June 6, 1996

Honorable Christopher H. Smith
 Chairman
 International Operations & Human Rights Subcommittee
 2401 Rayburn House Office Building
 Washington, DC 20515-6129

Dear Mr. Smith:

I am writing to inform you of positions taken by the International Organisation of Employers (IOE), representing the interests of employers from 118 countries, on the issues of the linkage between trade and labor standards and child labor. As its U.S. affiliate, the U.S. Council for International Business has been working closely with the IOE on these issues.

The IOE adopted two critical resolutions at its General Council meeting on June 3. In advance of the December 1996 WTO Ministerial in Singapore, the first resolution opposes any linkage between trade and labor or any role for the WTO on this issue, and calls for renewed cooperative efforts in the ILO to improve international labor standards. The second resolution calls on IOE member federations to play a lead role in international efforts to eliminate child labor, and outlines an action program for the IOE on child labor, including an employer "best practices" handbook and regular reporting by IOE member federations to the annual IOE General Council.

Attached for your information are copies of the two resolutions, the press announcement, and fact sheets detailing further the work of the IOE. As this work proceeds, the U.S. Council stands ready to assist you in providing U.S. employer views on these important issues. Please feel free to call upon us.

Sincerely,


 Abraham Katz

Enc.

BEST AVAILABLE COPY



press release

UNITED STATES COUNCIL
FOR INTERNATIONAL BUSINESS

Hold For Release: 03 June 1996 15:00

Contact: Marge Lipton, Geneva - 4122-798-1616 (after 30 May)
Amanda Tucker, New York - 212-354-4854 (until 31 May)

WORLD'S EMPLOYERS URGE ENHANCED ILO EFFORT TO IMPROVE LABOR STANDARDS; REJECT LINKING WORKER RIGHTS AND TRADE

THEY ADOPT RESOLUTION AND PROACTIVE BUSINESS PROGRAM ON CHILD LABOR

GENEVA, Switzerland, June 3—American employers joined representatives of 120 employer federations meeting in Geneva on June 3 in rejecting the linkage between trade and labor while asserting the need for renewed cooperative efforts in the International Labor Organization (ILO) to improve living and working conditions and labor standards. With regard to child labor, they adopted a proactive program for action by employers and their federations.

Meeting in the 73rd session of the General Council of the International Organisation of Employers (IOE), under the chairmanship of Abraham Katz, President of the United States Council for International Business, they adopted a policy statement reaffirming that an open trade and investment system leading to economic growth and development is the best way to raise labor standards. They rejected linking worker rights to trade, expressing concern that trade sanctions would negate the objective of economic growth through open world trade. They saw no merit in engaging the WTO on the issue of labor standards. Improving working conditions and labor standards are the province of the ILO, which should display a greater creativity and flexibility in its operations.

In clearly rejecting the "social clause," the IOE adopted a position similar to the views previously taken by the International Chamber of Commerce (ICC) and the Business and Industry Advisory Committee (BIAC) to the OECD. This puts the American business community squarely with the rest of the organized world business community in opposition to the efforts of the US and some other governments to have the trade/labor link added to the agenda of the WTO at the December ministerial meeting in Singapore.

Recognizing the particular importance of the pressing issue of child labor, the General Council adopted a resolution which calls on employers and their organizations to act to put an immediate end to slave-like, bonded, and dangerous forms of child labor and to develop formal policies with a view to its eventual elimination in all sectors. The resolution further calls on employers and their organizations to develop action plans to deal with the child labor situation in the countries of operation to ensure that the condition of children and their families are improved rather than worsened as a result of well-intentioned but ill-conceived and hasty actions.

The resolution launched a program under the IOE Executive Committee which will create a database and disseminate information concerning actions by companies and organizations in combatting child labor, develop and distribute an employers' best practice handbook, and receive periodic reports from the membership on their initiatives and their efforts in this regard to be reported annually to the General Council.

Besides its affiliation with the IOE, the USCIB is the American affiliate of the International Chamber of Commerce (ICC), and the Business and Industry Advisory Committee (BIAC) to the OECD. As such, it officially represents US business positions both in the main intergovernmental bodies and vis-a-vis foreign business communities and their governments.

The Council addresses a broad range of policy issues with the objective of promoting an open system of world trade, finance, and investment.

Copies of the IOE policy statement on the social clause and the resolution on child labor are attached.

Serving American Business as U.S. Affiliate of

The International Chamber of Commerce
The International Organisation of Employers

The Business and Industry Advisory Committee to the OECD
The ATA Carnet System

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GENERAL COUNCIL
OF
THE INTERNATIONAL ORGANISATION OF EMPLOYERS

RESOLUTION ON CHILD LABOUR

The General Council of the International Organisation of Employers,

Having met in Geneva on 3 June 1996 for its 73rd ordinary session,

Considering that one of the most disturbing aspects of poverty is the necessity for poor families to rely on the labour of their children,

Considering that although the problem is complex and requires long-term action for its prevention and progressive elimination, its most intolerable aspects, namely the employment of children in slave-like and bonded conditions and in dangerous work, must be abolished immediately and unconditionally,

Concerned that children without education are denied opportunities to develop their full potential and can constrain the social and economic development of their countries,

Aware that the long-term solution to the problem lies in sustained economic growth leading to social progress, in particular poverty alleviation and universal education,

Noting that although the solution to the problem requires the active and coordinated involvement of society as a whole, with government playing a critical role through its development plans and special education programmes, the business community has a significant contribution to make,

Noting that while enterprises and business organisations, along with other groups in society, are concerned about child labour and have adopted policies and taken action to improve the situation of working children, further concerted action is required,

Recognising that the positive actions taken by employers have not been adequately acknowledged and in some cases employers have been subject to unfair accusations,

Noting that simplistic solutions, which can merely throw children out of work without providing alternative means of livelihood for them and their families, often put the children concerned in a worse situation,

Further concerned that attempts to link the issue of working children with international trade and to use it to impose trade sanctions on countries where the problem of child labour exists are counter-productive and jeopardize the welfare of children,

Resolves this 3rd day of June 1996 to:

1. Call on employers and their organisations to:
 - a. Raise awareness of the human cost of child labour as well as its negative economic and social consequences.
 - b. Put an immediate end to slave-like, bonded and dangerous forms of child labour while developing formal policies with a view to its eventual elimination in all sectors.
 - c. Translate child labour policies into action plans at the international, national, industry, and enterprise levels.
 - d. Implement the plans, taking care to ensure that the situation of the children and their families is improved as a result.
 - e. Support activities targeted at working children and their families, such as the establishment of day care centres, schools, and training facilities, including training of teachers, and initiate such activities wherever possible.
 - f. Encourage and work with local and national government authorities to develop and implement effective policies designed to eliminate child labour.
 - g. Promote access to basic education and primary health care, which are crucial to the success of any effort to eliminate child labour.

2. Call on the IOE Executive Committee to:
 - a. Create a database on companies and organisations active in combatting child labour.
 - b. Develop and distribute an Employer Handbook addressing child labour.
 - c. Receive periodic reports from the IOE membership on their initiatives and other developments in the area of child labour.
 - d. Report to the General Council on an annual basis as to work done in combatting child labour.

Geneva, 3 June 1996.

GENERAL COUNCIL
OF
THE INTERNATIONAL ORGANISATION OF EMPLOYERS

POLICY STATEMENT ON THE SOCIAL CLAUSE

The IOE General Council, meeting in Geneva on 3 June 1996, debated the social dimension of international trade liberalization. At the conclusion of the debate, the General Council adopted the following conclusions.

The General Council of the IOE reaffirms that:

- ◆ an open trading and investment system contributes to economic growth and, consequently, to employment growth and improved working conditions;
- ◆ economic development requires access to world markets for both capital investment and imports and exports;
- ◆ labour standards in most countries improve progressively with the rising standard of living which results from development.

However, the IOE firmly opposes the introduction of a social clause in the rules of the trading system to permit the application of coercive measures to enforce labour standards. Linking labour standards to the multilateral trading system implies the use of trade sanctions to enforce compliance, introducing new barriers to trade, negating the objective of economic growth through open world trade.

The IOE, therefore, does not see any merit in either WTO or joint WTO/ILO work in this area. The WTO is a "rule-making body" in the field of trade and could not contribute to the examination of the ways to improve labour standards:

- ◆ the multilateral system of trade rules and disciplines is based on contractual rights and obligations which, if set aside would destroy the fundamental guarantees and certainty on which trade and investment are based;
- ◆ the WTO has no provision for collective condemnation and application of trade sanctions. To amend the rules to permit the imposition by one country of sanctions against another for non-commercial purposes would destroy the balance of rights and obligations, would fragment and politicize the system and encourage the use of the clause for protectionist purposes;
- ◆ finally, the introduction of a social clause would involve the WTO in punitive measures in matters of domestic governance unrelated to its rule-making mandate and would be rejected by many countries as an invasion of their sovereignty.

The International Labour Organisation (ILO) is the international organisation with the mandate to seek to improve worldwide working conditions through standard-setting, technical cooperation, dialogue, and example. As one of the Organisation's tripartite constituents, employers' organisations have contributed actively to these efforts, including through support for its supervisory machinery.

However, the IOE believes that the ILO must display greater creativity and flexibility in order to enhance its effectiveness in this respect:

- ◆ ILO activities in the area of improving labour standards, which are meant to govern the conditions of working people, should not only take account of the different positions of member countries but should also be integrated with activities to increase employment and ameliorate unemployment;
- ◆ the interests of the unemployed must also be taken into account;
- ◆ the ILO's tripartite constituents should, therefore, work towards greater flexibility in national policies and labour markets and correspondingly greater flexibility in the international labour standards.

The ILO should continue to promote the ratification and implementation of its core conventions, including examination of obstacles to the ratification of those conventions.

To supplement the constitutional system of binding conventions and supervisory machinery, the ILO should also develop a parallel means of encouraging observance of the fundamental principles underlying the core conventions. This should take the form of a statement of principles which should be promoted in a variety of ways, including :

- ◆ through actions by Member States and by employers' and workers' organisations;
- ◆ through the ILO's own technical cooperation programmes;
- ◆ through country examinations related to employment policy;
- ◆ through action in specific areas of the fundamental principles such as by intensifying and publicising ILO work on exploitative child labour and supporting an IOE programme of work in this important area.

IOE member federations are urged to work with their governments in support of the conclusions stated above and, in particular, to state the views of the business community on the social clause in trade agreements whether in the WTO or in regional economic organisations.

Geneva, 3 June 1996.

Fact Sheet on Child Labour

The foundations of the International Labour Organisation's (ILO) policy on child labour are set out in the Preamble of its Constitution, the Declaration of Philadelphia and relevant international labour standards, as well as in resolutions adopted by the International Labour Conference and in decisions taken by the ILO Governing Body. The ILO's primary instrument on child labour is Convention No. 138, which requires member states to pursue a national policy designed to ensure the effective abolition of child labour, to set a minimum age for admission to employment or work, and to raise this age progressively to a level consistent with the fullest physical and mental development of young people. This Convention stipulates that the minimum age must not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years. Convention 138 applies to work done by children both for another person (wage employment) and on their own behalf (self-employment). The ILO Governing Body agreed at its March 1996 session to place on the agenda of the 1998 International Labour Conference an item which will lead to a new Convention in 1999 on the abolition of the most exploitative forms of child labour.

In 1991, the ILO launched a major technical cooperation program known as the International Programme on the Elimination of Child Labour (IPEC). IPEC is supported by extra-budgetary contributions from Australia, Belgium, Canada, the European Union, France, Germany, Luxembourg, Norway, Spain, and the United States. IPEC became fully operational in 1992 in six countries: Brazil, India, Indonesia, Kenya, Thailand and Turkey. In 1994, an additional five countries joined the programme: Bangladesh, Nepal, Pakistan, the Philippines and Tanzania. Preparatory activities also took place in Cameroon, Colombia and Egypt. The starting point for IPEC intervention is the will and commitment of individual governments to address child labour issues in cooperation with employers' and workers' organizations, as well as with NGOs and other relevant parties in society. Since child labour can only be solved within the countries themselves, IPEC supports, rather than supplants, national efforts to combat it.

When IPEC started its operations, most ongoing action programmes on behalf of working children were run by NGOs. IPEC has made a major effort to enlist governments, trade unions, and employers organisations in its efforts. The International Organisation of Employers (IOE) recognizes that business must play a leading role on child labour for a number of reasons:

- ◆ **Humanitarian concerns.** It is intolerable that children should work in deleterious conditions, and intolerable that business be even indirectly a party to such abuses. Working with other groups in society, business has an important role to play in the development of measures that are in the long-term interests of working children and the societies in which they live.
- ◆ **Macro-economic concerns.** When a society deprives children -- the workforce of the future -- of the opportunity to develop into useful and productive members of society, it deprives itself of a significant economic resource and, in the case of developing countries, may inhibit its own long-term economic growth and development potential.

- ◆ **International trade concerns.** In the European Union and the United States, legislation has been proposed that would restrict imports from developing countries where child labor is identified. Such measures are counter-productive, not only because they may run counter to the best interests of the children concerned, but also because they deny countries the resources needed to work for the elimination of child labor. Business is adamantly opposed to such measures to introduce "social clauses" in international trade agreements.
- ◆ **Business concerns.** The media, consumers, investors, governments, and unions are increasingly pressuring companies to address child labor concerns. As the nightly news broadcasts and daily newspapers feature stories about child labor, companies are concerned about the ways in which this issue threatens their reputation and the competitiveness of their products. A positive proactive approach by business will be more effective than a reactive and defensive one -- both in defense of businesses' own interest and in the contribution that can be made to the elimination of child labour.

The IOE has made the issue of child labour a top priority. With its ties to 120 national employers organisations, the IOE is well placed to collect, analyse and disseminate information, and to assist enterprises and organisations in formulating child labour policies. The IOE can provide leadership in impressing on its membership the danger to economic growth and development posed by child labour. It can also make clear the dangers posed to working children of overly simplistic, albeit well intentioned, actions when children are summarily removed from work.

The IOE, at its 73rd General Council session, adopted a resolution on child labour and announced a major initiative to compile an Employer Handbook that will contain information on measures already undertaken by companies and their organisations. These might range from examples of corporate policies and guidelines, to accounts of construction of schools and childcare facilities, or details of campaigns for the suppression of child work. Together, this practical information on what has been done so far and the lessons learned should help companies design their own principles, policies, and programs. The IOE resolution on child labour also calls on IOE member federations to report on a yearly basis to the General Council on their work and recent developments in the area of child labour.

Fact Sheet on the Social Clause

The "social clause," (i.e. the notion that trade sanctions should be imposed on countries that do not meet certain "internationally recognized labour standards") has been an issue in one form or another since the beginning of the Industrial Revolution. Proponents of the social clause argue that countries operating with lower labour standards and labour costs have a competitive edge, and the social clause is necessary to erase this supposed advantage.

The International Labour Organisation (ILO), which was formed by the Treaty of Versailles in 1919, rejected this trade sanction approach, opting instead for a system based upon the formulation of international labour standards by conventions which are subject to ratification by member governments. Once a country freely commits to the provisions of a specific ILO Convention, the supervisory machinery of the ILO oversees reports on any violations.

Among the many conventions of the ILO are a number considered to be "core labour standards" because of their human rights considerations. These are: freedom of association, the right to organize and bargain collectively, the prohibition of forced labour, non-discrimination in employment, and the abolition of exploitative forms of child labour. These so-called "core labour standards" were reaffirmed at the 1995 United Nations Social Summit in Copenhagen.

The U.S. Government tried unsuccessfully to assert a link between trade and workers rights at the Marakkesh ministerial meeting, at which the results of the Uruguay Round were signed and the World Trade Organization (WTO) was set up. More recently, the U.S. Government, together with the French Government and supported actively by the international trade union movement, seized the OECD and the ILO with examining the relationship. The OECD has been studying the relationship between workers rights and trade and investment for two years, and just released a major report following the May 1996 ministerial that finds no clear link between countries' economic and trade performance and their respect for core labour standards, and questions whether trade measures would be effective in enforcing such standards. The report also expresses doubt about the utility of seizing the WTO with the issue, reaffirming that the ILO is the appropriate forum. The U.S. Government has recently again made clear that it will press for the establishment of a working party on trade and labour at the December Singapore ministerial meeting of the WTO.

In the ILO, the Governing Body decided at its 260th Session (June 1994) to set up a Working Party on the Social Dimensions of the Liberalization of International Trade. In the course of the Working Party discussions over the last two years, there has been an overwhelming rejection of a formal link between workers rights and trade. The trade union representatives, facing the opposition of the employers and the majority of governments, agreed to temporarily remove trade sanctions from discussion and to concentrate on measures to improve the effectiveness of the ILO.

The "social clause" has been rejected by other influential business groups, such as the Business and Industry Advisory Committee (BIAC) to the OECD, and the International Chamber of Commerce (ICC), which rejected any linkage in statements to the OECD ministerial meeting, the G-7 Summit in Lyon, and to the upcoming WTO Singapore ministerial. The purpose of the IOE policy statement on the social clause, adopted by its General Council meeting on June 3, is to firmly express the position of 120 employer federations on this subject, to state reasons for this position, and to propose new approaches for raising the effectiveness of the ILO with respect to working conditions and labour standards.



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THE INTERNATIONAL ORGANISATION OF EMPLOYERS

The International Organisation of Employers (IOE) was founded in 1920, a year after the creation of the International Labour Organisation (ILO). At the international level, it is the only organisation representing the interests of employers in the social and labour field and, today, consists of 120 national employers' organisations from 118 countries.

The mission of the IOE is three-fold and consists of:

- ◆ **Defending employer interests at the international level, particularly within the ILO.** The IOE acts as the voice of employers and strives to ensure that international social policy, especially labour standards adopted by the ILO, does not undermine the viability of employers. At the same time, it works for the creation of an environment where enterprises can operate productively and contribute to the economic and social progress of their countries.
- ◆ **Promoting free enterprise and their development.** Our objective is to influence the policies and technical cooperation programme of the ILO and other international development agencies so that, at the national level, enterprises can be set up and operate without being constrained by the rigidities of detailed legislation and regulations. In this regard, with unemployment a major concern in most countries, a priority for the IOE is to generate an enterprise-oriented culture in the ILO so that its efforts are focused on the creation and viable operation of enterprises, particularly small- and medium-sized enterprises, which have shown a tremendous potential for job creation.
- ◆ **Helping to establish and strengthen employers' organisations at the national level.** During the period between the two World Wars and in the Cold War era, most of the IOE's activities in this area were in the developing countries. Following the collapse of Communism in Eastern Europe and the Soviet Union, where the concept of a free employers' organisation did not exist, the IOE is now also actively assisting in the setting up of representative organisations of employers in the East European countries and the former republics of the Soviet Union. Several of them have also become members of the IOE.

THE IOE IS OPEN TO ANY CENTRAL FEDERATION OF EMPLOYERS UPHOLDING THE PRINCIPLE OF FREE ENTERPRISE, WHICH IS INDEPENDENT OF ANY CONTROL OR INTERFERENCE FROM GOVERNMENTAL AUTHORITY OR ANY OUTSIDE BODY AND WHOSE MEMBERSHIP IS COMPOSED EXCLUSIVELY OF EMPLOYERS.
ITS PRESENT MEMBERSHIP COMPRISES 120 FEDERATIONS IN 118 COUNTRIES

AFRICA

Confédération Générale des Opérateurs Économiques Algériens
Organisation Nationale des Employeurs du Bénin
Botswana Confederation of Commerce, Industry and Manpower
Conseil National du Patronat Burundais
Association des Employeurs du Burundi
Groupement Inter-Patronal du Cameroun
Conseil National du Patronat Tchadien
Union Patronale et Interprofessionnelle du Congo
Conseil National du Patronat Ivoirien
Federation of Egyptian Industries
Confédération Patronale Gabonaise
The Ghana Employers' Association
Conseil du Patronat Guinéen
Federation of Kenya Employers
Association of Lesotho Employers
Groupement des Entreprises de Madagascar
The Employers' Consultative Association of Malawi
Fédération Nationale des Employeurs du Mali
Confédération Générale des Employeurs de Mauritanie
Mauritius Employers' Federation
Fédération des Chambres de Commerce et d'Industrie du Maroc
Associação de Empresas Privadas de Moçambique
Syndicat Patronal des Entreprises et Industries du Niger
Nigeria Employers' Consultative Association
Conseil National du Patronat du Sénégal
Federation of Employers' Associations of Seychelles
Business South Africa
The Association of Tanzania Employers
Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat
Federation of Uganda Employers
The Zambia Federation of Employers
Employers' Confederation of Zimbabwe

ASIA

Jeddah Chamber of Commerce and Industry (Saudi Arabia)
Australian Chamber of Commerce and Industry
Bahrain Chamber of Commerce and Industry
Bangladesh Employers' Association
Chinese National Federation of Industries
Fiji Employers' Federation
Council of Indian Employers
APINDO (Employers' Association of Indonesia)
Japan Federation of Employers' Associations
Amman Chamber of Industry (Jordan)
Korea Employers' Federation
Kuwait Chamber of Commerce and Industry
Association of Lebanese Industrialists
Malaysian Employers' Federation
Federation of Nepalese Chambers of Commerce and Industry
New Zealand Employers' Federation
Employers' Federation of Pakistan
The Employers' Federation of Papua New Guinea
Employers' Confederation of the Philippines
The Singapore National Employers' Federation
The Employers' Federation of Ceylon (Sri Lanka)
Employers' Confederation of Thailand
Federation of United Arab Emirates Chambers of Commerce and Industry

AMERICA

Antigua Employers' Federation
Unión Industrial Argentina
Bahamas Employers' Confederation
Barbados Employers' Confederation
Bermuda Employers' Council
Confederación de Empresarios Privados de Bolivia
Confederação Nacional de Indústria (Brazil)
The Canadian Employers' Council
Confederación de la Producción y del Comercio (Chile)
Asociación Nacional de Industriales (Colombia)
Unión Costarricense de Cámaras y Asociaciones de la Empresa Privada
The Dominica Employers' Federation
Confederación Patronal de la República Dominicana
Federación Nacional de Cámaras de Industrias del Ecuador
Asociación Nacional de la Empresa Privada (El Salvador)
Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras (Guatemala)
The Consultative Association of Guyanese Industry
Consejo Hondureño de la Empresa Privada
The Jamaica Employers' Federation
Confederación de Cámaras Industriales de los Estados Unidos Mexicanos
Confederación Patronal de la República Mexicana
Consejo Superior de la Empresa Privada (Nicaragua)
Consejo Nacional de la Empresa Privada (Panamá)
Federación de la Producción, la Industria y el Comercio (Paraguay)
Confederación Nacional de Instituciones Empresariales Privadas (Peru)
St. Lucia Employers' Federation
Suriname Employers Organisation
The Employers' Consultative Association of Trinidad and Tobago
United States Council for International Business
Comisión Patronal del Uruguay de Asuntos Relacionados con la OIT
Cámara de Industrias del Uruguay
Federación Venezolana de Cámaras y Asociaciones de Comercio y Producción

EUROPE

Federation of Austrian Industrialists
Fédération des Entreprises de Belgique
Association of the Organisations of Bulgarian Employers (AOBE)
Croatian Employers' Association
Cyprus Employers and Industrialists Federation
Confederation of Industry of the Czech Republic
Danish Employers' Confederation
Confederation of Finnish Industry and Employers
Conseil National du Patronat Français
Confederation of German Employers' Associations
Federation of Greek Industries
National Association of Entrepreneurs (Hungary)
Confederation of Icelandic Employers
Irish Business and Employers Confederation
Manufacturers' Association of Israel
Confederazione Generale dell'Industria Italiana
Employers Confederation of Latvia
Fédération des Industriels Luxembourgeois
Malta Employers' Association
Confederation of Netherlands Industry and Employers
Confederation of Norwegian Business and Industry
Confederation of Polish Employers
Confederação de Indústria Portuguesa
The Romanian Employers' Organisation
Coordinating Council of Russian Association of Employers
Associazione Nazionale dell'Industria Sarnmarinese
Federation of Employers' Unions and Associations of the Slovak Republic
Employers' Organisation of Slovenia
Confederación Española de Organizaciones Empresariales
Swedish Employers' Confederation
Union Centrale des Associations Patronales Suisses
Turkish Confederation of Employer Associations
Confederation of British Industry



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Tegucigalpa, M.D.C., June 12, 1996

The Honorable Christopher Smith
Chairman, Sub-Committee on Human Rights and
International Organizations
Committee on International Relations
United States House of Representatives
Washington, D.C. 20515 Fax: (202) 225-7768

Dear Chairman Smith:

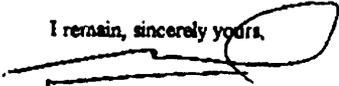
For your information, and regarding yesterday's hearing on the allegations of labor abuse and human rights violations in Honduras, I would like to support the testimony presented by Mr. Jesús Canahuati, as a representative of the Asociación de Maquiladores de Honduras. To this end, I am attaching to this fax a copy of the letter faxed to the Honorable Benajmin Gilman, Chairman of the Committee on International Relations, on June 10 regarding your hearings.

In 1981, as a consultant to the National Constituent Assembly, I had the privilege to escort Congressman Benjamin Gilman and former Congressman Robert Lagomarsino to observe a variety of polling places during our 1981 Presidential elections. Since then, I have been working closely with the Congress of Honduras to promote legislation supporting development strategies, providing employment opportunities, poverty reduction, promotion of the private sector and financial reform, coordinating in Washington, D.C. the relations between the Honduran Congress and the U.S. Congress from 1981 to 1993.

In such capacity, I have testified in and provided information to the former Committee on Foreign Affairs and met personally with many of its members, including Chairman Gilman, Representatives Henry Hyde, Doug Bereuter, and yourself. Therefore, I would be very honored if the letter faxed to Chairman Gilman would be included in the records of your hearings.

I would be very happy to meet with you, at your convenience, at the end of this month, to follow-up on economic and social policies that encourage economic growth and provide employment and equal opportunities in my country following President Reina's development strategies and moral revolution.

I remain, sincerely yours,


Mario Rietti



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Tegucigalpa M.D.C., June 10, 1996

Honorable Benjamin A. Gilman
Chairman, Committee on International Relations
U.S. House of Representatives
Washington D.C. 20515 Fax (202) 225-2541

Dear Chairman Gilman:

As we have been discussing since December 1981 when you participated as an honorary observer during our presidential elections, Honduras wants to develop economic policies that encourage economic growth in our country, where the lack of economic opportunities "pushes out" our people to the United States for better opportunities in life.

President Reina's development strategies are focused on employment opportunities, poverty reduction, public sector reform and promotion of private sector development, and sustainable management of natural resources. Within this strategy, textile factories (maquilas) in the North Coast of Honduras, which import U.S. raw material to manufacture in Honduras, have been developed to increase investment productivity and development of human capital.

Honduras has become the number one exporter of maquila from Central America to the U.S. and these maquiladoras provide more than 60,000 jobs in the northern area of my country. If these maquiladoras shut down and stop providing these jobs, it will be even more difficult to stop the migration of Hondurans to the U.S. in search of jobs and better opportunities.

Therefore, we would like to take this opportunity to express to you and Congressman Doug Permuter and to all of the members of the Committee on International Relations that the allegations of labor abuse and human rights violation in these factories are not true, and it is not fair to generalize on possible isolated cases, such as the case of the minor Wendy Diaz, who was presented to Congress and in the program "Hard Copy".

To avoid this bad publicity against my country, I respectfully suggest that the U.S. Embassy in Tegucigalpa provide Congress with a report on their findings on the general working conditions of the maquiladoras. Also, I would appreciate if you could meet with our Ambassador and the delegation of Hondurans that are travelling today to meet with members of Congress.

Hoping to see you in my next trip to Washington, I remain, respectfully yours

Mario Rietti

Questions submitted by Hon. Matt Salmon

Q: I read in Mr. Hall's written testimony that he suggest a company be given notice of apparent violations, and an opportunity to correct the problem, before the press conferences are held. Does this seem like a reasonable course to follow?

A: **Ms. Echaveste** - Yes. In fact, this is the policy of the Wage and Hour Division. It is standard operating procedure to meet with an employer at the conclusion of an investigation, explain the laws that are applicable to the business and explain the alleged violations disclosed by the investigation. Employers are given an opportunity to rebut the investigation findings. In the case of investigations of lower-tier garment contractors, the contractor is notified that the Wage and Hour Division will be contacting the manufacturer which is the recipient of the goods produced in violation. The contractor is invited to participate in the conference with the manufacturer. If the retailer is identified, both the contractor and manufacturer are notified and invited to participate in any subsequent conversations that are held with the retailer.

Mr. Kamberis - The AFL-CIO believes that it is the sole responsibility of companies to be informed of the labor practices of their suppliers and to correct problems before they become national press stories. If companies were to hold their suppliers to an effective code of conduct and implement effective self-monitoring programs there would be no press conferences. As long as companies do not engage in honest, effective self-monitoring of the labor practices of their suppliers, labor and human rights advocates will remain skeptical of their commitment to end labor exploitation and press conferences will continue to be held.

Mr. Canahuati - Yes, Mr. Hall's suggestion is reasonable as a method by which violations should be resolved. In Honduras a factory which is found to be violating regulations is held responsible by the appropriate governmental body - Ministry of Labor or Ministry of Commerce - and will be required to correct the situation and pay a fine of varying magnitude depending upon the severity of the violation. In some instances, for example improper labeling of products, the factory could be shut down and criminal charges could be brought against the owners of the plant.

Page two

Questions submitted by Hon. Matt Salmon

Q: Counterfeiting of American name-brand labels is a worldwide problem that hurts American businesses and their employees. Is it likely that counterfeiters --lawbreakers-- would be more likely to be exploiting children in creating their illegal products?

A: **Ms. Echaveste** - Counterfeiting of name-brand labels is indeed a worldwide problem. It covers the gamut from garments to handbags, footwear, watches, tapes, compact disks, software. Factories that produce counterfeit items are notorious lawbreakers. It wouldn't surprise us that they also broke labor laws, but we don't have specific information on whether or not they are significant users of child labor.

Mr. Canahuati - The Ministry of Labor and the Ministry of Commerce in Honduras monitor the garment producing industry very closely, particularly with regard to activities like counterfeiting brand-name labels and illegally employing child labor under fourteen years of age or without parental permission. Though it may be true that counterfeiting of American brand-name labels is a world-wide problem, it is not an occurrence in Honduras, to the extent with which the Association of Honduran Apparel Manufacturers (AHM) is familiar with the industry in Honduras. Further, given the close monitoring which is provided by the governmental organizations, it would be doubly difficult for a counterfeiter to exploit child labor through employment which violates the legal guidelines. It is difficult to predict the actions of such counterfeiters from the perspective of the AHM, as none of our members are even remotely associated with such activities.

Q: Do we have any reliable numbers about what percentage of products made with child labor are counterfeit products? Any estimates?

A: **Ms. Echaveste** - The Department of Labor does not have any information on the extent to which products made with child labor are counterfeit products. It would not surprise us that there is some correlation between use of child labor and counterfeiting, but we do not have any information about this relationship.

Mr. Canahuati - As mentioned above, Honduran governmental oversight is very preventive of any such counterfeiting. The businesses who are members of the AHM - and each garment producing factory within Honduras is required by law to be a member - are not associated in any way with the manufacture of counterfeit products. If any member of the AHM were found assembling products and labeling them incorrectly, the factory would be closed through governmental intervention. Thus it is impossible for the AHM to provide statistics as to production of counterfeit products by child laborers.

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COMMITTEE
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INTERNATIONAL OPERATIONS
AND HUMAN RIGHTS

Statement of Rep. James P. Moran
Subcommittee on International Operations and Human Rights
July 15, 1996

Thank you, Chairman Smith, for reconvening this hearing to take testimony from these important witnesses.

I would like to begin by discussing a comment made in an article in today's Washington Post. It is a comment by Bud Konheim, Nicole Miller's spokesman. Mr. Konheim says that eventually we will "Run out of people like Kathie Lee to bust."

If we are here today to "bust" anyone, it is certainly not Ms. Gifford. She is virtually the only celebrity figure who is acting responsibly and working to help eliminate the problem of child exploitation. If we are here to "bust" anyone, it should be those who arrogantly turn a blind eye toward child exploitation. Celebrities like Michael Jordan and Jaclyn Smith have passed the buck to Nike and Kmart. They pretend to be victims of attacks by the media.

Mr. Chairman, let me take a moment to tell you about a few of the real victims.

Nine-year-old Shadab is a real victim. Since he was six, he has spent 12 hours a day, six days a week, squatting in the semi-darkness on damp ground polishing metal in a brass factory. The air in the factory is visibly thick with metal dust. The temperature is 120 degrees. The bare floor is damp with acid that sloshes from big vats onto the ground.

Three-year-old Silgi is real victim. She sits on a mud floor in a filthy dress stitching soccer balls bound for Los Angeles. With needles longer than her fingers, her stitching is adequate, but her hands are so small that she cannot handle scissors. She must get assistance from a fellow employee -- her sister.

Nine-year-old Anwar is a real victim. He started weaving carpets at the age of six or seven. He was told repeatedly that he could not stop working until he earned enough money to repay an alleged family debt. He was never told who in his family had borrowed or how much money they had borrowed. Whenever he made an error in his work, he was fined and his debt increased. When he was too slow, he was beaten with a stick. Once, he tried to run away, but he was caught by the local police who forcibly returned him to the carpet looms. In order to take a break, he would injure himself by cutting his own hand.

Forced labor is illegal in most parts of the world, yet it is on the increase in Asia, Africa, and Latin America. The reason is simple: exploiting children is both easy and profitable.

Most U.S. manufacturers genuinely do not want to be a party to exploiting children. Yet, U.S. businesses that do not use child labor are at a competitive disadvantage. We, as

consumers, are at fault when we demand cheap, hand-made products without considering whose hands may have made them.

Unfortunately, there are those willing to turn a blind eye toward this sort of abuse. We need to take direct action against those individuals that tolerate and even condone the buying and selling of children as commodities. One Moroccan carpet manufacturer said he prefers "to get them when they are about seven . . . their hands are nimbler, and their eyes are better too. They are faster when they are small."

Over the weekend Pakistani authorities rescued 50 slave laborers from factories in Karachi. They have caught four of their "employers". Pakistan is to be commended for taking action against these modern day slave-drivers. Let us hope justice is swift, certain, and severe so that others will be deterred.

Mr. Chairman, I would like to commend your non-partisan leadership on this issue. I am pleased to be a co-sponsor of your legislation which embodies several proposals included in my legislation, the Working Children's Human Rights Act. Mr. Chairman, the exploitation of children is not a partisan issue and we should not let this issue fall prey to partisan posturing. There are very few legislative days left this year, but this is one issue that has been embraced by the Democratic leadership and the Republican leadership. There is no reason why Congress can't take the first step towards combating child labor by passing legislation immediately.

We have heard that by depriving children of an opportunity to work, we are condemning them to a life of poverty. On the contrary, enforcing child labor laws will create more job opportunities for parents and appropriate breadwinners around the world to become compensated participants rather than pawns in the globalization of our economy. Most of us have been blessed by the accident of birth but such good fortune ought not relieve us of some personal and collective responsibility to those who have not been so blessed.



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