

LIZ CLAIRBORNE

CIVIL SOCIETY/
DEMOCRACY BUILDING

PHILANTHROPY

PHOTOCOPY
PRESERVATION

*file Liz
Claiborne*

PAUL R. CHARRON
CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

LIZ CLAIBORNE INC.
1441 BROADWAY
NEW YORK NY 10010
TEL 212-626-3500
FAX 212-626-1803

June 3, 1999

First Lady Hillary Rodham Clinton
The White House
Washington, D.C. 20500

Dear Mrs. Clinton:

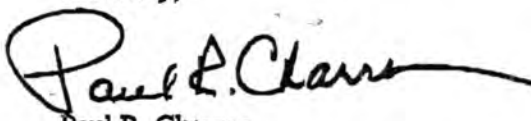
I see that your initiatives regarding Macedonian sourcing are bearing fruit. It appears that companies like Wal-Mart, The Limited and George Weintraub have reevaluated their Macedonian activities and are now less likely to assign work elsewhere. As we talked, however, a second issue remains: How can the apparel industry make a greater impact on the lives of refugees as well as Macedonian workers?

We continue to feel that the concept we discussed last week is workable and may be started rather quickly. Specifically, U.S. companies would make fabric, findings, designs, specifications and technical expertise available to Macedonian factories, which could then manufacture certain basic apparel items for the refugees. I feel strongly that the apparel industry would respond well to the challenge and reiterate my willingness for Liz Claiborne to take a leadership role in this initiative.

At the same time, successful implementation of this concept will require the full and active support of our government. This support would be particularly critical with respect to coordinating and communication with various relief agencies, encouraging them to purchase certain apparel products directly from Macedonian factories. To be blunt, the prompt and early success of this initiative is dependent upon avoiding delays due to bureaucracy, "red tape" and territoriality. While there might be some challenges we could overcome with the help of our government, these efforts would be well rewarded as refugees, Macedonian workers and even the relief agencies benefit from our collective endeavors.

I hope we may explore these issues more fully in the next few days.

Sincerely,



Paul R. Charron

file Liz Claiborne

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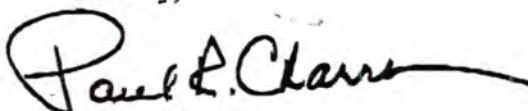
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May 19, 1999

LIZ claiborne

First Lady Hillary Rodham Clinton
The White House
Washington, DC 20500

Dear Mrs. Clinton:

Reflecting on Monday's conversation, I would like to commend you for your humanitarian and proactive approach to the Macedonian situation. I appreciate your bringing this to my attention and want to assure you that Liz Claiborne will participate in a solution.

Our Company sources apparel products in over 30 countries, each with its own skill, logistics and cost characteristics. Under normal circumstances, Macedonia plays an important role in that configuration. This is because its proximity to Italy, in conjunction with historic tailoring skills, enables us to turn fine European woven fabrics into well made jackets and pants in considerably less time than would be the case with countries in Asia and South America.

Liz Claiborne enjoys a reputation for offering extensive collections made up of many styles. Even if the individual components of these collections are sourced in several locations, you know that they must reach the United States at the same precise time, lest salability be compromised. For this reason, we try to be sensitive to worldwide events which might interfere with the production and flow of goods, thereby jeopardizing retail appearance and performance.

Once we determined that circumstances in Macedonia had the potential to cause sudden deterioration of the industrial infrastructure, prudence warranted the relocation of product to other areas. This has not augured well for the workers in Macedonian apparel factories, particularly since it comes on top of two recent fashion trends (more casual, less dressy clothing and more knits, less wovens) which would have resulted in decreased reliance on Macedonia's skills and traditions, even in the absence of other factors.

First Lady Hillary Rodham Clinton

Page 2.

May 19, 1999

Thus, Stojance Georgiev's fears were well founded: the existing Liz Claiborne work load would have further diminished within a few weeks.

However, having been moved by your description of existing circumstances in-country, I have directed my associates to allocate some of our less time-sensitive product to the factories you visited. We should reach a level of about 4,000 units per week within the next four to six weeks.

With respect to the second issue you raised, the extent to which relief agencies might acquire certain items which could be produced locally, as opposed to importing them, I believe that the possibilities are quite real.

While it is probably not practical for apparel-making factories to be converted into bedsheet or blanket-making facilities, it should be possible to take advantage of Macedonia's well established skills by providing much needed clothing for refugees in this area.

To do so, local industry would need fabric (as Macedonia is not considered an important supplier of textiles), garment designs, specifications and technical expertise. Liz Claiborne would be willing to take a leadership role by providing some of these items and by encouraging other companies within our industry to do likewise. I am confident that a request made by you or our government for the apparel industry to support Macedonia would be well received.

I will call your office shortly to arrange a time for a phone conversation where we can further discuss the issues you raise.

Sincerely,



Paul R. Charron

DRAFT

Liz Claiborne

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

PRESS RELEASE

WASHINGTON, DC 20523

<http://www.info.usaid.gov>

PRESS OFFICE

(202) 712-4320

99-72

Contact: Jessamyn Sarmiento

June 22, 1999

USAID FACILITATES MACEDONIA CLOTHING GRANT WITH LIZ CLAIBORNE AND MERCY CORPS INTERNATIONAL

Skopje, Macedonia -- At the urging of First Lady Hillary Rodham Clinton to help support the local manufacturing base and create jobs in Macedonia, the U.S. Agency for International Development (USAID) has facilitated donations by Liz Claiborne to bolster the Macedonian apparel and textile industry.

Liz Claiborne, an U.S. designer and marketer of fashion apparel and accessories, will donate fabric and components for the manufacture in Macedonia of clothing for Kosovar refugees. Liz Claiborne will also arrange for the donation of transportation of the materials.

The fashion apparel company will donate all components for approximately 70,000 shirts and 70,000 trousers, jeans and pants of standard Liz Claiborne design, which will bear the company label. The clothing will be manufactured by three factories in Macedonia, which are regular suppliers of these products to Liz Claiborne.

In addition, to facilitate the generous donation by the U.S. private sector and to support the economic capacity of Macedonia in the face of severe market disruption, USAID will use humanitarian assistance funds to award \$750,000 to Mercy Corps International (MCI), an U.S. non-governmental organization (NGO). The grant will permit the organization to purchase the Liz Claiborne clothing at the costs of its manufacture by Macedonian suppliers. As part of the grant, MCI will then assure the distribution of the clothing to refugees, former refugees, and displaced persons in Kosovo and Albania. MCI has already used USAID funds to purchase \$2 million of Macedonian goods for the Kosovars.

At a ceremony in Skopje announcing the Macedonia Clothing Grant, First Lady Hillary Rodham Clinton was joined by representatives from the Macedonian apparel and textile industry, Liz Claiborne, MCI and USAID. Liz Claiborne Chairman Paul Charron said, "XXXX"

Ambassador Harriet C. Babbitt, USAID Deputy Administrator signed a grant at the ceremony with MCI to officially award the funds for the program. "Unemployment, in excess of 30 percent of the workforce, is intolerably high in Macedonia. The Liz Claiborne donation and the USAID grant will not only benefit the Macedonian apparel industry, but also provide tangible, short-term relief for this potentially destabilizing problem," remarked Ambassador Babbitt.

Components will begin arriving in textile plants in Macedonia by mid-July; manufacturing will begin in August and be completed in September. Distribution to refugees is scheduled for October.

For more information please contact Jane Randall, Liz Claiborne Public Affairs at 212-626-3408 or Jessamyn Sarmiento, USAID Public Affairs at 202-712-4320.

**PRC TALKING POINTS
MACEDONIAN RELIEF EFFORT
JUNE 22, 1999**

- I want to thank First Lady Hillary Rodham Clinton, not only for bringing this situation to our attention, but for her dedication and resolve to find a practical solution that will address two important issues:
 - relieving the suffering of refugees, and
 - sustaining employment within the Macedonian apparel industry, the country's most important exporter.
- We believe that U.S. companies have a responsibility to use their size and their influence to give back to the communities where they do business. This is especially true under the current circumstances where our work will benefit many people. This is part and parcel of the philosophy on which Liz Claiborne Inc. was founded.
- Our thoughts are with the refugees, for all they have endured, and we hope that the participation of Liz Claiborne Inc., our suppliers and the U.S. apparel industry, will help sustain the Macedonian garment industry through these difficult times.

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LIZ claiborne

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Paul R. Charron is the chairman and chief executive officer of Liz Claiborne Inc. Mr. Charron joined the Company in May, 1994 as vice chairman and chief operating officer. One year later, he became president and chief executive officer, and was elected chairman at the Company's annual meeting in May, 1996.

Previously, Mr. Charron was executive vice president of VF Corporation, the country's largest publicly-held apparel manufacturer. In this position, he supervised a major portion of VF's business activities including Vanity Fair, Vassarlette, Barbizon and related domestic and European lingerie operations; Jantzen swimwear and sportswear, JanSport outdoor equipment and apparel; Healthtex and Cutler playwear; Red Kap occupational apparel and VF's substantial Factory Outlet operations.

Before joining VF Corporation in 1988, Mr. Charron served as president and chief operating officer of Brown & Bigelow, the Minnesota-based promotional products firm. He also served as senior vice president, sales and marketing at Cannon Mills Company, a New York-based bath and bedding manufacturer, and worked in marketing management positions at General Foods Corporation. His business career began in the brand management organization at Procter & Gamble.

Mr. Charron is involved in a number of industry and philanthropic activities. He is on the Board of the National Retail Federation and is a Director of the American Apparel Manufacturers Association. He is also a co-chair of the Carnegie Hall Corporate Fund and a Partner in the New York City Partnership and Chamber of Commerce, as well as a member of the Educational Foundation for the Fashion Industries and the Council of National Trustees of the National Jewish Center.

Raised in Louisville, Kentucky, and a native of Schenectady, New York, Mr. Charron received his Bachelor of Arts degree from the University of Notre Dame, and holds a Masters in Business Administration from Harvard University. He served five years as a naval officer and is a combat veteran of Vietnam.

Mr. Charron currently resides in Darien, Connecticut with his wife, Kathy, and their two children, Brad and Ashley.

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#

1. We will arrange for the donation of all components for approximately 10,000 dozen tops and 10,000 dozen bottoms; 80% missy, 20% mens.
2. Styles will be fairly basic: (note attached sketches)

Missy

Pleated Pant

Drawstring Pant

Long Sleeve Collar Shirt

Long Sleeve Big Shirt

Long Sleeve Fleece Crew

Mens

Trouser

5-Pocket Denim Jean

Long Sleeve Collar Shirt

Styles will be regular Liz Claiborne models, labeled accordingly.

Quantities per style, colors, size ratios and style numbers will be available by 6/21.

3. Goods will be manufactured by the three factories normally used by Liz Claiborne:

Factory

Antibo

Makel

Otex

Location

Stip

Bitola

Ohired

4. It is recommended that the Liz Claiborne agent handle the importation of components and supervision of all processes.

The agent is:

Eastex (division of Lavish Belt Corporation)
Drazdenska 52
91000 Skopje
Republic of Macedonia

Phone: 389-91-366-607, 366-637, 366-697
Fax: 389-91-366-627

Contact: Goran Pazin, Director

5. Prices have been negotiated as follows:

	<u>Tops</u>	<u>Bottoms</u>
Cut and Make	2.00	3.00
Agent Fee	.30	.30
Miscellaneous	.20	.20
Total	2.50	3.50

6. P.O.'s should be opened to Eastex, in foregoing amounts, terms FOB factory. P.O.'s must clearly state that products will be exported from Macedonia to Kosovo (or elsewhere).

7. Approximate Timetable

6/20 - 6/30	Ship components (from Hong Kong, Taiwan, Dom. Republic)
7/10 - 7/20	Goods arrive Greece
7/15 - 7/25	Goods arrive at factory
8/1 - 8/10	Start manufacturing process
9/15 - 9/25	Complete manufacturing process

8. Note: Process cannot start until P.O.'s have been issued.

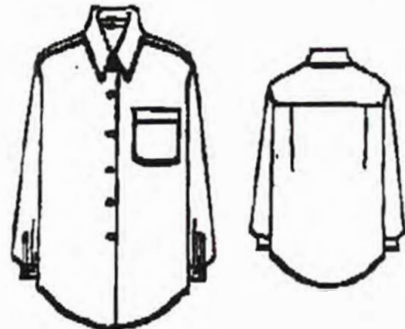
MISSY STYLES



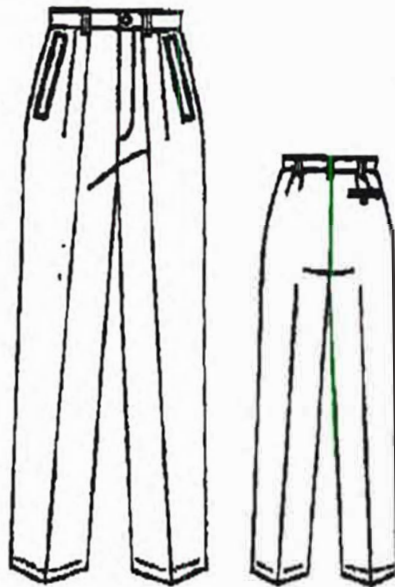
LONG SLEEVE BUTTONED SHIRT



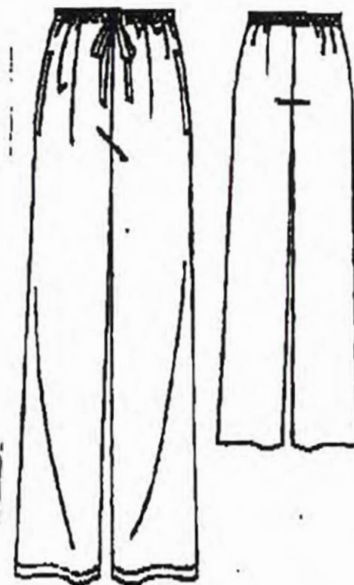
LONG SLEEVE FLEECE



LONG SLEEVE SHIRT

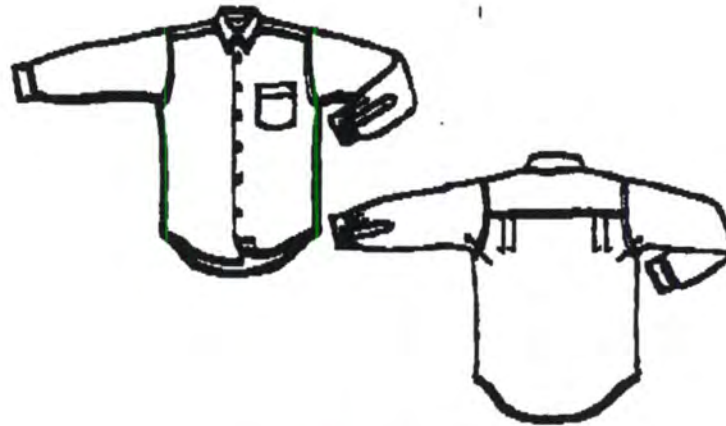


TWO PLEAT PANT



DRAWSTRING PANT

MENS STYLES



LONG SLEEVE SHIRT



TROUSER



JEANS

LIZ CLAIBORNE EVENT IN MACEDONIA

KEY OBJECTIVES

- Underscore value of project as providing clothes to the refugees and 3,000 jobs to Macedonian textile workers as well as serving as a model for other international companies in Macedonia.

CONTEXT

In 1998, Macedonia was experiencing a modest 3% growth of its economy. Unemployment was high and structural reform slow, but the country's macro-economic score card was considered among the best of all transitioning economies and the country was basically on track.

Then came the war, which inflicted enormous costs on the Macedonian economy. Estimates are that the country's economy will shrink by as much as 10 percent this year. Exports to its largest trading partner, Serbia, are at a standstill, foreign direct investment has dried up, critical transportation links cut, and unemployment extremely high at 35 percent. In the textile industry alone, the IMF estimates that 3,500 jobs will be lost by the end of the summer if business is not restored. The government estimates that the war cost Macedonia \$4.5 billion.

When you visited Macedonia in May, Macedonian government officials underscored the negative impact of the war on the economy and emphasized their desire for UNHCR and other relief organizations to help by purchasing as many of their supplies as possible on the local market. Then you met a textile manufacture, Danica (DAHN eat sa) Georgieva (george EE eva) who owns a small company of six employees that do subcontracting work for Liz Claiborne. When you asked Georgieva how business was doing, she said that the war in Kosovo had caused Liz Claiborne to cancel its orders, which had left her firm with little work to do.

Sensitive to Macedonia's unemployment concerns and the impact it could have on social stability there, you subsequently contacted the Liz Claiborne company. The company verified that it had indeed decided to relocate production outside Macedonia because of the slow down in production caused by the war that Liz Claiborne could not afford.

In response to concerns expressed by you, Liz Claiborne decided to reevaluate the company's Macedonian activities and determined that it could allocate some of the company's less time-sensitive products to the factories in Macedonia, thereby helping them stay in business. In addition, the company put together a proposal that will benefit both the Macedonian economy and the refugees. It will provide jobs for 3,000 textile workers and 120,000 pairs of shirts and trousers for the refugees.

As worked out, Liz Claiborne will donate the fabric, designs and technical expertise to three Macedonian factories that will make the clothes for the refugees. USAID will use humanitarian assistance funds to cover the labor costs in Macedonia to make the apparel and provide a grant to Mercy Corps International for the acquisition and distribution of the clothes to refugees and displaced persons in Kosovo and Albania. The project will begin at the end of June and should be completed by October.

SCENERIO

The event will take place in the Parliament building, where there will seats for 130 people, most of whom will be garment workers from the three factories that will be doing the work. There will also be NGO, government and business representatives. On the stage with you will be Macedonian Ambassador to the United States Lubica Acevska, Liz Claiborne CEO Paul Charron, Macedonian Minister of Labor Bedredin Ibrahim, and textile manufacture, Danica Georgieva who first got you involved in this project. The Ambassador will introduce you, Charron will follow you, and the Minister of labor will speak after Charron. After closing the speaking portion of the event and witness the signing of an agreement between USAID and Mercy Corps International.

TALKING POINTS

- When I came here in May, I said that I wanted to be supportive of Macedonia economically.
- I knew that you had achieved 3 percent growth in 1998 and that because of the war your economy was expected to contract by 10 percent in 1999.

- Your President and Prime Minister told me about Macedonia's frustration with the slow-pace of local purchasing by the international relief organizations
- Your Ambassador in Washington had already told me that some U.S. and other international firms had begun to cancel or delay orders for textiles and that this was having a significant impact on Macedonia's textile sector that comprises almost 25 percent of the Macedonian economy.
- Then I met Mrs. Georgieva and she told me how her firm was struggling because of the loss of orders for garments. She explained that one U.S. firm Liz Claiborne had provided important work for their own company, but because of the war those orders had declined.
- I promised then that I could contact the U.S. businesses that had cut back their contracts here and I did. When I got back to Washington, I called my friend Paul Charron, who is the CEO of Liz Claiborne, and told him about Mrs. Danevska and what I had been told in Macedonia.
- Paul first agreed that Liz Claiborne could allocate some of the company's less time-sensitive products to the factories in Macedonia, thereby helping them stay in business.
- He then came up with this wonderful idea, together with USAID and Mercy Corps International, which will help both the Macedonian economy and the refugees. It will provide jobs for 3,000 textile workers and 120,000 pairs of shirts and trousers for the refugees. Paul, why don't you tell them about the project.

CONCLUDING REMARKS

- It would be great if this initiative served as a model for other U.S. and international firms doing business in Macedonia.
- While, this is a significant step in the right direction, I am fully aware that much more needs to be done to help Macedonia and the other countries in the region.
- In this regard, I would like to mention that the United States has worked with the World Bank to approve \$50 million in

Emergency Recovery Credits to Macedonia as well as \$22 million in balance of payments support and another \$15 million in funding to expand technical assistance.

- The United States also will soon provide \$6 million in budgetary support to Macedonia for use in offsetting Macedonia's costs in assisting the Kosovar refugees.

Talking Point on Ambassador Hill

- Ambassador Hill has been extremely active in promoting local purchases. Under his initiative, the Embassy hosted a business fair in early May and again in early June whereby over 100 local producers showed their wares to the international NGO community. This initiative has stimulated millions of dollars of local procurement.

**VISIT OF THE PRESIDENT AND THE FIRST LADY
TO SKOPJE, MACEDONIA**

June 22, 1999

EVENT: Tea with Mrs. Nada Gligorova, First Lady of Macedonia and Mrs. Meidani, First Lady of Albania.
Pull-aside with Mrs. Meidani and Mrs. Majko.
USAID Announcement.

TIME: 12:25 PM - 2:15 PM

DATE: June 22, 1999

LOCATION: The Parliament Building, Bul. 11 Oktombrini b.b., Skopje

PARTICIPANTS: **Tea:**
THE FIRST LADY
Mrs. Nada Gligorova [NAH-dah GLEE-go-row-vah], First Lady of Macedonia.
Mrs. Lidra Meidani [LEE-dra MAY-dani], First Lady of Albania.
Mrs. Snezana Georgievska [SNAY-jh-anah georg-BE-evska], Spouse of Macedonian Prime Minister.
Mrs. Eukeleda Majko [YOU-ka-lay-dah MY-koh], Spouse of Albanian Prime Minister.
Patricia Hill, Spouse of the U.S. Ambassador to Macedonia.
Melanne Verveer.

Pull-aside:
THE FIRST LADY
Mrs. Lidra Meidani [LEE-dra MAY-dani], First Lady of Albania.
Mrs. Eukeleda Majko [YOU-ka-lay-dah MY-koh], Spouse of Albanian Prime Minister.
Melanne Verveer.

SPEAKING PROGRAM:
THE FIRST LADY
Ljuba Acevska [LOO-ba Ah-CHEV-eska], Macedonian Ambassador to the United States.
Minister Radmila Kiprijanova-Radovanovik [red-MEELA kip-REE-ya-nova-red-oh-VAN-oh-vik], Minister of Development.
Paul Charron [sharon], CEO of Liz Claiborne.

PRESS: Closed for Meetings
Pool for speaking program

TRANSLATION: Consecutive for Meetings
Simultaneous for speaking program

SITE ADVANCE: Huma Abedin

SCENARIO: The President and **THE FIRST LADY** arrive at the Parliament Building and are greeted by President Kiro Gligorov [key-ROW GLEE-go-rov] and Mrs. Nada Gligorova in the foyer. **THE FIRST LADY** is escorted to Salon One to have tea with Mrs. Gligorova.
Closed Press

NOTE: The President will proceed upstairs with President Gligorov.

After a period of time, Mrs. Georgievska, Spouse of the Macedonian Prime Minister, Mrs. Meidani, First Lady of Albania, and Mrs. Majko, Spouse of the Albanian Prime Minister are escorted into the room and greet **THE FIRST LADY** and Mrs. Gligorova.

Upon conclusion of the tea, **THE FIRST LADY**, accompanied by Mrs. Meldani and Mrs. Majko, proceeds to The Orchid Room for a gift presentation.

Closed Press

THE FIRST LADY rejoins Mrs. Gligorova and proceeds to the Old Parliament Room.

THE FIRST LADY and Mrs. Gligorova are greeted in hallway by Minister Radmila Kiprijanova-Radovanovik, Minister of Development, Ljuba Aceveska, Macedonian Ambassador to the U.S. Paul Charron, CEO of Liz Claiborne, Danica Georgievska, Owner of Danitex, Jason Miko, Mercy Corps and Hattie Babbit, Deputy Administrator, USAID.

THE FIRST LADY, accompanied by stage participants, is announced into the room, and proceeds to her seat on stage.

Ambassador Ljuba Aceveska makes brief remarks and introduces **THE FIRST LADY**.

THE FIRST LADY makes opening remarks and introduces Paul Charron, CEO, Liz Claiborne.

Paul Charron makes brief remarks.

Ambassador Ljuba Aceveska introduces Minister Radmila Kiprijanova-Radovanovik.

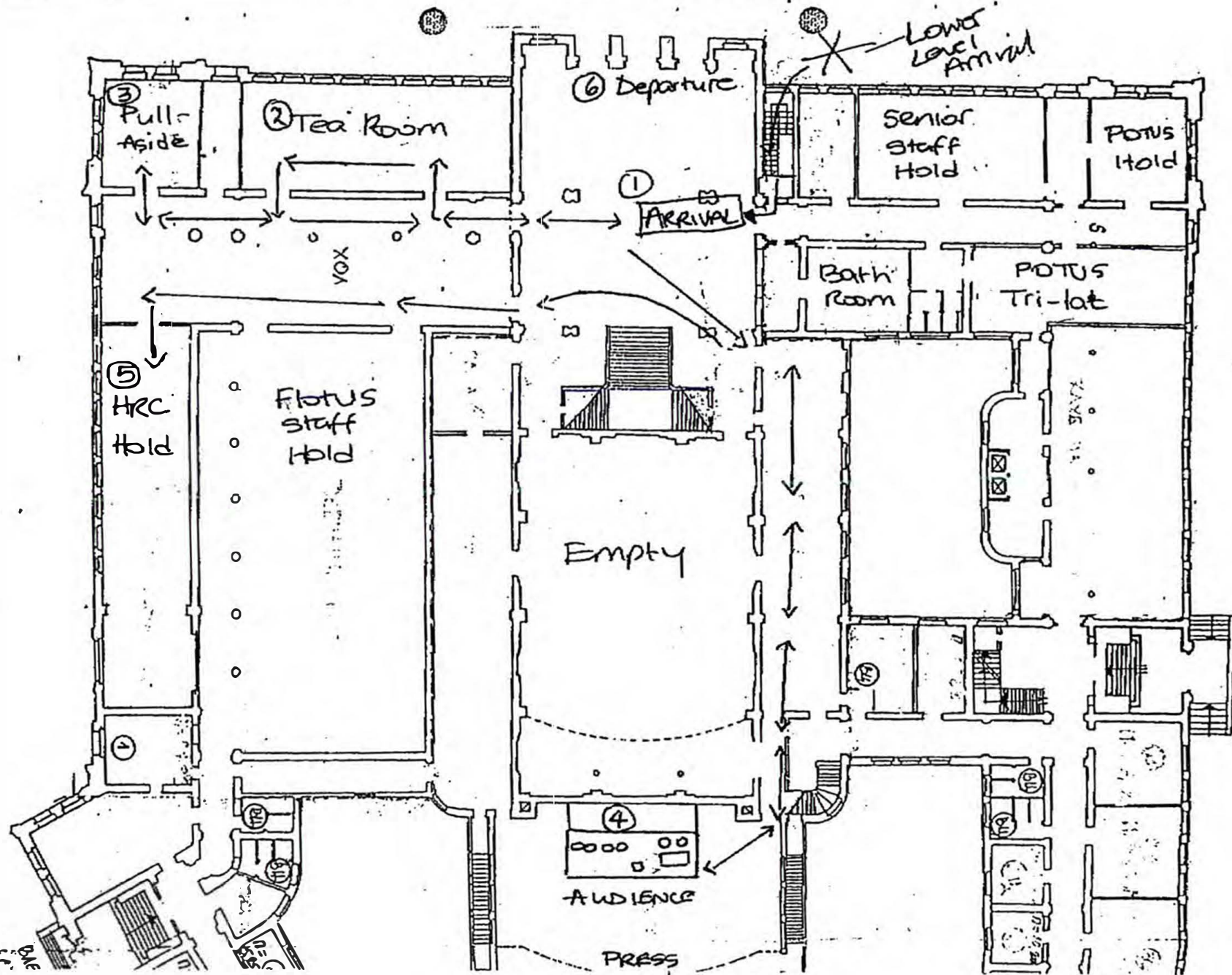
Minister Radmila Kiprijanova-Radovanovik makes brief remarks and introduces **THE FIRST LADY**.

THE FIRST LADY makes remarks and introduces the signing ceremony.

THE FIRST LADY witnesses the signing ceremony between USAID and Mercy Corps.

Upon conclusion, **THE FIRST LADY** has the option to work a ropeline and depart.
Pool Press

The Parliament Building



PAUL R. CHARRON
CHAIRMAN OF THE BOARD
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We continue to feel that the concept we discussed last week is workable and may be started rather quickly. Specifically, U.S. companies would make fabric, findings, designs, specifications and technical expertise available to Macedonian factories, which could then manufacture certain basic apparel items for the refugees. I feel strongly that the apparel industry would respond well to the challenge and reiterate my willingness for Liz Claiborne to take a leadership role in this initiative.

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I hope we may explore these issues more fully in the next few days.

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May 19, 1999

LIZ claiborne

First Lady Hillary Rodham Clinton
The White House
Washington, DC 20500

Dear Mrs. Clinton:

Reflecting on Monday's conversation, I would like to commend you for your humanitarian and proactive approach to the Macedonian situation. I appreciate your bringing this to my attention and want to assure you that Liz Claiborne will participate in a solution.

Our Company sources apparel products in over 30 countries, each with its own skill, logistics and cost characteristics. Under normal circumstances, Macedonia plays an important role in that configuration. This is because its proximity to Italy, in conjunction with historic tailoring skills, enables us to turn fine European woven fabrics into well made jackets and pants in considerably less time than would be the case with countries in Asia and South America.

Liz Claiborne enjoys a reputation for offering extensive collections made up of many styles. Even if the individual components of these collections are sourced in several locations, you know that they must reach the United States at the same precise time, lest salability be compromised. For this reason, we try to be sensitive to worldwide events which might interfere with the production and flow of goods, thereby jeopardizing retail appearance and performance.

Once we determined that circumstances in Macedonia had the potential to cause sudden deterioration of the industrial infrastructure, prudence warranted the relocation of product to other areas. This has not augured well for the workers in Macedonian apparel factories, particularly since it comes on top of two recent fashion trends (more casual, less dressy clothing and more knits, less wovens) which would have resulted in decreased reliance on Macedonia's skills and traditions, even in the absence of other factors.

First Lady Hillary Rodham Clinton

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Thus, Stojance Georgiev's fears were well founded: the existing Liz Claiborne work load would have further diminished within a few weeks.

However, having been moved by your description of existing circumstances in-country, I have directed my associates to allocate some of our less time-sensitive product to the factories you visited. We should reach a level of about 4,000 units per week within the next four to six weeks.

With respect to the second issue you raised, the extent to which relief agencies might acquire certain items which could be produced locally, as opposed to importing them, I believe that the possibilities are quite real.

While it is probably not practical for apparel-making factories to be converted into bedsheet or blanket-making facilities, it should be possible to take advantage of Macedonia's well established skills by providing much needed clothing for refugees in this area.

To do so, local industry would need fabric (as Macedonia is not considered an important supplier of textiles), garment designs, specifications and technical expertise. Liz Claiborne would be willing to take a leadership role by providing some of these items and by encouraging other companies within our industry to do likewise. I am confident that a request made by you or our government for the apparel industry to support Macedonia would be well received.

I will call your office shortly to arrange a time for a phone conversation where we can further discuss the issues you raise.

Sincerely,



Paul R. Charron

**VISIT OF THE PRESIDENT AND THE FIRST LADY
TO SKOPJE, MACEDONIA**

June 22, 1999

EVENT: Tea with Mrs. Nada Gligorova, First Lady of Macedonia and Mrs. Meidani, First Lady of Albania.
Pull-aside with Mrs. Meidani and Mrs. Majko.
USAID Announcement.

TIME: 12:25 PM - 2:15 PM

DATE: June 22, 1999

LOCATION: The Parliament Building, Bul. 11 Oktombrimi b.b., Skopje

PARTICIPANTS: **Tea:**
THE FIRST LADY
Mrs. Nada Gligorova [NAH-dah GLEE-go-row-vah], First Lady of Macedonia.
Mrs. Lidra Meidani [LEE-dra MAY-dani], First Lady of Albania.
Mrs. Snezana Georgievska [SNAY-jh-anah georg-EE-evska], Spouse of Macedonian Prime Minister.
Mrs. Eukeleda Majko [YOU-ka-lay-dah MY-koh], Spouse of Albanian Prime Minister.
Patricia Hill, Spouse of the U.S. Ambassador to Macedonia.
Melanne Verveer.

Pull-aside:
THE FIRST LADY
Mrs. Lidra Meidani [LEE-dra MAY-dani], First Lady of Albania.
Mrs. Bukeleda Majko [YOU-ka-lay-dah MY-koh], Spouse of Albanian Prime Minister.
Melanne Verveer.

SPEAKING PROGRAM:
THE FIRST LADY
Ljuba Acevska [L.OO-ba Ah-CHEV-eska], Macedonian Ambassador to the United States.
Minister Radmila Kiprijanova-Radovanovik [red-MEE-la kip-REE-ya-nova-red-oh-VAN-oh-vik], Minister of Development.
Paul Charron [sharon], CEO of Liz Claiborne.

PRESS: Closed for Meetings
Pool for speaking program

TRANSLATION: Consecutive for Meetings
Simultaneous for speaking program

SITE ADVANCE: Huma Abedin

SCENARIO: The President and **THE FIRST LADY** arrive at the Parliament Building and are greeted by President Kiro Gligorov [key-ROW GLEE-go-rov] and Mrs. Nada Gligorova in the foyer. **THE FIRST LADY** is escorted to Salon One to have tea with Mrs. Gligorova.
Closed Press

NOTE: The President will proceed upstairs with President Gligorov.

After a period of time, Mrs. Georgievska, Spouse of the Macedonian Prime Minister, Mrs. Meidani, First Lady of Albania, and Mrs. Majko, Spouse of the Albanian Prime Minister are escorted into the room and greet **THE FIRST LADY** and Mrs. Gligorova.

Upon conclusion of the tea, **THE FIRST LADY**, accompanied by Mrs. Meldani and Mrs. Majko, proceeds to The Orchid Room for a gift presentation.
Closed Press

THE FIRST LADY rejoins Mrs. Gligorova and proceeds to the Old Parliament Room.

THE FIRST LADY and Mrs. Gligorova are greeted in hallway by Minister Radmila Kiprijanova-Radovanovik, Minister of Development, Ljuba Aceveska, Macedonian Ambassador to the U.S. Paul Charron, CEO of Liz Claiborne, Danica Georgievska, Owner of Danitex, Jason Miko, Mercy Corps and Hartie Babbit, Deputy Administrator, USAID.

THE FIRST LADY, accompanied by stage participants, is announced into the room, and proceeds to her seat on stage.

Ambassador Ljuba Aceveska makes brief remarks and introduces **THE FIRST LADY**.

THE FIRST LADY makes opening remarks and introduces Paul Charron, CEO, Liz Claiborne.

Paul Charron makes brief remarks.

Ambassador Ljuba Aceveska introduces Minister Radmila Kiprijanova-Radovanovik.

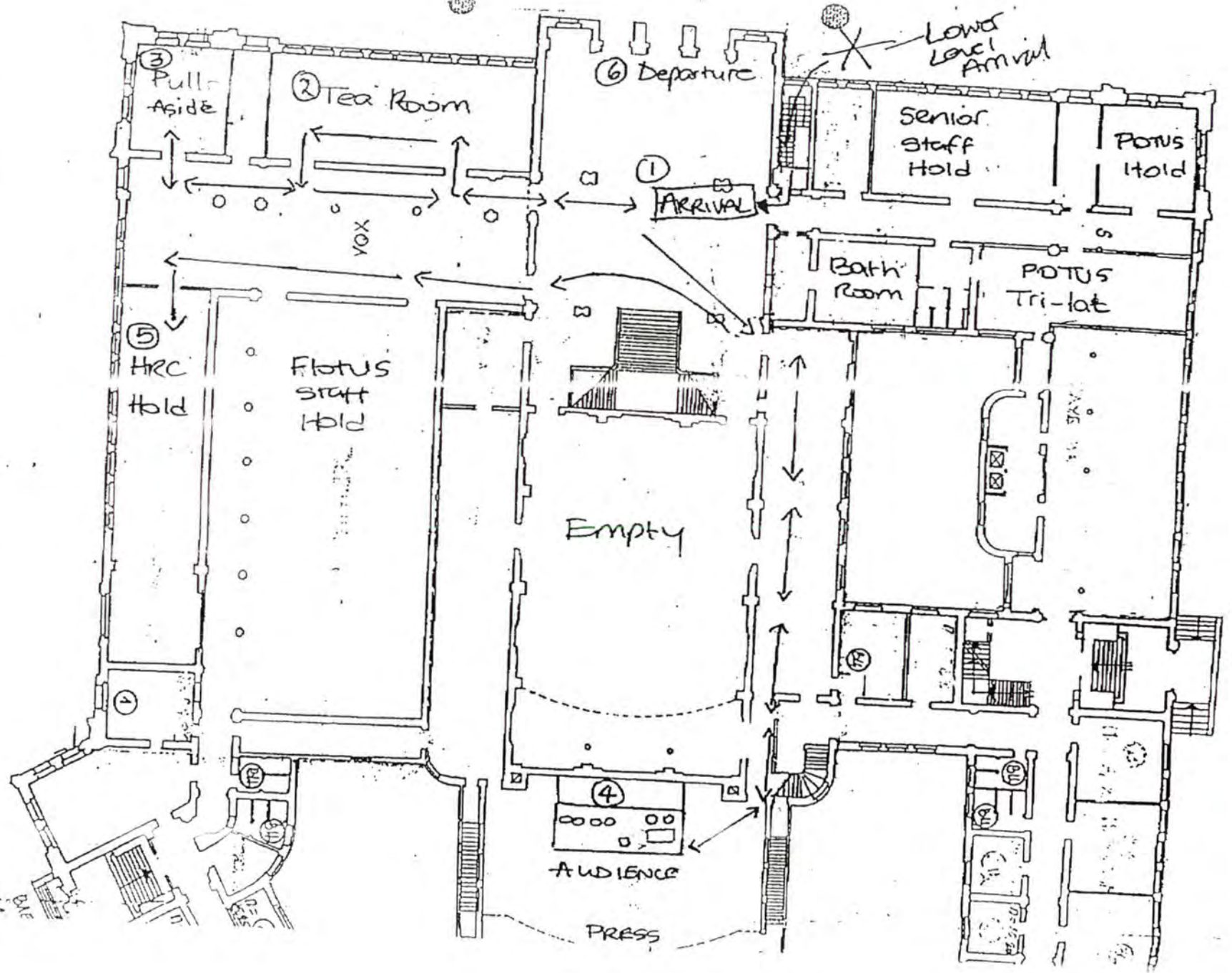
Minister Radmila Kiprijanova-Radovanovik makes brief remarks and introduces **THE FIRST LADY**.

THE FIRST LADY makes remarks and introduces the signing ceremony.

THE FIRST LADY witnesses the signing ceremony between USAID and Mercy Corps.

Upon conclusion, **THE FIRST LADY** has the option to work a ropeline and depart.
Pool Press

The Parliament Building



Mrs. Gligorova [GLEE-go-ro-vah], Deputy Prime Minister Ibrahim [eeb-rah-HEE-ME], Ambassador Acevska [ah-CHEV-ska], and other distinguished guests: I am delighted to be back in Macedonia – at a time when there is so much more hope for peace and stability in this region.

I want to thank the Ambassador for that introduction and for her leadership. It was the Ambassador who first spoke to me about the contracts being cancelled...and the economic dislocation being caused in this country by the war in Kosovo. And I'm very pleased that today's announcement will help bring more economic security to the people of Macedonia – and more comfort to the refugees of Kosovo.

I want to thank everyone who has helped make that possible. I especially want to thank Paul Charron, the CEO of Liz Claiborne, who has shown us what it means to be a good corporate citizen. ~~I should mention that I am wearing a Liz Claiborne shirt made right here in Macedonia.~~ And, now that label will be worn by thousands of refugees, thanks to the generosity of Liz Claiborne – and it's CEO. So thank you, Paul.

I'm pleased that we're also joined by the Minister of Development; the Deputy Administrator of USAID, Hattie Babbitt, and other representatives of USAID; Mercy Corps International; NGOs; and many textile workers who will benefit from today's announcement.

When I was last here in May, I talked about two of our nation's goals in the Kosovo crisis: First to help the refugees return home in peace. And second, to ensure that Macedonia continues on the road of progress, including economic progress. I'm pleased that we are moving forward on both fronts.

During my last visit, I met refugees who told heartbreaking stories of women raped, men executed, families separated, and young children lost. Now, two months later, the Serbian security forces have left Kosovo – the KLA has just agreed to demilitarize; and the refugees are – thank God – returning home. This is an incredible victory. It's a victory for the international community, who stood together against the evil of Milosevic. It's a victory for the Macedonian people who have opened their homes and hearts to the refugees – and sacrificed so much.

And, as we end this violent century, it's a victory for those who believe that peace and reconciliation – not hatred and division – must rule this new century.

When I was in Macedonia last time, I heard from your President, Prime Minister, and Ambassador about how the war was threatening to reverse the recent economic growth you had achieved. They talked to me about their hopes that relief organizations would buy goods locally. And how concerned they were U.S. and international companies had begun to cancel their contracts.

I'm pleased that our government has been committed to addressing these concerns – including working with the World Bank to provide \$87 million in debt relief and technical assistance. And I'm also pleased that, with today's announcement, one of America's leading clothing business has stepped up to the plate as well. Let me tell you a little bit about how this came about.

The last time I was here, I met with a number of small business entrepreneurs who produced vegetables, baked goods, and clothing. One of the women, Danica [DAH- eat-sa] Georgieva [george EE eva] was the owner of a small textile company.

When I asked her how business was doing, she told me that her firm was struggling because there were fewer orders for garments. And she mentioned that one U.S. firm, Liz Claiborne, had provided important work for them, but because of the war in Kosovo, those orders were being ^{dramatically cut back.} ~~cancelled~~. Danica is here on the stage with us today – and I am pleased to be bringing good news for her and other textile workers throughout Macedonia. [stand?]

I had promised Danica that when I returned to Washington, D.C., I would get in touch with the head of Liz Claiborne. So I called the CEO, Paul Charron, and told him Danica's story. He explained that the war was making it impossible to get clothing into the stores on time. But, he was nevertheless very concerned about the impact these kinds of cutbacks could have on Macedonian clothing factories and their workers.

Within days, he called me back with a promise. He said that Liz Claiborne would continue to contract work with its existing manufacturers in Macedonia -- by switching over to less-time sensitive clothing.

Paul also came up with a wonderful idea that will bring comfort to the refugees, while making sure that Macedonian workers stay on the job and the doors to their businesses stay open. ^{Beginning immediately} ~~Starting at the end of this month~~, Liz Claiborne will donate the fabric, designs, and expertise to create ^{a quarter of a million} ~~120,000 pairs~~ of shirts and pants for the refugees – and, in the process, provide jobs for 3,000 textile workers at three Macedonian factories. And I want to thank USAID for providing funds to produce and distribute this clothing -- and Mercy Corps International for making sure that it reaches the refugees.

And now it is my great honor to introduce someone who is showing that good citizenship is good business. He understands the challenges Macedonia is facing. And he has not only committed Liz Claiborne's resources. He wants to enlist other companies to join together so they can help even more Macedonian workers and businesses get back on their feet and begin to make progress once again.

I am very pleased to introduce the CEO of Liz Claiborne, Paul Charron, who will tell us more about his company's commitment. Paul...

[At end of program]

Thank you, Mr. Minister...and thank all of you for joining us here today. It is my sincere hope that other companies in my own country and around the world will hear about what Liz Claiborne has done to help Macedonia during this critical time – and be inspired to do their part.

And now I want to invite Hattie Babbit^{Deputy Administrator of USAID,} and [Mercy Corps representative] to the stage to sign this agreement between USAID and Mercy Corps International.