

22 July 1999

To: Marsha Berry
First Lady's Office

From: Dina Temple-Raston

BY FAX: 202-456-7805

Dear Marsha,

Just a couple of quick questions for Mrs. Clinton for the Macedonia story.

1. What has been the reception from CEOs generally when she has called them to help on these Macedonia projects? (Mrs. Clinton phoned Paul Charron of Liz Claiborne and David Glass of Wal-Mart, correct? Are there any others?)

2. Any chance for detail from the David Glass phone conversation? When did the call take place, and what should we expect to see in the coming weeks as a result of the this conversation? (I have a call into Mr. Glass now, I am just trying to get both sides of the conversation for color.)

3. Did Mrs. Clinton's visit to the refugee camp at Stenkovich strengthen her resolve to get more U.S. companies to lend a hand to the refugees and the Balkans more generally? (Any comments about the camp visit would be very helpful, as we didn't get to speak to her about her reaction after we left.)

4. Does Mrs. Clinton have any plans to return to the region to follow up on the project?

I am leaving tomorrow for Macedonia in the early afternoon and a response to any or all of these questions would be really terrific. If you don't reach me before I leave, we can always do the 21st Century thing and e-mail. I will be stopping in Zurich tomorrow night and should be able to sign on and retrieve things. My email address is: templeraston@bloomberg.net.

Thank you again for your help.

Dina

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PAUL R. CHARRON
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CHIEF EXECUTIVE OFFICER

LIZ CLAIBORNE INC.
1441 BROADWAY
NEW YORK NY 10018
TEL 212-626-3500
FAX 212-626-1803

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.

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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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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,

A handwritten signature in dark ink, appearing to read "Paul R. Charron", with a long horizontal flourish extending to the right.

Paul R. Charron

PAUL R. CHARRON
CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

LIZ CLAIBORNE INC.
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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. Charon