

(Español original, anexo)
San Salvador, 19 of January of 2007

Dear Friends and friendly organizations.

In recent days we have come to see differences between SEAC and Just Garments. These differences are bringing an end to the possibilities of joint work between both enterprises. This has gravely affected the interests of the workers, women and men, affiliated to STIT, whom we represent.

Though initially we had thought to remain at the margin of this discussion, we have also come to learn that there have been proposals made around the future of the workers at Just Garments and we believe that minimally and for the respect of our dignity as workers and as a union, we should be consulted

before launching whatever proposal that involves us. Nevertheless, before entering into these points we believe it is necessary to briefly summarize what has happened in the last year, given that we are witnesses to all of that which has occurred.

Since February of 2006 we received with joy the news that two Chilean/US investors were interested in investing in Just Garments after having seen the proposal that circulated at around that time known as "Beta Test". We know that the investors began to lay out money in those days in order to prevent the closing of Just Garments, which added to the efforts of our organization which was also fundraising.

When the partnership between SEAC and Just Garments was taking form, the first thing that we always requested was to take timeframes into account, as

the workers had already suffered a great deal and that it was practically impossible to maintain JG for much more time with subcontracted orders that are not well paid.

We believe that the first error was that of SEAC in discarding the offer of help from experts in the "Sweat Free" textile market. Later they took control of all of the operation and formed their own team. Later an impasse was reached in April when SEAC offered to pay a lower price to JG for t-shirts that had been proposed in the Beta Test. For the workers this implied earning less than initially laid out. But even so, after the whole package was explained to us, we carried out an Assembly with 100% of the personnel that voted with secret ballots, authorizing the legal representative of Just Garments, Gilberto García, to accept the conditions of SEAC and to negotiate the best conditions that would be possible for Just

Garments and the workers.

And so in mid May of 2006. the shareholders of SEAC visited El Salvador and laid out that the deal with JG was to include a loan in order to put the enterprise in a healthy business position and that they were going to lend

the container and accessories in exchange for that JG would sell them every t-shirt at .65 cents (US) and SEAC would include \$1.00 in the price of every

shirt for its costs. Obviously, this was not the good work to provide an opportunity to help the workers that had been expected.

During the 19th and 20th of May, 2006, negotiations were held in San Salvador in which SEAC committed to placing the container in El Salvador by June 21, and JG committed to export it by the 10th of August, 2006 at the latest. STIT committed itself to being a factor of support for productivity

and efficiency. In the same manner, SEAC committed itself to immediately providing a legal format that the friends of JG and STIT could sign as backing for their debt, acquired on behalf of JG.

Between May and September of 2006, the commitments agreed to by SEAC suffered a grave setback. During these months, we the workers had to support the weight of continuing to confront the grave deterioration of the

economic crisis in JG, as the financial situation of the enterprise was deteriorating. The container arrived with setbacks for which we never obtained an explanation. It arrived in El Salvador on September 2. In the middle of the month of July, we received a copy of communications from JG that warned SEAC that the container could have problems if JG did not receive the funds from SEAC in order to be paid up with social security and pensions. In the following weeks these warnings were constantly repeated, therefore we believe that SEAC cannot adduce ignorance of this legal requirement.

For the above reason, Customs did not allow the container out while accounts

were not settled with the Pension Fund Administrator and Social Security. Nevertheless, it was not until the 19th of September (with the container already in Customs), that SEAC presented JG with the drafts for the legal agreements with which it had committed to presenting in May. SEAC also argued that while these accords were not signed, it would not proceed to give JG the funds for social security and pensions. JG did not accept various clauses due to their being damaging or inconvenient for the enterprise and its workers(the negotiations around the language of the agreements dragged on through mid October. We were also witnesses to the majority of the meetings. Meanwhile we, the workers, continued to confront late salaries, energy cuts in the factory, suspensions of work provoked by the owner of the installations and other difficulties that affected us and our families.

On October 6, it was already of general knowledge that the container was under abandonment status in Customs. Nevertheless, SEAC sent a new message confirming that the funds would arrive in order to pay social security once all of the agreements were signed. The agreements were finished being signed on the 20th of October, although the documents were dated October 11th. The legal agreements that were signed between SEAC and JG included a process for mediation in the case of whatever conflict and this process is a

condition prior to whatever action of SEAC to declare the debts of JG as defaulted on. The proceeding agreed to in October that will take on importance further on states, according to the documents that were provided to us, that:

“prior to the occurrence of whatever event of default, and in whatever moment during the continuity of said event of default, whichever of the parties may propose a Mediation, for which a mediator should be named that has knowledge of the matter, who will be deemed as credible by both parties and who will not prolong the process as it should be resolved in the maximum

time frame of 30 consecutive days, and save that both parties would be in agreement that there exist advances that merit prolongation, which will be made for the time frame considered convenient; this period coming to its end

the LENDER, through written notice to the BORROWER to this effect, may declare the ability to demand the immediate payment of all of the obligations of the BORROWER imposed by the present instrument.”

Nevertheless, during the months of October and November, SEAC and JG jointly

initiate different legal and political actions in order to attempt to liberate the container, given that Customs demanded an amount in taxes that none of the enterprises could pay. As a union we supported these efforts given that we consider that these taxes were charged as an unjust measure and specifically aimed at Just Garments, which has direct negative impact upon its workers. Later, during December, evidence of some direct support from SEAC for these efforts diminished and, to the contrary, SEAC begins to demand that JG resolve the situation alone. For its part, JG continues in December and until January, with its efforts with customs. It also brings its petitions to the international and national levels, to the commercial authorities of the U.S. and the Ministries of the Treasury and of the Economy, soliciting that they equitable treatment be given in the case of charging taxes, given that JG possesses a tax free status.

Still on January 5, 2007, before the requests from JG to promote joint actions, SEAC manifests that it had been working a good deal in order to resolve the problem of the container in the best manner possible, but that for the moment it was not possible to give JG information around SEAC(s) plans.

Now we know that SEAC was not carrying out efforts in good faith. We know that it was contacting labor rights organizations in the United States, trying to generate a climate of doubt around the financial integrity of Just

Garments and also around our union. At the same time it was in conversations with a Salvadoran enterprise that has a doubtful record of respect for labor rights and freedom of organization and that it tried to transfer to that company the container of cloth and pressure the organizations from the United States so that they would give the status of “Sweat Free” to said enterprise. At the same time they threatened to take

legal action against Just Garments and its legal representative.

We also know that SEAC maintains an attitude of intimidation toward JG, seeking that JG renounce the legal accords that were signed between both entities. We know that SEAC is negating adherence to a mediation proposal by JG which is based in the legal agreements signed by both enterprises.

For its part, we know that JG is passing through one of the worst crises in its history, with electricity cut off since the 28th of December and without

the ability to operate. But JG has also developed promising e efforts for the reorganization without SEAC, with its operations always focused in the “Sweat Free” market of the United States and in some local sub contracts. STIT activists and volunteers as well as those from sister organizations have been selling JG Thshirts in the streets and plazas and obtaining solidarity financial support from national and international organizations.

This has permitted that, while in this moment of crisis and without being able to operate, JG has been making payments to the workers in order to lessen the negative impact of the crisis and it is close to putting the factory into operation once again.

Finally, we know that SEAC has been saying that it will give jobs in other factories where it takes the container to the workers of JG without even asking us as the union, and even less so, the workers, whether that is what we desire.

Due to all of the above, the Union of Workers of the Textiles Industry, STIT, an organization legally recognized and of broad trajectory that represents the workers of Just Garments and those at many of the other Salvadoran textile factories, we manifest the following to fraternal organizations at the national and international levels:

1. That we consider SEAC International to be responsible for the grave crisis that disheartens the workers of Just garments, for not having acted with efficiency in its commitments acquired in May of 2006 in our presence.
2. That we consider SEAC International responsible for not having listened to the warnings of JG around problems that it could confront with the container if SEAC would not comply on time with commitments to provide funds for Social Security and Pensions. We consider this to be what opened up vulnerability around the actions of Customs to retain the container.
3. That for the good of the workers, SEAC and Just Garments should resolve their differences in a process of mediation as agreed to in the legal documents.
4. That we regret that SEAC International does not accept compliance with the legal agreement around mediation in order to resolve disputes proposed by JG; which directly affects the workers in prolonging a sterile dispute.
5. That we consider an act of disloyalty to the workers of Just Garments and

our organization the attempt to discredit us and pressure under threats the organizations in the US in order to consider as “Sweat Free” a factory that does not meet the generally accepted requisites.

6. That we consider it an act of disrespect and offensive the making of plans and proposals around the workers of Just Garments without consulting our organization and those same workers.

7. We consider that Just Garments should defend itself publicly and legally from accusations, threats, non compliance with the agreements on the part of

SEAC, and that on this point it will have the support of STIT in the case that it is requested.

8. That we consider that Just Garments should not leave without effect the legal agreements signed by both enterprises and that it should struggle to make them be respected for the good of the workers of Just Garments.

9. That we support all efforts so that Just Garments recuperate from the current situation and that it comply in the briefest time possible, with the

technical and productive requirements and for the respect of labor rights to

export T shirts to the “Sweat Free” market.

Finally, we clarify that we absolve Mateo Eisen, ex legal representative of SEAC International in El Salvador, who in every moment carried out the greatest efforts so that this would function from all reproach and responsibility. In our opinion he did not have the support of the rest of the people at SEAC International for his efforts carried out in good faith.

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