

TAZREEN INFERNO

Disney, Sears used factory in fire

AP, Dhaka

AMID the ash, broken glass and melted sewing machines at what is left of the Tazreen Fashions Ltd factory, there are piles of blue, red and off-white children's shorts bearing Walmart's Faded Glory brand. Shorts from hip-hop star Sean Combs' ENYCE label lay on the floor and are stacked in cartons.

An Associated Press reporter searching the factory Wednesday found these and other clothes, including sweaters from the French company Teddy Smith, among the equipment charred in the fire that killed 112 workers Saturday. He also found entries in account books indicating that the factory took orders to produce clothes for Disney, Sears and other Western brands.

Garments and documents left behind in the factory show it was used by a host of major American and European retailers, though at least one of them -- Walmart -- had been aware of safety problems. Walmart blames a supplier for using Tazreen Fashions without its knowledge.

The fire has elevated awareness of something labour groups, retailers and governments have known for years: Bangladesh's fast-growing garment industry -- second only to China's in exports -- is rife with dangerous workplaces. More than 300 workers there have died in fires since 2006.

Police on Wednesday arrested three factory officials suspected of locking in the workers who died in Saturday's fire, the deadliest in the South Asian country's less than 35-year history of exporting clothing.

Local police chief Habibur Rahman said the three will be questioned amid reports that many workers trying to escape the blaze had been locked inside. He said the owner of the factory was not among those arrested.

The three officials were arrested Wednesday at their homes in Savar, the Dhaka suburb where the factory is also located. Rahman did not identify the officials or give their job status.

About 1,400 workers worked at the plant, some 70 percent of them women. Most are from the north, the poorest region of Bangladesh.

Workers who survived the fire say exit doors were locked, and a fire official has



Kalpona Akter, director of Bangladesh Centre for Workers Solidarity, poses with a garment with the logo 'Faded Glory' owned by Walmart, within burnt-out Tazreen Fashions in Ashulia, in the aftermath of a fire which killed more than 100 garment workers.

said that far fewer people would have died if there had been even one emergency exit. Of the dead, 53 bodies were burned so badly they could not be identified; they were buried anonymously.

The fire started on the ground floor, where a factory worker named Nasima said stacks of yarn and clothes blocked part of the stairway.

Nasima, who uses only one name, and other workers said that when they tried to flee, managers told them to go back to their work stations, but they were ignored.

Dense smoke filled the stairway, making it hard to see, and when the lights went out the workers were left in total darkness. Another worker, Mohammad Rajib, said some people used their cellphones to light their way.

"Everyone was screaming for help," Nasima said. "Total chaos, panic and screaming. Everyone was trying to escape and come out. I was pulling the shirt of a man. I fainted and when I woke up I found myself lying on the road outside the factory. "I don't know how I survived."

Rajib said the factory conducted a fire

drill just three days before the fire broke out, but no one used the fire extinguishers. "Only a selected group of workers are trained to use the extinguishers. Others have no idea how to use them," he said.

The AP reporter who examined the factory Wednesday saw dozens of fire extinguishers with tags indicating they were inspected early this month. Many appeared unused.

Workers expressed support for the factory owner, Delwar Hossain. Rajib said he is "a gentle man" who heeded workers when they protested for more pay and against

rough behaviour by some managers.

"He took action and fired some of them," he said. "He did not sack any worker. He told us: 'You are my people. If you survive, I will survive.'"

Most of the fire's devastation took place on the second and third floors. Sewing and embroidery machines and tables burned to ashes, ceiling fans melted and floor and wall tiles were broken, apparently because of excessive heat. Thick black ash covers everything in the upper floors of the eight-story building.

Much of the clothing on the lower floors was incinerated. Nightgowns, children's shorts, pants, jackets and sweat shirts were strewn about, piled up in some places, boxed in others. Cartons of kids' hooded sweaters, off-white with red and black print, were marked "Disney Pixar."

There were also at least four register books listing buyers including Walmart, Disney, Sears and other companies. Also listed was Li & Fung, a Hong Kong-based buying house that is among the biggest suppliers of garment products from Bangladesh. Li & Fung issued a statement Monday saying it placed orders at the factory for just one company, Kids Headquarters, and that the value of those orders totalled just \$111,000.

Walmart had received an audit deeming the factory "high risk" last year, said it had decided to stop doing business with Tazreen, but that a supplier subcontracted work to the factory anyway. Walmart said it stopped working with that supplier on Monday.

Calls made to The Walt Disney Company and to Sears Holdings were not immediately returned.

Local TV reports said about 3,000 garment workers held protests over the fire Wednesday, blocking roads and throwing stones at some factories and vehicles. It was the third straight day of demonstrations, and as they did previously, factories in the area closed to avoid violence.

Police used batons to disperse the protesters, but no injuries were immediately reported.

According to local television, most factories in the area closed after opening briefly because of the protests - a common tactic to avoid violence.

Bitter struggle over internet regulation to dominate global summit

REUTERS, San Francisco

AN unprecedented debate over how the global internet is governed is set to dominate a meeting of officials in Dubai next week, with many countries pushing to give a United Nations body broad regulatory powers even as the United States and others contend such a move could mean the end of the open internet.

The 12-day conference of the International Telecommunications Union, a 147-year-old organisation that's now an arm of the United Nations, largely pits revenue-seeking developing countries and authoritarian regimes that want more control over internet content against US policymakers and private Net companies that prefer the status quo.

Many of the proposals have drawn fury from free-speech and human-rights advocates and have prompted resolutions from the US Congress and the European Parliament, calling for the current decentralised system of governance to remain in place.

While specifics of some of the most contentious proposals remain secret, leaked drafts show that Russia is seeking rules giving individual countries broad permission to shape the content and structure of the internet within their borders, while a group of Arab countries is advocating universal identification of internet users. Some developing countries and telecom providers, meanwhile, want to make content providers pay for internet transmission.

Fundamentally, most of the 193 countries in the ITU seem eager to enshrine the idea that the UN agency, rather than today's hodgepodge of private companies and nonprofit groups, should govern the internet. They say that a new regime is needed to deal with the surge in cybercrime and more recent military attacks.

The ITU meeting, which aims to



People surf the web at an internet cafe in Baghdad on November 11.

update a longstanding treaty on how telecom companies interact across borders, will also tackle other topics such as extending wireless coverage into rural areas.

If a majority of the ITU countries approve UN dominion over the internet along with onerous rules, a backlash could lead to battles in Western countries over whether to ratify the treaty, with tech companies rallying ordinary internet users against it and some telecom carriers supporting it.

In fact, dozens of countries including China, Russia and some Arab states, already restrict internet access within their own borders. Those governments would have greater leverage over internet content and service providers if the changes were backed up by international agreement.

Amid the escalating rhetoric, search king Google last week asked users to "pledge your support for the free and open internet" on social media, raising the specter of a grassroots outpouring of the sort that blocked American copyright legislation and a global anti-piracy treaty earlier this year.

Google's Vint Cerf, the ordinarily diplomatic co-author of the basic protocol for internet data, denounced the proposed new rules as hopeless efforts by some governments and state-controlled telecom authorities to assert their power.

"These persistent attempts are just evidence that this breed of dinosaurs, with their pea-sized brains, hasn't figured out that they are dead yet, because the signal hasn't traveled up their long necks," Cerf told Reuters.

The ITU's top official, Secretary-General Hamadoun Touré, sought to downplay the concerns in a separate interview, stressing to Reuters that even though updates to the treaty could be approved by a simple majority, in practice nothing will be adopted without near-unanimity.

"Voting means winners and losers. We can't afford that in the ITU," said Touré, a former satellite engineer from Mali who was educated in Russia.

Touré predicted that only "light-touch" regulation on cyber-security will emerge by "consensus", using a deliberately vague term that implies something

between a majority and unanimity.

He rejected criticism that the ITU's historic role in coordinating phone carriers leaves it unfit to corral the unruly internet, comparing the Web to a transportation system.

"Because you own the roads, you don't own the cars and especially not the goods they are transporting. But when you buy a car you don't buy the road," Touré said. "You need to know the number of cars and their size and weight so you can build the bridges and set the right number of lanes. You need light-touch regulation to set down a few traffic lights."

Because the proposals from Russia, China and others are more extreme, Touré has been able to cast mild regulation as a compromise accommodating nearly everyone.

Two leaked Russian proposals say nations should have the sovereign right "to regulate the national internet segment". An August draft proposal from a group of 17 Arab countries called for transmission recipients to receive "identity information" about the senders, potentially endangering the anonymity of political dissidents, among others.

A US State Department envoy to the gathering and Cerf agreed with Touré that there is unlikely to be any drastic change emerging from Dubai.

"The decisions are going to be by consensus," said US delegation chief Terry Kramer. He said anti-anonymity measures such as mandatory internet address tracing won't be adopted because of opposition by the United States and others.

"We're a strong voice, given a lot of the heritage," Kramer said, referring to the United States' role in the development of the internet. "A lot of European markets are very similar, and a lot of Asian countries are supportive, except China."

The biggest struggle yet for Citi's repairman

REUTERS

WHEN Citigroup Inc's board of directors was looking for a chief executive in 2007, it called Michael O'Neill, who had turned around Bank of Hawaii Corp a few years before.

O'Neill spoke to a Citigroup board member on the telephone, but the board was reluctant to consider O'Neill seriously because he had never run a bank of Citigroup's size or complexity, according to a person familiar with the situation.

Five years later, O'Neill, 66, is effectively running Citigroup, which is more than 130 times bigger than Bank of Hawaii was last decade, as measured by assets. He joined the Citigroup board in 2009, became chairman this year and has played an increasingly powerful role, as most vividly shown by his ousting of Vikram Pandit as chief executive in October, after months of tension.

O'Neill, who hand-picked new CEO Michael Corbat, has an uphill task ahead of him. Citigroup is groaning under \$171 billion of assets it wants to shed, has high expenses, and its profitability lags behind that of such competitors as JPMorgan Chase & Co.

And O'Neill faces the same question that kept him from being a contender for the Citigroup CEO spot: while he can fix a smaller bank, can he revamp a behemoth as complicated as Citigroup?

"It is an awfully complex situation," said current Bank of Hawaii CEO Peter Ho, who worked for O'Neill. "He relishes simplicity."

O'Neill, who declined to comment for this story through a spokesman, has provided some clues about his plan to turn the bank around. On a conference call with investors the day that Pandit stepped down, he said that he will follow his typical playbook.

A dozen people who have worked with O'Neill over the years say that plan usually involves the ruthless pruning of underperforming operations and deciding which ones are worth additional investment.

As he evaluates a bank, he delves deeply into details to look for value or risk that others may have missed. His decisions may differ from those of competitors, but he has a strong track record of being right, these people said. For example, when he was at BankAmerica in 1998, he exited a type of mortgage lending that brought heartburn to competitors a few years later.

Given Corbat spent three years after the financial crisis helping to dispose of Citigroup's bad assets, he may be a perfect chief executive - and ally - for O'Neill.