

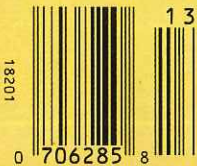
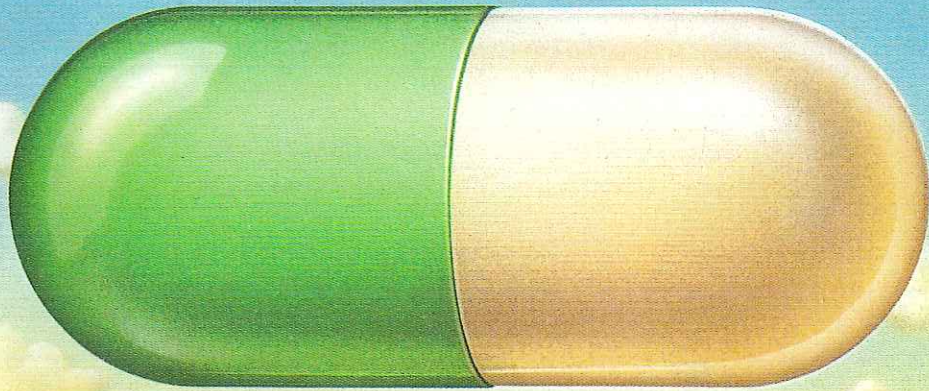
TESTING GORBACHEV
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Newsweek

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LEWIS HINE—BETTMANN ARCHIVE

Sweatshop laws for a fast-food economy: A 1908 glassworks, Dole

The Child-Labor Sting

Washington gets tough, but to what end?



COLBURN—PHOTOREPORTERS

When the gray-clad federal inspectors slipped into the fast-food restaurant in Essex, Md., they found 14- and 15-year-old boys and girls ringing up orders and deep-frying chicken in vats of boiling grease. Authorities said the restaurant was probably breaking federal child-labor laws, which prohibit minors that age from working in potentially risky places like kitchens or for more than 18 hours a week. Yet the supposed victims of exploitation weren't exactly relieved to be rescued. The kids complained that they *wanted* to work long hours—to make money to buy clothes or buy a car.

The raid was one of more than 3,000 conducted around the country last week by 500 U.S. Labor Department inspectors. Dubbed Operation Child Watch, the investigation found 7,000 minors working illegally, and violations in almost half the targeted establishments. Labor Secretary Elizabeth Dole has launched a campaign to enforce child-labor laws that were largely ignored in the 1980s. Because of growing shortages, child labor is on the rise: last year Labor reported 22,500 violations, and experts suspect the real number is much higher. Yet the reaction of the Maryland teenagers raises a question: exactly what purpose do child-labor laws serve in today's job market?

Child-labor laws date back to the late 19th century, when 8-

year-olds were losing their fingers in textile mills. Today's sweatshop is far more likely to be a clean and relatively safe fast-food restaurant. True, there are still risks. Matthew Garvey of Laurel, Md., lost his leg at the age of 13 working in a car wash; Jesse Coloson, 17, of Plainfield, Ind., died in a car crash while making a pizza delivery. A Government Accounting Office report shows that 48 minors were reported killed and 128,000 injured in work-related accidents during 1987 and 1988. These days, though, the main concern isn't safety but education. "If [kids] are in school 30 hours a week, why are we asking them to work more hours than adults?" says Linda Golod-

ner, cochair of the Child Labor Coalition. Will cracking down on underage workers make them better students? Chuck Blankenship, 14, one of the kids in the Essex sting, gets out of Kenwood High at 2:30 p.m. He says he finishes his homework in an hour and would have nothing to do but watch TV if he didn't work. His boss, Mario Budnick, says that without jobs most of his workers would just join neighborhood gangs. The key to improving education, experts say, is increasing class time and homework. "In order to have a qualified

work force in the year 2000, we are going to need better-educated kids," says William Brooks, assistant secretary of Labor for employment standards. Dole's get-tough campaign will continue, because it makes for good politics. Last week's sting won points with Congress, unions and parents. (Dole didn't name specific companies. Two weeks ago Labor cited Burger King for violations in 42 restaurants. The company quickly admitted the violations were "un-

acceptable" and vowed to work "towards a speedy resolution.") Not to be outdone, Democratic Congressmen Charles Schumer of New York and Don Pease of Ohio are introducing a bill that would raise penalties for the worst offenders from \$10,000 to \$100,000 and a jail term. Several states, including New York and New Hampshire, are considering tougher laws. That's well and good if the new rules protect children from exploitation and danger. But a lot more remains to be done in the classroom to make sure kids don't graduate to the same jobs they have now: flipping burgers in fast-food joints.

CLARA BINGHAM in Washington

To Junk or Not to Junk

Junk bonds are like depressed relatives who overstay their welcome. You'd love to get rid of them, but asking them to go would only make things worse. Last week the government decided to let its junk bonds hang around awhile. The Resolution Trust Corp., which manages the assets of insolvent savings and loans, holds about \$4.3 billion in junk-bond issues. That makes it the nation's third biggest owner of the high-yield, spec-

ulative securities, whose value has sunk over the last year. Bond analysts feared the RTC behemoth would dump the securities in a fire sale and plunge the junk-bond market into an even deeper funk. Instead the RTC announced it would be a long-term player, selling off its bonds carefully like any Wall Street firm.

Another bit of good news hit the junk-bond market last week. Troubled Columbia Savings & Loan Association

in Los Angeles said it would try to sell its entire \$3.5 billion portfolio to one private bidder instead of piecemeal. That meant the nation's fourth largest stash of junk bonds wouldn't swamp the public market.

Despite the announcements, the junk market hardly moved. One reason was disbelief. Experts doubted the RTC or Columbia could make good on their pledges. It also showed the depth of the doldrums. Said analyst Dirk Van Doren, "You're going to need a lot more good news to juice up this market."