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TRANSLATION No. D-459

REC'D WWS DEC 2 11 1971

AIR ASIA'S PAST, PRESENT AND FUTURE

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Air Asia separation of employees in the past month is a matter of public interest and would have received greater press coverage were it not for the October celebrations. What Air Asia did, is now, and will be doing should be useful information to the public.

Aircraft Maintenance Main Business

The earliest foreign investment on Taiwan, Air Asia is principally engaged in the maintenance of aircraft for the U.S. armed forces and other foreign airlines - customers not known to the local public. This explains Air Asia's relative obscurity as compared with Civil Air Transport, a sister company now no longer in existence, whose operations used to be closely connected with the domestic market.

Contributions to Tainan Prosperity

With head office in Taipei, Air Asia is having the majority personnel in Tainan where its maintenance plant is located, and pours into Tainan monthly NT\$15 million in pay (3,000-odd fine job opportunities), mostly spent in Tainan, additional to NT\$10 million in local procurements, thus making significant contributions to government revenue and community prosperity.

The Company has further launched technical training courses to meet manpower needs and thereby provided the nation with qualified men in aircraft maintenance. Its personnel system, originally on fixed-term-contract basis, now also boasts benefits for separation and retirement. Unionization started in 1964 whereas a welfare committee that came into being in 1967 has been offering the best welfare program in Tainan, including a NT\$2 million swimming pool and assorted recreation and athletic facilities. It has a clinic staffed by 14 which looks after employees medically free of charge, apart from performing well in matters of plant safety and health.

Distribution: President *MSAK*  
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Remarks: This feature article carried in November 15 China Daily News, South Edition.

APPROVED FOR RELEASE DATE: 13-Oct-2009

for Office of the Vice President  
Office of Secretary- Legal Counsel

4-16/22/71

December 10, 1971

### A Thousand Separated

Gradually reduced in strength from some 4,000 two years ago, Air Asia Tainan personnel now number some 3,000, the 1,000 that have been separated being reportedly made up of 350 resignations, retirees and deaths without replacements being hired and 600-odd surplus with pay. The surplus pay under regulation is 3 months for 3 years service, plus 10 days for each added year, additional to a month pay in lieu of notice under the Factory Law. Retirement pay is 30 months for one requesting retirement (55 years old with at least 15 years service) or ordered to retire (60 years old), and has posed no problem in view of the relatively high pay normally yielding more in retirement benefit than obtainable by public functionaries. As disclosed by the Tainan Hsien Government, a 57-year-old Air Asia mechanic retiree could get NT\$210,000, with NT\$300,000 for a leadman.

### Big Difference Between Separation and Retirement

Some 40 old timers involved in the present layoffs who could normally expect retirement in a few more years were greatly disappointed by receiving only the separation pay, which is considerably less than the 30 months for retirement, even with two more months added for long service. The November 6 mediation meeting recognized Air Asia's having already complied with the law in personnel layoffs and the special separation pay offered being within the framework of sentiment and reason. It was reduced work following withdrawal of U.S. troops from Vietnam that has necessitated the cutting down of a quarter of Air Asia's personnel strength, for which the Company could not be blamed.

### Future Uncertain

Not even Air Asia's top man on Taiwan could predict the Company's future. Some suspect further work reduction, with the possibility of closing down, upon completion of Vietnam evacuation and return of Okinawa to Japan. Many thus had left Air Asia to join PAA in Singapore. Others are optimistic that enough work would remain in spite of the evacuations and that world peace would be evasive for a long while to permit the business to pick up rather than going down. The fact remains, however, that the biggest aircraft maintenance facility in the Far East, with access to inexpensive skilled labor, possesses requisites of existence in its own right.

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