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BRIEFING PAPER

LABOR

The recent strike of Vietnamese employees at Saigon produced the usual flap in Headquarters. So will any future strikes in Southeast Asia that impair operations. There are some slight indications that the image of Air America is one of intransigence in labor matters. Whether or not this is justified is immaterial. What is material is that Air America be forward looking in its industrial relations and develop a reputation as an alert labor relations-conscious employer.

The Embassy in Saigon comments as follows:

"1. The following facts about the two recent strikes at Pan American and Air America need to be stressed:

"a. At the start of the two strikes, feelings between labor and management in both companies were often bitter. The attitudes now are surprisingly good, considering that both strikes lasted 11 days. On New Year's Eve, even before the Air America strike actually ended, a union representative delivered a bouquet of flowers to the Air America manager's home and wished him Happy New Year.

"b. The immediate cause of both strikes was union frustration over the breakdown of communications between labor and management. Air America has now re-established good relations with the union of their employees. Pan American, for the first time locally, has recognized a union.

"c. The Ministry of Labor conciliation service had no role in the final settlements. The strikes were settled in direct negotiations between the managements and the two local unions.

"d. Both local unions got some guidance from CVT staff people, but from all available evidence, the decisions to strike and to end the strike were essentially their own. CVT President Tran Quoc Bui, back from abroad January 3rd after a two week absence, says that, contrary to charges by top labor ministry officials, the strikes were not manipulated by Saigon CVT council President Vo Van Tai.

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"e. Both managements got outside help. Pan Am sent in an experienced labor relations man from San Francisco, Wyatt Fisher, who took charge of negotiations. Air America flew in a team from its Taipei headquarters, and got advice from Courtney Roberts, labor relations director of RMK-ERJ.

"f. There were some incidents at the CVT's part-time picket line near the entrance of Tan Son Nhut, but these were minor. The strikers were calmed down by Air America and Pan Am assurances that no third country nationals would be flown in to replace them. (However, Americans were used as replacements. A separate report on a significant aspect of this use follows.)

"g. No anti-Americanism surfaced. After about a week on strike, some of the workers wanted to demonstrate in front of the U.S. Embassy, but others in the CVT argued them out of it.

"2. Considering the potential for serious trouble that existed during two almost simultaneous strikes of such length, everything turned out fairly well. As a comment in refuel points out, however, the labor relations problems in the U.S. sector are far from over.

"3. It cannot be claimed that the CVT national headquarters has conducted a vigorous organizing campaign among American firms. Yet more and more local unions in these firms are springing up because of rank and file interests. (So far these units have not joined in a national federation of their own, though the CVT still has plans for one.)

"4. Some U.S. employers welcome this development. The U.S. Army Personnel Director, for one, is enthusiastic about how his Saigon port (direct hire) labor problems have diminished since he established an informal relationship with the CVT dock workers union. Because of direct communications, trouble now is taken care of before it degenerates into a slowdown or walkout.

"5. RMK-ERJ and Pacific Architects & Engineers have had similar constructive results, not from unions as such, but from worker delegates elected at local job sites. These two large firms, once beleaguered with strikes, now are able to handle their labor problems in a much more peaceful fashion.

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"6. Local U.S. employers already trade wage information to some extent. The mission plans to suggest that they also consult each other more on labor relations, as Air America did during its strike. The U.S. Chamber of Commerce is planning to invite the Minister of Labor to give a speech at an early meeting. Also helpful would be a seminar, or a series of seminars, led by employers themselves, on labor relations subjects.

"7. The purpose of such a program would not be to weaken management but to strengthen it. As RMK-EEJ's Roberts points out, a manager confronted with a serious labor problem with which he does not know how to cope is in danger of panicking; in self-defense he may overreact by firing people or by granting a concession unnecessarily.

"8. On the union side, too, there is work to be done. The unions would rebel against a law forbidding all strikes; in any case, anti-strike laws often are not enforceable even in the U.S. An alternative approach might be for employers to approach the CVT and work out a no-strike pledge similar to the one the AFL-CIO made during World War II.

"9. The Department is requested to obtain information on the nature and background of that World War II pledge. We realize that the context then was different in a very significant respect: the U.S. economy in World War II had some important controls, including price controls, whereas the Vietnamese economy is largely a free one. Yet some version of the AFL-CIO pledge might be workable."

QUESTION

Should Air America/Air Asia have a staff labor relations expert for Southeast Asia or the entire system?

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