

82-5792/1

82-4

CONFIDENTIALMemorandum on Foreign Labor Developments

Week of September 5, 1982

This memorandum is prepared periodically by the Bureau of International Labor Affairs (ILAB), U.S. Department of Labor, for the information of authorized persons. We draw the items from various sources including: U.S. State Department reports (use cleared by S/IL), foreign press, ILAB's direct contacts with foreign labor visitors, foreign government officials, ILO meetings, and U.S. trade unions. The "ILAB comments" are our own and do not necessarily represent the views of other agencies. Recipients are expected to comply with security regulations in the handling of this document. Questions may be directed to my staff, 523-7571.

ROBERT W. SEARBY  
Deputy Under Secretary  
International Affairs

This issue contains the following items:

AFRICA

1. AFL-CIO Delegation to Visit Trade Union Leaders in South Africa (U)
2. Ghana Moves Slowly in Reorganizing Trades Union Congress (U)

EUROPE

3. Italian Labor Leaders Call for Re-examination of Italian Position on Soviet Gas Pipeline (LOU)
4. Soviet Union Backs Jaruzelski but Stands Firm on Issue of Trade Unions (C)
5. Government of Belgium Faces Critical Unemployment Problem (U)

Not referred to DOL. Waiver applies.

SEP 11 23 1982  
CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.



CONFIDENTIAL

- 2 -

FAR EAST AND PACIFIC

6. Japanese Trade Unionists are Unsuccessful in Delivering Solidarnosc Protest to Polish Embassy (LOU)
7. Journalist's Views on Unification of Japan's Labor Movement (LOU)
8. China Begins to Export Labor to the Middle East (C)
9. China's Technical and Vocational Training Problems (LOU)

LATIN AMERICA AND THE CARIBBEAN

10. General Strike Call Aggravates Pressures on Government of Ecuador (LOU)
11. Communist Peruvian Bank Union Strikes (C)

INTERNATIONAL TRADE UNION ORGANIZATIONS

12. Metalworkers Initiate Series of Publications on New Technology (U)

CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.

CONFIDENTIAL

- 3 -

AFRICA1. AFL-CIO Delegation to Visit Trade Union Leaders in South Africa

An AFL-CIO delegation consisting of President Sol C. Chaikin of the Ladies' Garment Workers; President Frederick O'Neal of the Actors and Artistes; Irving Brown, Director, AFL-CIO International Affairs Department; and Patrick O'Farrell, Executive Director, African-American Labor Center (AALC) is visiting South Africa from September 6 - 16, 1982. The delegation will seek to obtain a clearer view of current industrial relations and trade union developments in South Africa and prospects for the future. The delegation will also solicit the views of South African trade union leaders on how the AFL-CIO, both in its own right and as a member of the International Confederation of Free Trade Unions (ICFTU), can be of assistance and will explain to them the AFL-CIO's interests in this field. (U) (AALC Commercial Cable to Black South African Trade Unions, 7/30/82)

ILAB Comment: This AFL-CIO mission reflects a February 1981 resolution by the AFL-CIO Executive Council giving higher priority to efforts to work within South Africa in support of emerging black trade unions. The AFL-CIO sees the development of a viable black labor movement as practically the only remaining chance to effect peaceful change in South Africa. It believes that a massive infusion of skills-training to black workers and the introduction of a more hopeful view of the quality of life will avert a violent confrontation. (U)

2. Ghana Moves Slowly in Reorganizing Trades Union Congress

A recent government report states that the Ghana Trades Union Congress (TUC) is to be reorganized by the Ministry of Labor and Social Welfare with the intention of reviving the revolutionary and productive potential of workers. According to the policy guidelines of the Ministry, educational programs, seminars and lectures will be organized to educate workers at the Labor College in Accra and workers colleges elsewhere in the country. With respect to existing national labor laws, including the Industrial Relations Act of 1965, the guidelines state that workers seminars will be held to formulate a single national labor code which will be brought in line with ILO standards already ratified by the government. The Ministry, with ILO technical assistance, would also update the country's

CONFIDENTIAL

Classification from multi-sources

Declassify on: O.A.N.R.

CONFIDENTIAL

- 4 -

labor statistics to form the basis of future policies in the labor and industrial relations field. (U) (FBIS, 8/17/82)

ILAB COMMENT: The fact that the government has proposed a reorganization of TUC highlights the absence of a free and independent trade union movement in Ghana. Aside from this, and in spite of efforts by those newly appointed to top positions, the Labor Ministry seems to be moving at a slow pace partly because there is much ideological confusion among government officials. The involvement of Workers' Defense Committees (WDC) further exacerbates the Labor Ministry's program implementation with revolutionary rhetoric which calls for instant social and economic transformation of the Ghanaian trade union movement. The WDC had the support of the ruling Provisional National Defense Council (PNDC) in ousting the leadership of the TUC immediately after the December 1981 coup. (C) (O.A.D.R., State S/IL, 632-3662)

EUROPE

3. Italian Labor Leaders Call for Re-examination of Italian Position on Soviet Gas Pipeline

On July 28, the United Federation comprising the communist-dominated CGIL, the Catholic oriented CISL and the socialist/lay UIL, issued a statement which urged the government to intensify efforts to complete the Italian contribution to the Soviet gas pipeline construction. Barely a month later, August 29, UIL Secretary General Giorgio Benvenuto repudiated the statement by calling on Italy and the rest of Europe to "re-examine" the Soviet gas pipeline question in light of the latest developments in Poland. He stated that "we cannot award money at an interest rate which is generally only given to third world countries to a nation like the USSR which most probably will use it to overcome its own internal difficulties to turn even more tightly the screw of repression..." Benvenuto said that continued adherence to the pipeline contract should be contingent upon two "essential conditions": (1) that facilitative credit should not be given to the Soviet Union and; (2) that the Soviets provide "precise guarantees" regarding the future of Lech Walesa, Solidarity, and Poland in general. While calling for a tougher line on the contract, Benvenuto did not speak out against the imminent delivery of Italian turbines to the Soviet Union for a pipeline pumping station.

CONFIDENTIAL

Classification from multi-sources

Declassify: O.A.D.R.

CONFIDENTIAL

- 5 -

In a press interview two days later Pietro Merli-Brandini, a CISL Confederal Secretary, echoed Benvenuto's concern about the pipeline deal in the context of Polish developments. He emphasized that now was the time to reopen the entire question of trading arrangements with the East Bloc. Unfortunately, Merli-Brandini, who expresses the views of traditional Christian Democrats on the CISL Board, may reflect only a minority in that organization. (LOU) (Rome 19703, 8/30/82; 19725, 8/30/82; and 19913, 9/1/82)

ILAB COMMENT: While Benvenuto and Merli-Brandini do not speak for the entire Italian trade union movement, they have focused public attention on the connection between the pipeline issue and the recent increase in tension in Poland - a development certainly to be welcomed by the U.S. Government. (LOU)

4. Soviet Union Backs Jaruzelski but Stands Firm on Issue of Trade Unions

Pravda greeted the second anniversary of the Gdansk Accords by pointedly juxtaposing two articles pertinent to the Polish crisis: a report of General Jaruzelski's August 29 speech to the Poznan Military Academy; and an article by East German labor boss and Politburo member Harry Tisch on the role of trade unions in a communist society. Reporting on Jaruzelski's speech, Pravda did print the General's mention of "socialist renewal" and his reaffirmation of his intention to lift martial law by the end of the year if possible. The article, however, ignored several significant passages including his assertion that "broad authentic accord is a national necessity" and his promise that "the trade union movement will be reborn on sound principles and independent of the administration." In the second article, Tisch, who focused on the question of increasing productivity in East Germany, stated that "unless the unions contribute to improving the economy, they will not be fulfilling their main function--to be the representatives of the interests of the working class." In his conclusion, he emphasized that East German workers "under the leadership of the Marxist-Leninist vanguard of the working class--the Socialist Unity (Communist) Party"--are dealing with the challenges of "socialist construction." Pravda's message is that the Soviets back Jaruzelski in his efforts to maintain order and pursue "normalization," but the proper role of trade unions in a communist country remains that of a "school of

CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.

CONFIDENTIAL

- 6 -

socialism" subservient to the party. (C) (Moscow 10459, 8/31/823)

ILAB COMMENT: Moscow's hardline position on the proper role of "trade unions" will certainly not make it any easier for Jaruzelski to attain "normalization" in Poland. (LOU)

5. Government of Belgium Faces Critical Unemployment Problem

Belgium's 12.6 percent unemployment rate is the highest in the European Community (EC). Soon after taking office last December, the Martins Government obtained special powers from Parliament to deal with urgent economic problems. While some of the government measures designed to combat unemployment--a wage freeze and a decrease in the valued-added tax on construction goods and services--have been put in force, others, notably a plan to maintain employment at the March 1982 level through 1983, have not been realized as the result of opposition from unions or employers.

Our Embassy observes that the government's success or failure in handling the unemployment problem has important implications for the U.S. as well as Belgium. First, rising unemployment could impact on Belgium's political stability. Second, it could encourage Belgian support for a new EC protectionism. Third, it could affect NATO security in that Belgium, for the sake of preserving or increasing employment, might be tempted to get around or ignore guidelines and cautionary practices in the trade area that serve the common security. On this last point, the Embassy notes that this is a temptation faced by other Alliance partners who also must deal with growing unemployment. (U) (Brussels 11439, 8/30/82)

FAR EAST AND PACIFIC

6. Japanese Trade Unionists are Unsuccessful in Delivering Solidarnosc Protest to Polish Embassy

At the urging of the headquarters of the non-communist ICFTU, the Japanese Liaison Council (ICFTU-LC) prepared a letter urging redress of wrongs done Solidarnosc and attempted to deliver it to the Polish Embassy in Tokyo. The Charge refused to meet the delegation, charging that ICFTU-LC action constituted interference in Poland's domestic affairs. Our Embassy comments that the ICFTU-LC effort received little attention in

CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.

CONFIDENTIAL

- 7 -

the local press and that the ICFTU-LC was running into increasing indifference to the Solidarnosc issue in the media and the trade union movement. The leftist General Council of Trade Unions (SOHYO), which hosted Lech Walesa's 1981 visit to Japan with much fanfare, has been virtually silent on the Polish problem for the past nine months. (LOU) (Tokyo 15065, 9/2/82)

7. Journalist's Views on Unification of Japan's Labor Movement

Tateki Ijichi the Chief Editor of the Weekly Labour News, a publication of the Japan Institute of Labor, told an ILAB official that a council of mainly private sector unions which will be set up in December to further the unification of the trade union movement will have a membership of 4.7-4.8 million, larger than SOHYO, Japan's largest confederation. If plans mature, the council would become a national labor center in four or five years representing a unified trade union movement. In response to a query, Ijichi said SOHYO (left-of-center) might "fight like hell" to avoid being absorbed into the new labor center. He also said that his scenario for unification assumes few changes in Japan's political and economic situation in the next several years. (LOU)

8. China Begins to Export Labor to the Middle East

Two recent reports indicate that China is expanding its labor export program into the Middle East. In the first visit to China in four years by a high Libyan official, the Secretary of the General People's Committee apparently discussed increasing the number of Chinese who have been working in Libya since 1981. Information about the number of Chinese now there is difficult to obtain and estimates range from 1,000 to 10,000. Some of these work on projects contracted by Spanish companies, others are covered by a Sino-Libyan government-to-government agreement. A prominent businessman from the United Arab Emirates recently signed an agreement with the state-owned China Construction Engineering Corporation to provide labor, expertise and materials for the design and construction of housing and building projects. No indication was given regarding the number of workers to be involved. (C) (Beijing 11631, 8/30/82; FBIS, 6/26/82)

ILAB COMMENT: We have been aware that Chinese workers have been employed in recent years in Africa and South Asia, but

CONFIDENTIAL

Classification from multi-sources

Declassify: O.A.D.P.

CONFIDENTIAL

- 8 -

China is apparently entering the Middle East labor market in earnest. The expansion of Chinese workers in Libya follows the unsuccessful effort this spring by thousands of Tunisian workers to find employment in Libya. (U)

9. China's Technical and Vocational Training Problems

The shortage of adequately trained personnel is a major constraint to China's modernization and it has been working to improve its technical and vocational schools. There has been some progress made although such training runs counter to the traditional family desire for college preparatory studies for its young people. The ratio of technical to regular secondary students rose rapidly to 3.6% in 1980. But this ratio still falls short of the 10.9% ratio of other less developed countries cited by the World Bank. The rapid expansion of such training led to problems of quality and standards. This resulted in a 14% cutback in the number of secondary technical students in 1981--a move aimed at improving the quality of graduates. (LOU) (Beijing A-51, 7/30/82)

ILAB COMMENT: Besides the problem of traditional educational values, China has, since 1976, been trying to rebuild its vocational school system which was virtually dismantled during the Cultural Revolution. (U)

LATIN AMERICA AND THE CARIBBEAN

10. General Strike Call Aggravates Pressures on Government of Ecuador

In an August 30 press conference, Jose Chavez, current Chairman of the Workers Unity Front (FUT), announced a two-day general strike for September 22-23. At the same time he gave the government until September 15 to respond to FUT demands, which include an increase of the monthly industrial minimum wage; a cost of living escalator clause; freezing the prices of basic commodities, transportation fares, electricity, telephone and water rates for workers; and a five-year freeze in dismissals. The FUT furthers communist goals of undermining popular support for the democratic center-left government, building up the communist party of Ecuador, and remains a loose-knit collection of independent labor confederations.

CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.



CONFIDENTIAL

- 9 -

As our Embassy comments, the long-awaited FUT announcement compounds the government's political problems. There is no way the government can come close to meeting FUT demands. Even Chavez associates consider them totally unrealistic, but it is possible, if not likely, that some middle ground can yet be found. (LOU) (Quito, 6319, 8/31/82)

### 11. Communist Peruvian Bank Union Strikes

The communist-dominated Bank Employees Federation (FEB) surprised the government and the nation's bank customers by waiting until banks closed for a three-day holiday weekend to announce that its long-awaited "indefinite" strike would begin the next workday, August 31. The last day of the month is payday for most Peruvian workers, so the strike left many of them unpaid. The FEB and the bankers remain far apart on contract terms after two months of negotiations. The FEB had already given the required three days advance notice for a strike beginning Friday, September 3. The pretext for advancing the date of the strike was that the bankers' latest response to the FEB's demands only increased the bankers' previous offer by a thousand soles a month (just over a dollar), which the FEB considered an insult. The government, particularly Labor Minister Alfonso Grados, responded with indignation at the FEB's tactics, and declared the strike illegal. (Once a strike is declared illegal, workers must return to work within three days or they can be fired.)

Our Embassy points out that the FEB is the dues-paying core of the communist-dominated CGTP, Peru's largest labor central. Its members, well-paid and generally politically conservative, continually reelect their Moscow-line communist union leaders, satisfied that their militancy helps get bigger raises. Work stoppages are part of the normal labor management negotiating process, but FEB is well known for its skill in causing maximum inconvenience. (C) (Lima, 8914, 9/1/82)

### INTERNATIONAL TRADE UNION ORGANIZATIONS

#### 12. Metalworkers Initiate Series of Publications on New Technology

The full impact of new technology and microelectronics on the workplaces and offices in the metal industry has yet to be realized according to a report on Microelectronics and Employment just published by the International Metalworkers' Federation (IMF). The report also argues that the nature of

CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.

CONFIDENTIAL

- 10 -

work must change if the new technology is not to increase unemployment and that workers must be involved at an early stage in its introduction. The report is the first of a series under the heading Technology, Employment and Strategies for Trade Unions which is being prepared under IMF direction by the Berlin Technology Centre. (U) (IMF News, 12/82)

CONFIDENTIAL

Classification from multi-sources  
Declassify: O.A.D.R.