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RG	ENTRY	BOX
84	Bangkok General Records 1956-1963	19

RG 84 Records of the Foreign Service Posts of the Department of State

Thailand

U.S. Consulate, Legation and Embassy, Bangkok

General Records, 1936-1942, 1945-1963

1959-1961: 521.31

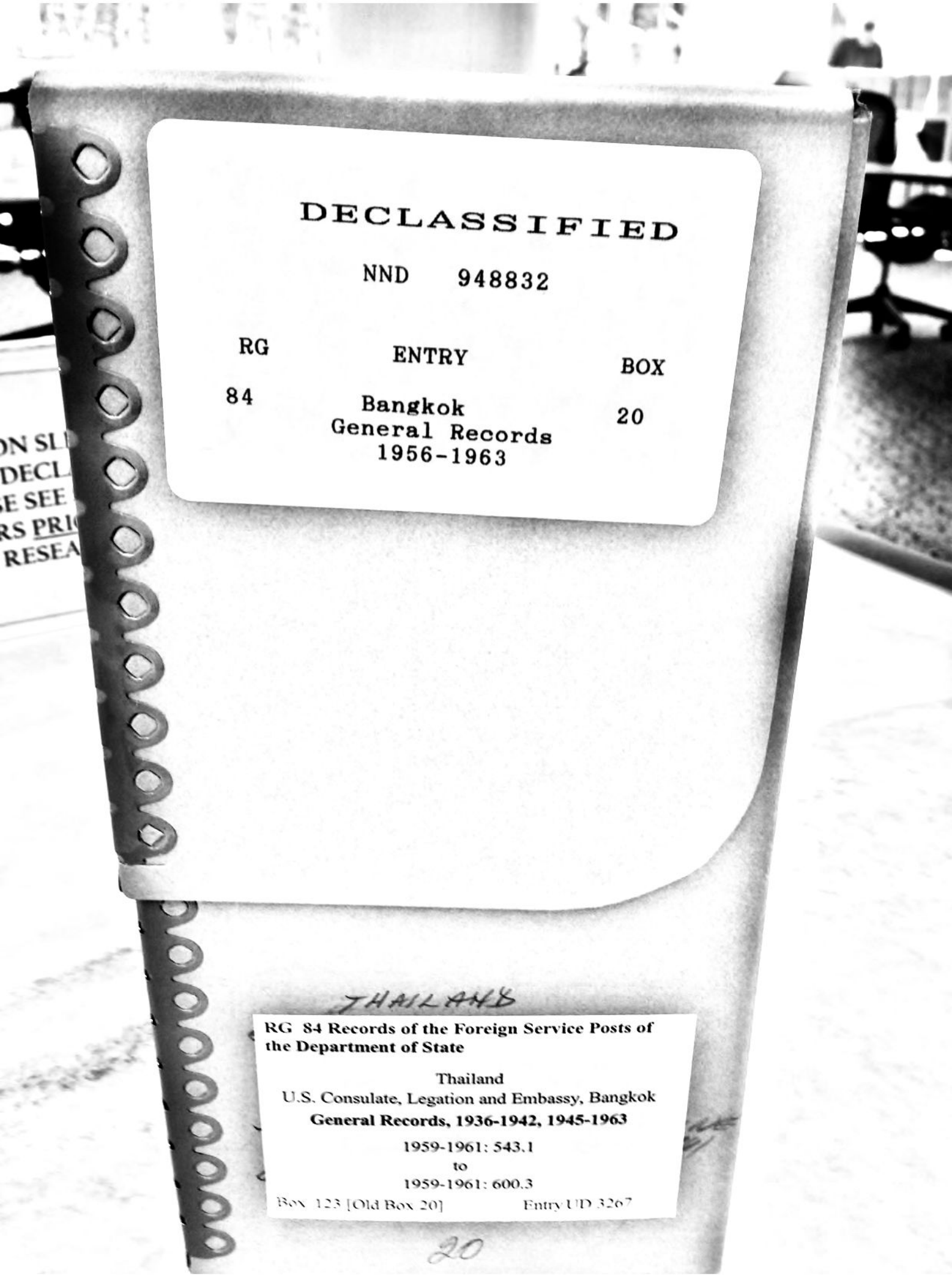
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Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Thomas E. Naughten, Director, USOM/T DATE: 20 January 1961

THRU: Mr. M. George Goodrick, Chief, Training Office

FROM : Leonard Sandman, Training Officer Leonard Sandman

SUBJECT: Labor in Thailand

Mr. Goodrick has informed me that you have suggested that before I leave Bangkok for my new post in New Delhi, I prepare a brief statement on my personal observations concerning labor in Thailand. I certainly welcome this opportunity, but must warn that my regular job in the Training Office has not permitted the time nor the occasion to delve deeply into the labor scene or to become acquainted with what the Embassy is doing. Thus, this report is not based on a particularly extensive knowledge of labor developments in Thailand, and some of my comments might be based on false assumptions rather than fact.

My reactions to what I have seen in Thailand are guided by a set of broad principles I feel apply to labor in developing countries, some of which might be briefly outlined as follows:

— Industrial development requires careful planning to meet the manpower needs of new industry, and to minimize the whole gamut of economic, social and perhaps political problems which may arise with a significant increase in industrial employment;

— International labor standards should be enforced;

— Bona-fide trade unions have a vital role to perform in developing countries to safeguard the interests of workers, to promote the growth of democratic institutions, and to secure the support of workers in programs for economic development and increased productivity.

Although a vigorous labor program is not feasible in Thailand at this time, I do not feel that USOM should completely withdraw from the labor scene and remain silent. It has been my impression that neither the Embassy nor USOM are fully informed on labor developments. A very minimum of labor reporting is done by the Embassy. To my knowledge, we are not aware of developments in the Thai Government concerning labor policies, legislation, etc. The Chief of the Labor Division in the Department of Public Welfare told me that he has not been visited by anyone from the American Embassy for over a year. (On the other hand, he is in touch with people from the British Embassy. Former union officials here have also told me that they see British Embassy people from time to time.)

560 Labor - Thailand

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I do not know to what extent USOM is aware of the activities of IDO, which seems to have several projects in Thailand. But more serious, I feel that USOM takes a passive, if not negative, attitude toward labor. Certainly, it is a delicate subject, and USOM cannot afford to antagonize the Thai Government over this issue. But I feel there is room for some activity, even if at the moment it is only exploratory and educational. I do not know if USOM and the Embassy even have a policy concerning labor in Thailand. I think one should be developed - preferably one which would encourage and assist the Thai government in manpower planning, in the development of its employment services, in adopting and enforcing international labor standards, in solving its industrial relations problems, and in laying the foundation for whatever form of trade unionism would operate most effectively in the Thai culture. (Certainly, we should not seek private investment from the U. S. on the attraction of low wages and no trade unions!)

At the very minimum, I feel that USOM and the Embassy might share the services of a qualified person, who would devote a major portion of his time in providing the Embassy and USOM with the knowledge and understanding necessary to develop an effective labor policy and, eventually, to initiate a project which might implement that policy.

Last July, I submitted a memo to Mr. Schiffman, in which I outlined some ideas on a USOM labor project. This memo was discussed and returned. I am attaching it to this report for your information. In re-reading it six months later, I still feel that the suggestions I submitted have some merit. It is my impression that there may be some receptivity in the Thai Government for receiving assistance in certain technical phases of manpower development (perhaps not at the expense of other existing projects), and I feel that USOM ought to make every effort to get its foot in the door.

It may be argued that there is no social unrest in Thailand; that there is no Communist activity; that trade unions have never succeeded here; that Thais workers have no sense of organization; that there are no industrial relations problems; that Thailand will not permit or cannot afford a liberalization of its present labor policies. I think that these are dangerous assumptions, particularly when Thailand occupies such a key role in U. S. foreign policy in southeast Asia. It is a responsibility of USOM to see that the industry it is trying to develop does not eventually lay the seeds to the nullification of our foreign policy interests in Thailand.

I fear that this report may have gone far afield of what you intended. However, I trust that you did not want a mere review of the labor situation as it exists in Thailand, but rather my ideas on what USOM might or should be doing. I hope you will find some value in it.

(FOLD ON THIS LINE)

	ORGANIZATION	ROOM NO.	BLDG.	INITIALS	DATE
	E. Schiffman				
3.					
4.					
5.					

	APPROVAL		PREPARE REPLY
	COMMENT		SIGNATURE
	NECESSARY ACTION		SEE ME
	INVESTIGATE		AS REQUESTED
	NOTE AND RETURN		FOR YOUR INFORMATION
	INITIAL FOR CLEARANCE		PER CONVERSATION

REMARKS OR ADDITIONAL ROUTING

Attached is a memorandum outlining a proposed USOM project in the field of industrial manpower for your consideration and comments.

	ROOM NO.	DATE

The development of industry in Thailand has recently become a key policy the Thai Government and is receiving increasing assistance from USOM, the DLF and international loan agencies. As this development takes place, there will be an increasing need for a variety of information on industrial manpower as well as governmental services to assist in meeting the manpower requirements of new industry. Furthermore, with any shift of employment from agriculture to industry and from rural areas into urban areas, problems of manpower utilization and labor welfare are bound to develop. Unless adequate plans and programs are developed to meet the needs of manpower information, utilization, and welfare, it is quite conceivable that industrial development will not proceed along sound economic lines and may result in unfavorable social or political consequences.

Although USOM is engaged in several projects which are concerned with aspects of industrial manpower, such as vocational training and city planning, it does not today support any project which is directly concerned with industrial manpower problems. Earlier USOM efforts in the fields of labor legislation and trade union education have been unsuccessful for a variety of reasons. The International Labor Organization has provided technical assistance in developing manpower data and advising on legislation. This assistance, however, has been of limited scope and duration. Within the Thai Government there appears no coordinated approach to industrial manpower problems, perhaps because manpower is not considered a pressing problem or because of a failure to recognize long-term implications of manpower in a program of industrialization. It is certainly the responsibility of USOM--in view of its assistance in Thailand's industrialization program--to encourage and support activities in the industrial manpower field.

Although it may not be anticipated that the Thai Government would be overly enthusiastic to a manpower project, it is conceivable that it would be receptive to a technical assistance project in certain limited, technical, non-

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controversial areas of manpower directly related to its industrialization program. Examples of such activities might include:

-- Development of statistical and analytical information on characteristics of the labor force. At present very limited reliable information is available on employment and income by industry and occupation, employment trends in urban areas, the scope of unemployment and underemployment, etc.

-- Determination of current and projected requirements of industry for various skills, and coordination of vocational training programs to meet industrial needs. Although there have been several efforts to assess the skill requirements of Thailand, there is need for a continuing program in this area as well as increased coordination between vocational training programs, employment opportunities and industrial skill requirements.

-- Improvement of employment services. At present the Department of Public Welfare operates a small employment service and provides assistance to workers seeking jobs. This service could certainly be improved and expanded to service better the needs of job-seekers and the recruitment problem of new industries for specialized skills. Special attention might be directed to the seasonal and permanent migration of workers from the Northeast to other areas of Thailand. Job counseling and assistance to college students in looking for jobs might also be encouraged and aided.

An industrial manpower project might be initiated with one USOM direct-hire employee, who would be responsible for developing project plans with appropriate agencies of the Thai Government, compiling available information on manpower, coordinating with USOM and other projects related to manpower problems, etc. The provision of technical assistance in selected areas might be arranged through the use of consultants from the United States Government and other sources under

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with participant training utilized to provide a nucleus of Thais with a ing knowledge of various manpower activities.

Although any activities in the fields of labor standards, industrial relations, workmen's compensation, etc., would be premature at this time, the operation of a manpower project as described above would greatly facilitate USOM's opportunity to encourage such measures and to provide technical assistance at the opportune time. It is unthinkable that industry in Thailand will expand in this day and age--with USOM assistance--without any provision for at least international minimum standards of labor, some limited arrangements for industrial relations, and compensation to workers injured on the job. While there may be no immediate discontent due to labor problems, USOM would certainly be shortsighted to make no effort to encourage and assist the Thai government so as to minimize potential areas of discontent in an industrializing society.

Just as trade unions have been permitted in the past, they will undoubtedly be permitted again as soon as the political situation has been stabilized. Although it is reasonable to expect close government supervision of trade union organizations, international pressure might be exerted to provide trade unions with minimum rights of collective bargaining. If USOM is to have any influence as to the form future trade unionism might take--whether it evolves into a constructive force in a democratic, industrial society--it is not too early for USOM to become involved in the labor scene. The more we understand of labor and manpower problems in Thailand and the sooner we demonstrate an interest in, and sympathy for, the welfare of workers, the better prepared we will be to exert a significant influence.

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