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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

CD NO.

DATE DISTR. 5 MAR 52

NO. OF PAGES 1

NO. OF ENCLS. 1
(LISTED BELOW)

SUPPLEMENT TO
REPORT NO.

50X1-HUM

COUNTRY China

SUBJECT Trade Union Law

PLACE
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38 page pamphlet published by the Foreign Language Press, Peiping, entitled: The Trade Union Law of The People's Republic of China. This pamphlet contains four sections as follows:

- The Trade Union Law of the People's Republic of China
- Some Explanatory Remarks of the Draft Trade Union Law
- Provisional Rules of Procedure for Settling Labor Disputes
- Labor-Capital Consultative Councils in Private Enterprises.

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THE TRADE UNION LAW OF CHINA

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50X1-HUM

THE TRADE UNION LAW
OF
THE PEOPLE'S REPUBLIC OF CHINA



FOREIGN LANGUAGES PRESS, PEKING

Declassified in Part - Sanitized Copy Approved for Release 2013/03/05 : CIA-RDP80-00926A004700030008-1

THE TRADE UNION LAW
OF THE
PEOPLE'S REPUBLIC OF CHINA

TOGETHER WITH
OTHER RELEVANT DOCUMENTS

FOREIGN LANGUAGES PRESS
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[Revised Edition 1951]

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FOREWORD

This booklet contains the Trade Union Law of the People's Republic of China together with three other relevant documents. It is hoped that this collection will serve a timely and useful purpose in making known, especially to members of trade unions in other lands, a number of important facts concerning the role and functions of the trade union organisations in China.

The Trade Union Law not only guarantees the complete freedom of China's workers to form trade unions of their own, but it also grants wide powers to the trade unions. Under this law, trade union organisations in State enterprises or in enterprises operated by cooperatives have the right to represent the workers and staff members in taking part in administering production and in concluding collective agreements with the managements, while trade unions in private enterprises have the right to represent the workers and staff members in conducting negotiations, in participating in labour-capital consultative councils and in signing collective agreements with the employers. Besides, the trade unions have the right to file protests against any engagement or discharge of workers in violation of government law, decree or collective agreements. To sum up, the trade unions are empowered to supervise the scrupulous

carrying out of government laws and regulations concerning labour protection.

The Chinese working class is the leading class in the State. New China is a people's democratic dictatorship which represents a united front composed of the working class, the peasantry, the petty bourgeoisie and the national bourgeoisie. However, it must be borne in mind that such a united front is based on the alliance of workers and peasants under the leadership of the working class. Therefore, it stands to reason that the government should regard the trade union organisations as the main prop and stay of the New China and grant them considerable powers.

Now that the working class has assumed the leadership it is only to be expected that they should be playing a leading role in developing production and in accelerating national construction. In this connection, it is also interesting to note the new phase in what is generally called labour-management relations.

True, this task confronting the Chinese working class is a gigantic one. But judging from what the broad masses of the Chinese workers have accomplished in the past we can be confident that the Chinese working class will come through with flying colours.

The Trade Union Law represents the fruits of the consistent struggle of the Chinese working class during the past thirty years. It also points the direction in which the trade union movement in New China is developing.

The Publishers.

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THE TRADE UNION LAW
OF THE
PEOPLE'S REPUBLIC OF CHINA *

The Trade Union Law is promulgated for the purpose of defining in explicit terms the legal status, functions and duties of trade union organisations in the New Democratic State thereby enabling the working class to become better organised and thus play its proper part in New Democratic construction.

SECTION ONE

GENERAL PRINCIPLES

Article 1.

Trade unions are mass organisations of the working class formed on a voluntary basis. All manual and non-manual wage workers in enterprises, institutions and

**Promulgated by the Central People's Government on June 29, 1950.*

schools in Chinese territory whose wages constitute their sole or main means of livelihood, and all wage workers in irregular employment shall have the right to organise trade unions.

Article 2.

Trade unions shall be organised on the principle of democratic centralism, in accordance with the Constitution of the All-China Federation of Labour as adopted by the All-China Labour Congress. Trade union committees at all levels shall be set up by election at general membership meetings or representative conferences.

Members of trade unions shall have the right, in accordance with the constitution of their trade unions, to dismiss and replace at any time any representative or committee member whom they have elected. Trade union committees at all levels shall submit reports on their work to the rank and file membership they represent or to their representative conferences and shall observe the decisions and directives of their respective higher trade union organisations.

Article 3.

Trade unions are mass organisations formed in accordance with the resolutions and Constitution adopted by the All-China Labour Congress and various congresses of industrial unions (including the cultural and educational workers' unions and government employees' unions). The trade unions have their own

nation-wide independent and unified system of organisation, with the All-China Federation of Labour as the highest leading body. When trade unions are established, they should submit reports thereon to the All-China Federation of Labour or its affiliated industrial unions or local unions, which, after proper examination and approval, shall undertake to refer the matter to the local people's governments for registration.

Article 4.

All other bodies not organised in accordance with *Article 3* of this Law shall not be called trade unions, and shall not be entitled to the rights laid down in this Law.

SECTION TWO

THE RIGHTS AND DUTIES OF TRADE UNIONS

Article 5.

Trade unions in enterprises operated by the State or by cooperatives shall have the right to represent the workers and staff members in taking part in administering production and in concluding collective agreements with the managements.

Article 6.

Trade unions in private enterprises shall have the right to represent the workers and staff members in conducting negotiations and talks with the employers.

in taking part in the labour-capital consultative councils and in concluding collective agreements with the employers.

Article 7.

It is the duty of trade unions to protect the interests of workers and staff members, to ensure that the managements or owners effectively carry out labour protection, labour insurance, wage standards, factory sanitation and safety measures as stipulated in the laws and decrees of the government and other relevant regulations and directives, and to take measures for improving the material and cultural life of the workers and staff members.

Article 8.

Trade union organisations at all levels in enterprises operated by the State or by cooperatives shall have the right to ask the managements at the corresponding levels to submit reports on their work to the trade union committees, to the general membership meetings or to the representative conferences. They also have the right to represent the workers and staff members in taking part in the administrative boards or administrative meetings at the corresponding levels.

Article 9.

In order to safeguard the fundamental interests of the working class, trade unions shall carry out the following activities according to their respective constitutions and decisions:

- (a) Educate and organise the masses of workers and staff members to support the laws and decrees of the People's Government; carry out the policies of the People's Government in order to consolidate the people's State power which is led by the working class;
- (b) Educate and organise the masses of workers and staff members to adopt a new attitude towards labour, to observe labour discipline, to organise labour emulation campaigns and other production movements in order to ensure the fulfilment of the production plans;
- (c) Protect public property; oppose corruption, waste and bureaucracy, and fight against saboteurs in enterprises operated by the State or by cooperatives and in institutions and schools;
- (d) Promote in privately-owned enterprises the policy of developing production and of benefiting both labour and capital and oppose acts in violation of government laws and decrees or acts detrimental to production.

Article 10.

The people's governments at all levels shall allocate to the All-China Federation of Labour, industrial unions and local trade unions the necessary buildings and furnishings to enable them to carry out their office work, meetings, educational, recreational and welfare activities. The people's governments at all levels shall also give the trade unions similar preferential treatment in the use of the post, telegraph,

telephone, railway, highway and navigation facilities as are enjoyed by government institutions at corresponding levels.

Article 11.

When the managements of state-operated enterprises or the owners of private enterprises want to transfer or discharge a trade union committee member elected by the workers and staff members, they must obtain in advance the consent of the trade union committee concerned and such transfer or discharge cannot be carried out until the said trade union committee has reported the matter to a higher trade union committee and has obtained its approval.

Article 12.

Committee members or representatives of trade unions, at all levels, when provided with credentials issued by their respective trade unions, may inspect the workshops and dormitories of the enterprises, institutions or schools, whose workers and staff members are affiliated to the said trade unions. The managements or the owners may not refuse such inspections except in certain specially stipulated cases.

SECTION THREE

THE BASIC ORGANISATION OF TRADE UNIONS

Article 13.

In factories, mines, business establishments, farms, institutions, schools and other productive or adminis-

trative units with twenty-five or more workers and staff members, a basic trade union committee may be set up (such as factory, mine or institution committee). In those employing less than twenty-five persons an organiser may be elected, who shall have the same rights as a basic trade union committee. The regulations governing the organisation of basic trade union committees shall be formulated by the All-China Federation of Labour or the national committees of the respective industrial unions.

Article 14.

Apart from the basic trade union committees formed in accordance with *Articles 3 and 13* of this Law, and approved by the industrial unions or the local unions, no other organisations in factories, mines, business establishments, farms, institutions, schools and other productive or administrative units shall be entitled to the rights enjoyed by the basic trade union committees.

Article 15.

The number of members of a basic trade union committee who are full-time trade union functionaries and who are freed from production, shall be determined in accordance with the total number of workers and staff members employed in each factory, mine, business establishment, farm, institution, school and other productive or administrative unit. The ratios shall be as follows:

<i>Number of workers and staff members</i>	<i>Number of full-time trade union functionaries</i>
200-500	1
501-1000	2
1001-1500	3
1501-2500	4
2501-4000	5

A further full-time trade union functionary may be added for every additional two thousand persons in enterprises employing over four thousand workers and staff members. Basic trade union committees in enterprises employing less than two hundred persons may have one full-time trade union functionary with the authorisation of a higher trade union organisation.

Article 16.

When a basic trade union committee has been elected the management or the owner must be notified of the names of the committee members. The management or the owner must, in accordance with the decisions of the basic trade union committee, release from work those members who are required to be freed from production.

Article 17.

Full-time trade union functionaries who are freed from production shall be paid by the trade unions and the amount should not be less than the rate of wages previously paid to them. They shall continue to share in labour insurance and other welfare facilities paid for by the management or the owner. After completing

their term of office, the management or owner shall ensure that they return to their original jobs or be given other jobs at the same rate of wages as formerly.

Article 18.

The managements or owners of factories, mines, business establishments, farms, institutions, schools and other productive or administrative units shall not obstruct the activities of the basic trade union committees and the general membership meetings or representative conferences summoned by the basic trade union committees. But meetings and conferences called by trade unions should not be held during the prescribed working hours. When such meetings have to be held during working hours as required by special circumstances, the consent of the managements or owners should be obtained. If members of a basic trade union committee who are still engaged in production have to conduct trade union activities during working hours then the trade union must inform the management or owner thereof. But the total working hours thus occupied by any such member shall not exceed two working days per month. In such cases, the wages of such members shall be paid in full.

Article 19

Elections of trade union representatives to a people's representative conference or people's congress, in accordance with the directives of the people's governments at city (county) level or above, or elections of trade union representatives to trade union congresses in accordance with the directives of the

trade union councils at city or provincial levels or above may be held during working hours, if necessary. In private enterprises, representatives of workers and staff members to the above-mentioned and other conferences shall be paid for the period of their attendance by the organisations which call such conferences.

Article 20.

The managements or the owners of factories, mines, business establishments, farms, schools and other productive or administrative units which employ one hundred or more workers shall provide free of charge the necessary buildings and other facilities (water, electricity and furniture, etc.) for office use by the basic trade union committees and shall provide, permanently or temporarily, a suitable place for general membership meetings or representative conferences. Those employing less than one hundred persons, if unable to provide separate offices for the trade unions, shall provide special desks for the use of trade unions in rooms which are in general use. Trade unions may also hold meetings in such rooms.

Article 21.

When the managements or the owners of factories, mines, business establishments, farms, institutions, schools and other productive or administrative units engage workers or staff members they shall inform the basic trade union committees, which shall have the right to protest, within three days, if they discover that such engagements violate any law or decree of the People's Government or run counter to collective agree-

ments. Disputes arising from the managements or owners disagreeing with such protests shall be dealt with in accordance with the Rules of Procedure for Settling Labour Disputes.

Article 22.

The managements or the owners of factories, mines, business establishments, farms, institutions, schools and other productive or administrative units shall inform the basic trade union committees ten days in advance of the name of any worker or staff member they want to discharge, together with the reasons for discharge. The basic trade union committees shall have the right to protest, within seven days, if they discover that such discharge violates any government decree or runs counter to collective agreement. Disputes arising from the managements or the owners disagreeing with such protests shall be dealt with in accordance with the Rules of Procedure for Settling Labour Disputes.

Articles 21 and 22 shall not apply in the case of personnel appointed by the people's governments at all levels.

SECTION FOUR

TRADE UNION FUNDS

Article 23.

The trade unions must set up their own system of budgeting, drawing up of balance sheets, accounting and auditing on the principle of independent administration of their funds.

Article 24.

Trade union funds shall be drawn from the following sources:

- (a) Membership dues paid by trade union members in accordance with the Constitution of the All-China Federation of Labour;
- (b) The managements or the owners of factories, mines, business establishments, farms, institutions, schools and other productive or administrative units shall each month allocate to their respective trade union organisations, as trade union funds, a sum equal to two per cent of the total amount of the real wages (including those paid in currency, in kind and in meals) of all workers and staff members employed (excluding agents of the owners in privately owned enterprises). Of this sum, an amount equal to 1.5 per cent of the total amount of real wages shall be used for the purpose of promoting cultural and educational activities for the workers and staff members;
- (c) Income from cultural and sports activities sponsored by the trade unions;
- (d) Subsidies from the people's governments at various levels.

Article 25.

Regulations governing the disposal of the funds of the trade union committees at all levels shall be formulated by the All-China Federation of Labour.

SECTION FIVE

BY-LAW

Article 26.

This Law shall come into force after it is ratified and promulgated by the Central People's Government Council.

SOME EXPLANATORY REMARKS
ON THE
DRAFT TRADE UNION LAW

LI LI-SAN*

Comrade Chairman and Members of the Council:

The draft Trade Union Law, submitted to this meeting of the Central People's Government Council for discussion, has gone through a rather long period of preparation. It was first drafted by the All-China Federation of Labour (ACFL) at the request of trade union organisations throughout the country and in conformity with their opinions. The National Conference on Trade Union Organisation discussed, revised and drew up the law, which was then submitted to the Ministry of Labour for examination. The Ministry of Labour submitted this draft to the All-China Conference

* Li Li-san, Vice-President of the All-China Federation of Labour, is Minister of Labour of the Central People's Government. This report was delivered at the 8th meeting of the Central People's Government Council on June 28, 1950.

of Directors of Labour Bureaux, attended by all local trade union organisations and the representatives of industrialists and businessmen. After careful study and discussion, the draft was forwarded to the Government Administration Council for consideration. This Council first sent the draft to the Financial and Economic Sub-Committee of the National Committee of the Chinese People's Political Consultative Council for examination. Following this, the draft was brought up for discussion and approved at the 29th regular meeting of the Government Administration Council on April 21. It was then submitted to the Central People's Government Council for final consideration and adoption. At the same time the draft law was published in the press in order to ascertain the opinions of the people. During the past two months, the draft has been enthusiastically discussed in all the people's organisations throughout China, in the press, and especially in trade union organisations and among workers. This resulted in unanimous support for the draft Trade Union Law, although a few suggestions were made for revising certain articles.

From all this one may see that the draft Trade Union Law really reflects the will and demands of all Chinese people, particularly of the broad masses of workers. One may also see that the legislative methods of the Chinese People's Government are basically different from those of all reactionary governments.

The laws of any reactionary government are enacted by the reactionary ruling class, or even by a particular reactionary bloc, in the private interests of this

minority group. These laws are compulsorily imposed upon the majority who are therefore deprived of their interests.

Our People's Government enacts laws in accordance with the principle "from the masses and to the masses," as Chairman Mao Tse-tung has directed. So all laws promulgated by the People's Government must conform to the interests of the broad masses and are certain to gain their support. This is one of the chief characteristics of New Democratic politics.

I propose to offer some brief explanations on the following relatively important problems.

I.—REGARDING THE CHARACTER OF TRADE UNIONS.

Article 1 of the draft Trade Union Law states that "trade unions are mass organisations of the working class formed on a voluntary basis." This means that every worker has the freedom and right to join or not to join a trade union.

Thus this Law is entirely different from the fascist trade union law promulgated by the Kuomintang reactionary government which compelled the workers to join the trade unions and transformed the trade unions into organs for controlling the workers.

Our draft Law also stipulates that all manual and non-manual wage workers employed in enterprises, institutions and schools in Chinese territory whose wages constitute their sole or main means of livelihood and all wage workers in irregular employment shall have the right to organise trade unions." This means

that every wage worker who lives on his wage earnings has the right to join a trade union, no matter in which enterprise or institution he is employed.

This is another radical difference from the trade union law of the KMT reactionary government and those of certain capitalist countries, under which a large section of workers and staff members are debarred from organising trade unions. For instance, government employees, staff members and workers in the munitions industry are sometimes forbidden to form trade unions. In some states in the U.S.A., Negroes are not permitted to join trade unions.

Our Trade Union Law conforms entirely with the spirit of *Article 5* of the Common Programme of the Chinese People's Political Consultative Conference, which stipulates that the Chinese people have the freedom and right of assembly and association without any "but's" or restrictions. The class character of our trade unions is expressed in the provision that only wage workers have the right to join trade unions. The mass character of our trade unions is expressed in the provision that all wage workers may join trade unions, irrespective of political belief or other conditions. The provision that all wage workers have the right, but not the obligation, to join trade unions shows that our trade unions are voluntarily formed by the broad masses of the workers.

2.—THE RELATIONSHIP BETWEEN THE TRADE UNIONS AND THE PEOPLE'S GOVERNMENT.

The draft Trade Union Law provides that the People's Government shall entrust the trade unions with

the responsibility of ensuring that all labour protection laws are strictly carried out by the managements of the state-owned enterprises and by the owners of privately-owned enterprises. (*Articles 7 and 12*) At the same time, the Government shall give the trade unions all kinds of material support and preferential treatment. [*Articles 10, 11 and 20, and Article 24, (b), (d)*]

• On the other hand, the draft Trade Union Law also states that "in order to safeguard the fundamental interests of the working class," the trade unions, according to their constitutions and decisions, shall "educate and organise the masses of workers and staff members to support the laws and decrees of the People's Government, to carry out the policies of the People's Government in order to consolidate the people's State power which is led by the working class."

This kind of mutual relationship, in which the Government protects the trade unions while the trade unions support the Government, can only be realised in Socialist and New Democratic countries. It is possible because in these countries, the broad masses of the workers know from their personal experience that the Government has been established by the working class and by the broad masses of the people following a long period of sacrifice and struggle resulting in the overthrow of the reactionary regime. Only by consolidating its own Government can the working class be assured of achieving final victory in liberating itself and of gradually improving its living conditions so as to attain a full and happy life. Therefore, only in Socialist and New Democratic countries can the masses of workers

display the most ardent and genuine patriotism and support for their own governments.

On the other hand, the People's Government must also depend on trade unions to rally around it the broad masses of workers as its main pillars. In any city, wage workers and their dependents constitute more than half the population. For instance, about 400,000 of Peking's 2,000,000 population are wage workers. If we estimate that each wage worker has two dependents, then the total number of Peking's wage workers and their dependents will exceed 1,200,000. Among Shanghai's 6,000,000 population more than 1,100,000 are wage workers; adding their dependents, they total more than 3,300,000 persons. If the trade unions can organize all wage workers and unite their dependents around the unions, these workers and their families will constitute the most important pillars supporting the People's Government in the cities.

3.—THE RELATIONSHIP BETWEEN TRADE UNIONS AND BOTH STATE AND PRIVATE ENTERPRISES.

Various opinions have been expressed in discussing the draft Trade Union Law. Some comrades argue that since there is no class antagonism in the state-operated enterprises and since the workers and staff members there are all serving the people, which means serving the working class, workers in state-operated enterprises should not be called wage workers. However, this employer-employee relationship is the form in which the wage system expresses itself. As long as the wage system exists in the state-operated enterprises, the form of the employer-employee relationship exists

too. Here this relationship is essentially different from that in capitalist enterprises. In fact, this sort of relationship has become a public-private relationship. Therefore, state-operated enterprises should firmly adopt the policy of taking both public and private interests into consideration. The trade unions are also duty-bound to protect the public welfare of the workers and staff members.

The employer-employee relationship in the state-operated enterprises is a kind of public-private relationship, i.e., the employer is the whole body of the people while the employees are a part of all the people. So here, the entire output of the wage workers belong to all the people. There is no exploitation in this relationship. But in the case of private enterprises, the entire enterprise is owned by a private individual. Here, the whole of the employed workers' output (including the products of both necessary and surplus labour) belongs to the owner of the concern. So a relationship of exploitation remains.

Because state-operated enterprises belong to all the people, the draft Trade Union Law stipulates that trade unions have the right to take part in the management as representatives of the wage workers and staff members (*Article 5*). They also have the right to represent the workers and staff members at the meetings of the administration (*Article 8*). Since private enterprises belong to private individuals, there the trade unions take part in the labour-capital consultative councils as representatives of the wage workers and staff members.

However, both state-operated and privately operated enterprises alike are beneficial to the nation, to the people and to the working class in that they are increasing and developing production, thus adding to the wealth of the state and the society. In this respect, the workers and staff members in both the state-operated and privately-operated enterprises are similarly serving the nation and the people. Labour is a glorious thing no matter whether one works in a state-operated or privately-operated enterprise. Therefore, *Article 9* of the draft Trade Union Law states that "the trade unions shall . . . in accordance with their constitution and decisions . . . protect the fundamental interests of the working class, . . . educate and organise the masses of workers and staff members to adopt a new attitude towards labour, observe labour discipline, organise labour emulation campaigns and other production movements in order to ensure the fulfilment of the production plans."

These things should be carried out in both state and private enterprises. That is to say, the central task of trade union organisations in private enterprises as well is to increase production. Only in this way will the trade unions be able to take fully into consideration the interests of the working class. On the other hand, owners of private enterprises should rely on the workers in order to carry out production well, the same as the managements of state enterprises. They must therefore change their former practice of imposing oppressive and compulsory controls over the workers and also change their former attitude of looking down upon the workers. They should adopt a frank attitude

towards the workers and employ the method of democratic consultation, thus facilitating the work of the trade unions in mobilising and organising the workers for energetic production.

Meanwhile, the trade unions should of course pay attention to the daily welfare of the workers and staff members and see to it that the private owners really carry out all government orders regarding labour protection (*Article 7*), so that the aim of benefiting both labour and capital in order to develop production can be realised. To sum up, although state-operated and privately-operated enterprises are different in character, they should, in general, be considered of equal importance in regard to the question of promoting production and improving labour conditions.

4.—REGARDING THE BASIC ORGANISATIONS OF TRADE UNIONS.

By basic organisations we mean the basic trade union committees in the factories, mines, business establishments, farms, institutions, schools and other productive or administrative units. These are the most fundamental links in the trade union organisational system. In productive enterprises, the central task of the trade union committees is to educate and organise the masses of workers and staff members in order to help them to adopt a new attitude to labour, to observe labour discipline, to organise production emulation campaigns, to protect public property and to oppose embezzlement, extravagance and bureaucracy so as to ensure the completion of the production plans. In administrative institutions, the central task of the trade

union committees is also to educate and organise the staff members in order to help them to adopt a new attitude to labour, to observe labour discipline, to organise emulation campaigns, to raise labour efficiency and accuracy, to oppose red tape and procrastination, and to struggle against bureaucracy so as to ensure the completion of the administration's plans.

As to the basic trade union committees' tasks of safeguarding the daily welfare of the workers and staff members, of promoting all sorts of mutual-aid, cultural and recreational activities and other educational and organisational projects, these tasks are just the same both in productive enterprises and in administrative institutions. Consequently, if a basic trade union committee is sound and strong, and if it can rally the whole body of the workers and staff members to struggle for the fulfilment of the production plans, this is the management's best guarantee for carrying out its tasks. Therefore, not only the managements of state-operated enterprises, but also the enlightened capitalists and factory managers of privately operated enterprises are willing to have sound basic trade union committees in their enterprises.

In order to strengthen and consolidate the basic trade union committees it is necessary to furnish all necessary conditions and facilities. Thus, *Articles 18, 20, 21 and 22* of the draft Trade Union Law provide that the basic trade union committees shall enjoy and receive certain rights as well as definite material assistance from the management. These conditions are essential for the basic trade union committees to carry out their tasks.

The Chinese working class, under the leadership of the Chinese Communist Party, has been struggling for nearly 30 years for the freedom to organise trade unions and has paid a very high price in terms of sacrifice and bloodshed. The famous big strike of February 7th, 1923 was also part of the struggle for the freedom to organise trade unions and as a consequence the strikers were ruthlessly massacred by imperialist henchmen and feudal warlords of those days. During the 28 years since then, the Chinese working class, under the leadership of the Chinese Communist Party and Chairman Mao Tse-tung, has developed the struggle for the freedom to organise trade unions into a revolutionary struggle against the rule of imperialism, feudalism and bureaucratic capitalism. The Chinese working class has suffered continuous suppression, persecution and slaughter; many advanced leaders and outstanding members of the working class have sacrificed their lives.

Now, victory is finally won. The reactionary regime has been overthrown, and the people's State power, led by the working class, has been established. Only now can the working masses attain real freedom to organise trade unions, attain full political freedom and rights and propose such a progressive draft Trade Union Law which is beneficial to the working class and to all the Chinese people.

We ask the Central People's Government Council to adopt the draft Trade Union Law because it meets the demand of the broad masses of the workers and is in complete conformity with the spirit of the Common

Programme of the Chinese People's Political Consultative Conference. We are certain that the promulgation of the Trade Union Law will accelerate the development of our trade union organisations and help them become a strong bulwark of the People's Government. The Law will certainly heighten the consciousness of the working class and will rally the broad masses of the workers solidly under Chairman Mao Tse-tung's banner in the struggle for a fundamental turn for the better in China's financial and economic situation.

PROVISIONAL RULES
OF PROCEDURE FOR SETTLING
LABOUR DISPUTES

Article 1.

These Rules are drawn up for the purpose of precisely defining the procedure for settling labour disputes in order to carry out the policy of developing production and bringing about a prosperous economy by taking into account both public and private interests, and by benefiting both labour and capital.

Article 2.

All labour disputes in publicly-owned or privately-owned enterprises, or in enterprises operated by co-operatives shall be dealt with according to the procedure laid down in these Rules.

** Drafted and made public by the All-China Federation of Labour for the consideration of its affiliated trade union organisations which will undertake to make recommendations to the local people's governments for framing detailed procedures in accordance with local circumstances.*

Article 3.

The scope of the labour disputes referred to in these Rules is as follows:

- (a) concerning labour conditions of the workers and staff members (wages, working hours, living conditions, etc.);
- (b) concerning the engagement, discharge, commendation or discipline of the workers and staff members;
- (c) concerning labour insurance;
- (d) concerning working rules in the enterprise;
- (e) concerning collective agreements, labour contracts, and other matters concerning labour disputes.

Article 4.

The Labour Bureaux of the people's governments shall be the organs for mediation and arbitration in all labour disputes.

Article 5.

In cases where disputes arise or where one party considers that the other party has violated collective agreements, or labour contracts or has been guilty of other unreasonable acts which cannot be settled by mutual consultation, the workers and staff members in enterprises and their trade unions, the managements of publicly-operated enterprises, owners of privately-operated enterprises and their guilds, shall have the right to appeal to the Labour Bureaux in accordance with these Rules.

Article 6.

The first step in the procedure for settling labour disputes shall be consultation between the two parties; the second step shall be mediation by the Labour Bureau and the third step shall be arbitration by the arbitration committee established by the Labour Bureau.

(a) Labour disputes in publicly-operated enterprises or enterprises operated by cooperatives, in cases where no settlement can be reached by consultation in the enterprises, shall be dealt with by consultation between the trade unions and managements at a higher level. If this fails to produce agreement, the disputes shall be submitted to the Labour Bureaux of the people's governments at the corresponding level for mediation or arbitration.

(b) Labour disputes in privately-operated enterprises shall first be dealt with by consultation between the trade unions and the employers in the enterprises. In cases where no settlement can be reached the disputes shall be settled by consultation between representatives from the trade unions and employers' guilds at a higher level.

If this fails to produce agreement, the disputes may be submitted to the Labour Bureaux for mediation or arbitration.

Article 7.

When agreement in a labour dispute in any enterprise is reached, it shall be signed by the representa-

tives of both parties, and submitted to the local Labour Bureau for registration.

Article 8.

When a labour dispute in any enterprise is referred to the Labour Bureau for settlement, it is necessary to fill in an application form. The Bureau may set up an investigation and mediation committee to undertake investigation and mediation. Should such mediation succeed, the agreement reached shall be signed by the representatives of both parties for registration. Should such mediation fail, the Labour Bureau shall set up an arbitration committee to arbitrate. The award rendered by the arbitration committee shall be signed by the representative of the Labour Bureau who presides over the committee, and after the award is approved by the Director of the Labour Bureau it shall be notified to both parties to the dispute which must carry it out.

Article 9.

Both parties shall abide by and shall not violate any agreement reached in the course of consultation, mediation or arbitration. In case of violation by one party, the other party may appeal directly to the Labour Bureau.

Article 10.

If one party to a labour dispute in a publicly-operated or privately-operated enterprise or in an enterprise operated by cooperatives, disagrees with the award rendered by the Labour Bureau, it must inform

the Labour Bureau thereof within five days after the award has been rendered and must lodge an appeal with the People's Court for a verdict. Failing this, the award of the arbitration committee shall have legal effect.

Article 11.

After a dispute has broken out, both parties, during the period of consultation, mediation or arbitration, shall maintain the status quo in production. The management should not resort to a lockout, suspend payment of wages, cease providing meals or take any other measures which lower the workers' living conditions. Labour shall also maintain production and observe labour discipline. After arbitration by the Labour Bureau, even if one party disagrees and calls for settlement by the court, the two parties shall nevertheless abide by the arbitration award pending the verdict of the court.

Article 12.

In handling any dispute, the Labour Bureau shall have the right to summon both parties and their representative organisations to a hearing. The parties to the dispute, after having received the summons of the Labour Bureau, shall appear at the place designated and at the time appointed for the hearing without fail. If one party is unable to appear they may appoint a proxy who shall be permitted to attend only after approval has been obtained from the Labour Bureau.

Article 13.

In the event that either of the two parties is found to be committing illegal acts during the period of mediation or arbitration, the Labour Bureau may bring the party concerned before the People's Court for trial.

Article 14.

These Rules shall come into force from the date of their promulgation. The right of interpretation and amendment shall be vested in the People's Government.

LABOUR-CAPITAL CONSULTATIVE
COUNCILS IN PRIVATE
ENTERPRISES*

1. In accordance with the policy of the People's Government "to develop production and bring about a prosperous economy by taking into account both public and private interests, and by benefiting both labour and capital," labour-capital consultative councils may be established in private industrial and business enterprises with the mutual consent of both labour and capital, in order to enable labour and capital to conduct consultations on various concrete problems concerning the improvement of production, business, and the treatment of staff members and workers.

2. Labour-capital consultative councils shall in general be established in privately-owned factories or business establishments employing 50 or more persons. Those enterprises employing less than 50 persons may do as they see fit in accordance with the actual situation

* A directive issued by the Ministry of Labour.

and in the spirit of this directive. Both labour and capital in a particular industry or trade in one and the same city, if they deem it necessary, may set up a labour-capital consultative council covering that industry or trade.

3. Labour-capital consultative councils are organisations in which labour and capital enter into consultations on a basis of equality. The councils bear no business or administrative responsibility.

4. A labour-capital consultative council shall, in principle, comprise an equal number of representatives elected or appointed by organs representing labour and capital. (In the labour-capital consultative council for an enterprise, the owner or his representative, the factory manager, and the chairman of the trade union shall be ex-officio representatives.) The number of representatives from both sides, preferably from two to six each, shall be determined by both sides by mutual agreement.

5. Representatives to the labour-capital consultative councils shall remain in their posts for as long as possible. Once chosen, their names shall be made known to the other side. Both sides, however, have the right, if necessary, to change their representatives.

6. The labour-capital consultative council in an enterprise shall hold meetings at regular intervals. The number of meetings to be held each month is to be determined by both sides by mutual agreement. Apart from the regular meetings, the council may meet, if necessary, at any time on the recommendation of one

side and with the approval of the other. In principle, council meetings shall not interfere with working hours. The labour-capital consultative council in a particular industry or trade need not have regular meetings, but meetings may be convened at any time when deemed necessary by both sides.

7. The position of chairman of a labour-capital consultative council shall be held alternately by the representatives of labour and of capital. Council meetings shall be convened by the chairman.

8. Labour-capital consultative councils, with the mutual consent of both labour and capital, may enter into consultation on any of the following matters:

- (a) matters concerning the drawing-up and signing of collective agreements, and the implementation of the provisions of collective agreements;
- (b) matters concerning the examination, discussion and fulfilment of production plans; improvement in the quantity and quality of production; and economy in the consumption of materials and equipments;
- (c) matters concerning improved organisation of production, such as the allocation of labour power, readjustment of machinery and tools and the distribution and supply of raw materials;
- (d) matters concerning the improvement of technique, working methods, efficiency and the raising of the technical level of the workers.

- (e) matters concerning business and administrative improvements, introduction and revision of factory regulations and the system of granting rewards and applying disciplinary measures;
- (f) matters concerning the engagement, discharge, promotion or demotion of staff members and workers; and other personnel matters;
- (g) matters concerning wages, working hours, treatment and welfare facilities for staff members and workers;
- (h) matters concerning security, sanitation, and treatment of staff members and workers in case of illness, injury and death, incapacitation and maternity.

9. Both labour and capital shall have the right to submit to the labour-capital consultative council, through their representatives, any motion for discussion. When necessary, the chairman of the council may invite the sponsor of the motion or the parties concerned to the meeting to make a report.

10. In the course of carrying out consultation, the labour-capital consultative councils shall observe the following procedure:

- (a) Both labour and capital must notify each other in advance through their representatives of matters which they wish to bring before the council for discussion, so that representatives of both sides may have time to make a preliminary study of the subject, and hear

opinions from the quarters concerned and from the staff members and workers.

- (b) During the meeting, the chairman of the council shall bring up for discussion the various items on the agenda, as agreed upon in advance, with a view to reaching agreement.
- (c) Agreement on general issues shall become valid when consent has been given by representatives of both sides. Agreement on a comparatively important issue shall become valid only after it has been reported to and approved by all the staff members, workers and other parties concerned.
- (d) Any extemporary motion may be introduced at the conclusion of the prepared agenda and may be discussed only with the mutual consent of both sides.
- (e) Agreement on comparatively important matters must be recorded in the minutes of the meeting in triplicate, approved and signed by both sides, one copy of which shall be retained by each side and the third forwarded to the local labour bureau for registration.

11. Matters agreed upon must be reported by the representative of both labour and capital respectively to the staff members and workers concerned. Labour and capital may also jointly convene meetings and make reports on matters agreed upon and they must be responsible for their enforcement. Matters not yet agreed upon may be studied and discussed after the meeting by both sides respectively in order that they

may be brought up again at the next meeting for further consultation.

12. Should any dispute arise during the meeting and no settlement can be arrived at, it shall be settled in accordance with the Rules of Procedure for Settling Labour Disputes.

13. Agreements concluded between labour and capital must not violate any government law or decree, or any provision of collective agreements. Revision of collective agreements, where necessary, must be made in accordance with the same procedure by which they were originally concluded.

14. Local labour bureaux, upon receiving this directive, must discuss with representatives of local trade union organisations and of organisations of local industrialists and merchants how to implement the provisions of this directive so that they may be carried out in a prepared, systematic and gradual way with the mutual consent and free will of both labour and capital. Local labour bureaux are hereby instructed to report to the Ministry of Labour as to how this directive is being carried out together with whatever experience they have gained in this connection.

PUBLICATIONS ON CHINA

	STANDARD EDITION	POPULAR EDITION
On People's Democratic Dictator- ship (By Mao Tse-tung) . . .	US\$0.15	US\$0.10
On the Party (By Liu Shao-chi)	0.50	0.30
China's Youth March Forward . . .	0.30	0.20
The Chinese People's Liberation Army	0.30	0.20
The Common Program and Other Documents of the First Plenary Session of the Chi- nese People's Political Con- sultative Conference	0.15	0.10
The Agrarian Reform Law	0.15	0.10
The Marriage Law	0.10	0.05
The First Year of Victory	0.30	0.20
Internationalism and Nationalism (By Liu Shao-chi)	0.15	0.10
Culture and Education in New China	0.30	0.20
China's Railways	0.15	0.10

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