Approved FORMATION REPORT CD NO. 25X1A

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COUNTRY	Lagso/China		DATE DISTR.	12 Mar	52
SUBJECT	Left-Wing Labor Reaction to Liquidation of Lacao Bus Company		NO OF PAGES	2	25V1A
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- the Macao Bus Company, which in the latter part of 1951 had been operating with a monthly loss of more than 10,000 patacas, announced that it would suspend business on 1 January 1952, and requested the Macao Government to auction off the company's assets. On 30 December, LIU Chih-pinl, leader of the pro-Communist workers in the Macao Bus Company, called a meeting at which it was resolved to demand special wages from the company, and to destroy the busses if the demand was refused. At the company's request, police were posted to protect the busses.
- 2. When the macao Bus Company stopped operations on 1 anuary and paid all workers their wages for becember and January, the left-wing workers, on instructions from the macao Labor Union, refused to accept the wages. About seventy of these workers held a meeting in front of the bus garage to elect representatives who should ask the macao Government to allow the workers to run the bus company. For several days after this meeting some forty left-wing workers stayed at the company garage with the intent of stealing the busses and driving them into Communist China.
- 3. After two more meetings, one of which was dispersed by the Macao Police, the left-wing workers sent representatives to the Macao Government with the following requests, none of which was granted:
 - a. The Government should force the company to pay the workers six months' wages as severance pay.
 - b. The workers should be allowed to run the company during its liquidation.

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- o. The Government should guarantee that any new company would employ all the old workers.
- 4. The Macao Labor Union sent cables to Pciping and Canton requesting support for the bus workers. A local Supporting Committee was formed on 11 January. The Macao Labor Union requested donations for the workers, and various processments tabor associations contributed over 3,000 patacas to this cause.
- 5. MA Wan-ch'i, vice chairman of the Macao Chinese Chamber of Commerce, went to Canton to report the bus strike to the Kwangtung Provincial Labor Union, which subsequently ordered the macao Isbor Union to fight to the end.
- 6. On 18 January the Macao Bus Company was sold for HK \$350,000 to the Fu Li () Bus Company, Limited. This new company was organized by P. J. Lobe, LIANG Chiang, CHUNG Tru-kuang, HO heien, and LIU Heng-chung. On the same day LIU and Peter Poeng () went to the Lacao Bus Company to take over all the equipment for the new company, which intended to resume operations on all lines on 21 January, after the busses had been repaired. The right-wing (sic) workers were dismissed with an additional three months, wages.

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Gomment The dismissal of the left-wing trouble-makers would appear more reasonable, and may have been what occurred. However, the Lobo group have been consistently reported as conciliatory to the Chinese Communists in Macac.

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