

A FEW QUESTIONS CONCERNING TRADE UNION WORK

July 23, 1949

Comrades,

Marked success has been achieved in trade union work in various places since the Sixth All-China Labour Congress of August last year²⁷⁹ and the subsequent re-establishment of the All-China Federation of Trade Unions. Today, when the Chinese people's democratic revolution has all but achieved nationwide victory, the convening of a national conference on trade union work is of great significance. It has tremendous tasks to fulfil.

(1) We must first of all have a clear understanding of the present status of the working class. In new-democratic China, the working class has already achieved political liberation, and the workers themselves have personally experienced this. They are no longer the ruled, but the ruling class, the leading class in the new-democratic state power. They are masters of the new-democratic country. The workers and staff of enterprises owned by the new-democratic state have achieved economic as well as political liberation. They have been freed from exploitation because, instead of working for the capitalists, they now work for the country, the people and the working class itself. State-run enterprises belong to the state, to the people and, first and foremost, to the working class. Workers and staff in private capitalist enterprises have not yet gained full economic liberation. They are still subject to capitalist exploitation, which can only be kept within certain limits, and not eliminated, in the new-democratic period. However, these privately owned capitalist enterprises are under the control of the new-democratic state power. They can only operate within the guidelines set by this new state power led by the

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working class. Workers and staff in privately owned capitalist enterprises under the new-democratic state power, therefore, must voluntarily accept the economic policy of benefiting both labour and capital. This policy of permitting the existence of private capital and benefiting both labour and capital will remain a necessity for a long period of time. Only when the Chinese working class has exercised effective leadership in new China, carried out successful national construction and gradually transformed our agricultural country into an industrial one, will it be possible for us to effect the transition of New Democracy to socialism and for the working class to achieve complete liberation of its own. Herein lies the fundamental interest of the working class. To this end, the voluntary acceptance of limited capitalist exploitation at the present stage means subordinating limited and immediate interests to fundamental and long-term interests. We Communist Party members and trade union people must educate the workers and lead the trade unions in this spirit. Otherwise, we will become infatuated with economism and "tailism" not worthy of the vanguard of the proletariat, and we will be unable to correctly organize the workers and guide them in accomplishing the historical new-democratic mission of realizing the transition to socialism. Why must we do this? Because in the present stage it is politically necessary for the working class to unite with the national capitalists who are willing to co-operate with us in a joint struggle against imperialism, feudalism and bureaucrat-capitalism. And because China is still economically backward, as can be seen from the fact that modern industry contributes only about 10 per cent and agriculture and handicrafts about 90 per cent of the national economy. As Comrade Mao Zedong pointed out, "this is our basic point of departure for all questions during the period of the Chinese revolution and for a fairly long period after victory."²⁸⁰

(2) Precisely because the working class is the leading class in the new-democratic state, it exercises not only political leadership over the bourgeoisie but also economic leadership over the private capitalist economy through the state power it leads and the state economy it guides. It does this so that, in accord with the principle of considering both public and private interests and benefiting both labour and capital, the private capitalist sector will contribute to the development of production and the national economy. Private capital must be restricted so that it cannot dominate the nation's economy and the people's livelihood but, instead, function in a way not harmful but

beneficial to the national economy and the people's livelihood. At the same time, however, we must keep in mind Comrade Mao Zedong's instruction: ". . . In the interest of the whole national economy and in the present and future interest of the working class and all the labouring people, we must not restrict the private capitalist economy too much or too rigidly, but must leave room for it to exist and develop within the framework of the economic policy and planning of the people's republic."²⁸¹ In the current stage, the private capitalist economy that operates within the framework of the economic policy and planning of our people's republic is an indispensable part of our national economy as a whole, a force that cannot be ignored. As the leading class in the new-democratic state, the working class should not only regard the state economy as part of its wealth but also regard the private capitalist economy as part of the social wealth of the state under its leadership.

(3) In addition to engaging in production, therefore, members of the working class in state-run enterprises should learn management and administration and improve their cultural knowledge and political understanding. Workers in these enterprises are part of the working class, and so are their administrative cadres. There should be no conflict whatsoever between the two. Certain disharmonies that now prevail result either from a tendency among the workers towards economism or from a bureaucratic tendency among the administrative cadres. Trade unions in state-run enterprises should recognize the existence of these tendencies as an ideological trend among a section of their members and should correct them through criticism and education. It is, of course, wrong for these trade unions to set themselves against the administrative cadres by supporting the tendency of economism among backward workers; it is not correct, either, for them to adopt an antagonistic approach in trying to combat the bureaucratic tendency among these cadres. On their part, the administrative cadres should value trade union work and give it all possible support, thus enhancing the prestige of trade unions among the workers. It should be understood that production management under New Democracy is fundamentally different from that under bureaucrat-capitalism in that we rely on the workers' voluntary will whereas bureaucrat-capitalism resorts to their coercion and oppression. That is why democratic management and the democratic work style of the administrative cadres assume particular significance. Good trade union work will make it easier to practise democratic management

and give scope to the labour enthusiasm of all the workers and staff for increased production. In short, the administrative cadres in state-run enterprises who manage production on behalf of the state, the workers in these enterprises who are directly engaged in production and the trade union cadres there — they all belong to the working class. Their tasks are identical, that is, to do a good job of production. The working class requires this as well as the state.

In privately owned enterprises, there exist two antagonistic classes, the capitalists and the workers. As an organization of the working class, the trade unions should unswervingly protect its interests. The interests of the working class, however, do not mean unlimited increases in wages and unlimited raising of living standards, which reflect economism and the demands of backward workers, not the real interests of the working class. In the new-democratic state, trade unions in private capitalist enterprises should so educate their workers that they will know what is the fundamental, long-term interests of their own class, devote themselves to the development of production in line with the principle of benefiting both labour and capital, and learn through productive activities and improve themselves. Of course, government decrees and supervision alone are not enough to ensure the implementation of the principle of benefiting both labour and capital in private enterprises. The capitalists use every means to cheat the workers and intensify their exploitation. The above principle can be implemented only through certain appropriate forms of struggle by the workers. In this struggle between the workers and the capitalists, the trade unions should act firmly on behalf of the workers.

(4) Does this mean the trade unions should not seek any possible improvement in the livelihood and welfare of the workers? No. The Party, the trade unions and, above all, the People's Government must ensure a minimum livelihood for the workers and, where possible, seek to improve it. But such improvement is feasible only when production has increased. Although we have liberated many large, medium and small cities, generally speaking we cannot yet improve the workers' livelihood very much apart from ensuring the satisfaction of their minimum requirements. (Of course, their political life has changed fundamentally, now that they are emancipated and free.) The reason is twofold: First, the cities in old China, particularly the large ones, owed their "prosperity" to an imperialist-colonialist economy built on the cruel feudal exploitation of the peasants. Generally speaking, it will take a fairly long time to transform them into new-

democratic, productive cities and they are now in a transition period. Second, in addition to the war devastation over the past decade and more, the cities ruled by the reactionaries were encircled and blockaded by the countryside where the revolutionary forces were based. Now these cities have been liberated, but it will take quite some time to restore the long-disrupted economic ties between these cities and the countryside and establish a new, mutually helpful urban-rural relationship. We are now going through a transition period as far as this objective is concerned. For these major reasons, we have found it rather difficult to resume and sustain industrial production in the many newly liberated cities, let alone plan for any development. Many state-run enterprises are barely able to maintain production with state subsidies. Because of high costs, the products of many enterprises cannot compete with foreign goods at all, and these enterprises can survive only thanks to current import-export controls. It is essential to guarantee a minimum living standard for the workers under present circumstances, and we should persuade them to work hard to tide over the present difficulties. How can we afford to take any further steps and improve the workers' conditions and increase their pay? Of course, where the situation is better (in the Northeast, for instance), the workers' livelihood can be slightly improved when conditions permit. At the same time, it should be noted that some special profits gained under special circumstances are not the kind of surplus value the workers created with their labour under normal conditions. Such profits should go to the state in the form of taxes and then used to support the war effort and contribute towards our investment in industrialization. In no way should they be turned into profits of the capitalists or be used to increase the wages of some workers so that their living standards rise conspicuously compared with that of the others. The Kuomintang bureaucrat-capitalist practice of paying conspicuously high wages to workers in the mills under the China Textile Corporation is designed to buy them off and disrupt the unity of the working class. We should never do this. Our policy is to develop production and, on this basis, improve the workers' livelihood to the extent possible. The fact is that, with the growth of production, the wealth of the people will increase and, as a consequence, the living standards of the people — including the workers' — will rise. To make workers' higher incomes a precondition for the growth of production is to put the cart before the horse. It would be suicidal to attempt to

improve their livelihood at the expense of the development of production.

In summary: The ultimate aim of the revolution is to develop production. This is necessary in order to support the on-going War of Liberation. It will become all the more necessary, particularly in industry, when we build a new China and transform it from an agricultural country into an industrial one, from a new-democratic country into a socialist one. Thus it is the desire of our Party, the working class and the entire Chinese people to develop production, and industry in particular.

As an organization of the working class, the trade unions in a new-democratic state should direct their primary efforts towards increasing production. In private enterprises struggles against the capitalists should serve the principle of benefiting both labour and capital and developing production. In state enterprises, it is all the more imperative to unite the workers and staff and overcome bureaucracy in order to increase production.

The trade unions should also serve as a kind of school for the working class — a school to teach production management and impart class education to the workers.

Finally, the trade unions are an indispensable pillar of the new-democratic state, and a transmission belt between the Party and the workers. Through the unions, the Party's industrial policies and planning as well as policies concerning wages and labour-capital relationship become known among the workers and are then implemented through their effort. Comrades in the trade unions should, therefore, strive to make their organizations a most important lever by which the Party, through its link with the worker masses, implements its policies in industry and among the workers themselves.

I've made the above remarks for your reference during discussions.