By the end of 1952 the major preliminary tasks of the regime had been accomplished. Social order had been established, and China's industrial base had been rehabilitated. The inflationary spiral had been broken as early as March of 1950, and control over the country's fiscal system established in 1951. The influence of remaining class enemies had been largely eliminated. In 1953 China's first five-year plan began and with it China's attempt at implementing the Soviet model of industrial development. The major characteristics of that model were centralized planning of the economy, including the establishment of production and growth targets for industry, agriculture and other economic branches, the priority of industrial investment over consumption, the priority of investment in heavy over light industry, and organization and control of the economy by large ministerial bureaucracies.

At the same time a major effort was made to introduce the Soviet system of one-man management in Chinese factories. Even before that time the system was in operation in factories where Soviet influence was prominent, especially the joint Sino-Soviet factories at Dairen and the heavy industrial factories of Manchuria. Its basic feature was vertical command, from a single plant manager to shop supervisor to section chief to production team heads. Managers received directives from, and were directly responsible to, the central ministries. Their jurisdiction within the factory was, in theory, all inclusive. The role of the Party committee was therefore reduced to ideological guidance of the manager, and union-worker participation in management atrophied. In a later criticism of this development concerning worker participation,
Li Hsüeh-feng addressed the Eighth Party Congress as follows:

Conferences and delegate conferences of workers and staff members which in themselves are one of the best ways to promote democracy in the enterprises are often turned into meetings at which the leadership assigns tasks and the masses give their pledges. The mass of the workers and staff members describe such meetings as occasions when "the director makes a report, the Party committee gives instructions, the trade union issues a call, and the masses give their pledges."3

Formal union functions remained relatively unchanged from the previous period, but introduction of the Soviet model profoundly changed actual union tasks. The pattern of union performance during this period definitely emphasized production and labor discipline, to the neglect of welfare and political education.

The san-fan and wu-fan movements and an "anti-bureaucratism" campaign which followed it in 1953 were the first steps in China's transition from an initial period of economic rebuilding and political consolidation to a period of rapid industrialization and "transition to socialism." An initial problem was to restore production, especially in private industry, since those movements had paralyzed local initiative. The unions were also being structurally reorganized in preparation for an intensified industrialization drive. The unions were to concentrate all their attention on production and political education. They were to "avoid unimportant duties that have little to do with production or the masses," avoid encouraging workers into spare-time activities, and abolish unnecessary committees and reduce administrative overhead.4 According to Lai Jo-yü, at the Seventh Trade Union Congress, "the most important task of the trade unions is to unite and lead all workers, technical personnel and other employees so that they may consciously and actively develop production."6

Management was not responsible for production planning and enterprise administration. The Party committee, assisted by the unions and the Communist Youth League, was responsible for
mobilizing the workers for production. Direct Party control of union activities increased significantly as the Party committees were freed from managerial responsibilities. Union functions were oriented away from the rather broad diversity of the previous four years to concentrate on mobilizing workers for production.

Production, Political Education and Welfare

Emulation campaigns continued to be praised as the primary method for increasing production. But the new orientation brought with it an emphasis on labor discipline and individual responsibility that was absent during the early years of the regime. Not only was the honeymoon over, but the system of one-man management itself was designed to function on the basis of factory discipline rather than the production-floor spontaneity of political mobilization by union and Party cadres.

The problem of labor discipline was indeed a serious one. By the end of 1953 the number of industrial workers had more than doubled since 1949, from 3,004,000 to 6,188,000. A major campaign to increase labor discipline was conducted in two surges, in the summer of 1953 and the summer of 1954, in an effort to reduce absenteeism among new workers still closely tied to rural families. They also came at a time of year when heat and ventilation problems exacerbated unfavorable working conditions. The Party's answer to the universal problems of labor discipline in an underdeveloping country, such as the immature and rural nature of the work force, and factory working conditions, had been political education toward workers self-discipline. That solution had been inadequate, and leadership cadres charged with politically educating the workers were severely criticized.

In an effort to strengthen labor discipline, the Party took the first steps. But most of the actual work was assigned to the unions, under Party leadership. The suggested methods for improving the situation were to increase and improve political education, assist management to improve factory conditions, and increase
management control within factories. \textsuperscript{10} In fact, improvements in factory conditions were slow to appear, and even political education was often replaced by management control and punishment. According to early pronouncements, continued emphasis on educational persuasion was not meant to rule out punitive action when warranted.\textsuperscript{11} Within a short time the "erroneous adoption" of "rash methods of punishment" in place of education was being criticized, but punitive measures "when necessary" continued to be sanctioned.\textsuperscript{12}

In the summer of 1954 new labor regulations, similar to those in the Soviet Union, were promulgated, stipulating penalties for absenteeism, tardiness and violations of factory regulations.\textsuperscript{13} According to later criticism, management took advantage of the labor discipline campaign to adopt harsh punitive methods and to shift responsibility for accidents onto the workers.\textsuperscript{14} The unions themselves had to be warned against punitivism in their own work and to oppose punitivism by management.

To assist in the enforcement of labor discipline, workers' courts were established in major industries. These courts were set up and directed by the People's Courts, guided by the unions, and staffed by workers and employees. Modeled on the Soviet comradely courts, these organizations were established to settle minor discipline cases directed to them by management.

In production work, increased sophistication and professionalism accompanied the Soviet model. Improvements in technique and quality control were added to shock tactics in the emulation campaigns.\textsuperscript{15} The propaganda efforts accompanying the campaigns emphasized the need for labor discipline and personal austerity rather than patriotism and working class superiority. Political education was largely replaced by labor discipline, and the hours actually devoted to political study decreased sharply.

Workers' welfare was also neglected. Average wages increased much more slowly than previously and fell far behind increases in labor productivity.\textsuperscript{16} Labor insurance coverage was increased
significantly by revisions in the regulations in January of 1953, but even then labor insurance coverage remained relatively small. In 1954 and 1955 increases in labor insurance coverage barely kept pace with increases in the number of workers and employees even though universal coverage had not been approximated.

It is almost impossible to draw precise conclusions from the incomplete and confusing data available on communal labor insurance facilities, except to say that they have consistently been inadequate to serve China's work force and have been limited almost entirely to large factories engaged in heavy industry. Little was also done to protect the workers' safety or to enforce good working conditions, and union responsibility was secondary to that of the Ministry of Labor and its branch bureaus. The unions were assigned the task of assisting and supervising management and mobilizing the workers to do likewise on a day-to-day basis. However, the ACFTU did not convene its first national conference on labor protection until 1955. At that time basic-level unions were instructed to set up labor protection working committees, indicating that this had not been done previously.

Party-Union Relations

In the midst of these changes, the unions were once again criticized for bureaucratism and divorce from the masses in late 1954 and 1955. In many unions, it was charged, all decisions were made by one person or a small group, and meetings were not held, so there was no mass participation or collective leadership in union work. Union cadres considered themselves a "special group" and did not rely on activists. Moreover, they failed to show interest in workers' welfare or to relate political education to the workers' own lives and problems.

There seem to have been good reasons why the unions continued in their bureaucratic ways despite the Party's admonitions in 1953. In this case, the charge of bureaucratism denoted a burgeoning professionalism within the unions, under the impetus of the strict
division of responsibility and professionalism of the one-man management system.

We may also assume that Party leadership also contributed to this trend. Direct Party leadership over union work led the unions to abdicate responsibility for working with the masses. With its mass work largely taken over by the Party committees, the unions would be further motivated to concentrate on their own bureaucratic work. This was always a temptation because the unions' paper work was both prodigious and unavoidable. In addition, while the call in 1953 for Party leadership in union work had been implemented, the verbal emphasis on political education had not been realized in fact. In any case, Party leadership over the unions was very strong by the summer of 1955, but the situation was further complicated by the socialization of private industry.

Trade Unions and the Socialization of Industry

Between 1949 and 1953 the number of private industrial establishments in China steadily increased, as industrialization was encouraged with no corresponding effort to socialize enterprises. In 1954 that trend was reversed; in 1955 the number of private enterprises decreased sharply; and by the end of 1956 almost all enterprises had been converted to joint state-private ownership.24

While this change took place primarily in 1956, the unions were being prepared for it during the preceding years. The fact that the unions had a role to play in the socialization process was publicized periodically since late 1953. Before socialization the unions were to educate the capitalists to apply to the government for joint ownership of their factories and to call meetings of workers and office employees "to dispel their fears." After joint management was established, the unions helped state managerial personnel familiarize themselves with factory conditions and assisted in such routine tasks as stocktaking and "arranging personnel." The need to "dispel fears" referred to fears that wages
would decrease in factories being socialized, fears that were apparently well founded. As the Party prepared to socialize industry, an attack was initiated against the unions in private factories to correct two different types of problems. The first was the corruption of the unions by capitalists. As an indication of the seriousness of this problem, the results of investigations in Tientsin and Canton were publicized in February and March of 1955 indicating that most factory-level unions were being co-opted. The second problem, related to the first, was the failure of unions to supervise management to prevent shock tactics and excessive overtime in production campaigns, leading to an excessive number of industrial accidents, and punitivism in the enforcement of labor discipline.

A third criticism of union work lay in the opposite direction and was directed at union officials in factories already converted to joint ownership. They were charged with opposing management, continuing the class struggle, and failing to cooperate in production. The change in ownership status changed the nature of labor-management relations and demanded a greater emphasis on production.

The socialization of industry brought with it a fundamental change in the unions' role in Chinese factories. Before 1953 the Party had relied on mass organizations like the unions to check on managers, landlords, and others, and the power of those organizations had peaked during that period. They had also played a major role in the socialization of industry. Once the Party had replaced private managers, the unions were no longer expected to play quite the same role of opposition to management. This change in relationships was the major reason for the debate over the proper role of the unions from 1955 to 1957.