Chapter IV

SOCIALIZATION OF INDUSTRY AND THE ROLE OF UNIONS, 1955-1957

In March of 1955 Kao Kang and Jao Shu-shih were expelled from the Party in a major purge and policy reversal that marked the semi-official demise of one-man management in Chinese factories. At the Eighth National Party Congress in 1956 the new management policy of collective leadership by the Party committees, already in effect in most factories by that time, was officially adopted. Under the new system, the function of technical or operational management was separated from policy management. The Party committees were to be responsible for overall policy, formulation of enterprise production plans, and negotiations with central ministries and other outside contacts. The managers were to carry out the plans established by the Party committees.

The years 1956 and 1957 saw the collectivization of agriculture, completion of the first five-year plan and the socialist transformation of industry, a small "big leap forward" in industry and a major wage increase, and the Hundred Flowers campaign. In general, the multi-functional or balanced pattern of union performance was reestablished. But it was also a period of intense discussion over the proper role of the unions in socialized industry.

Production, Political Education and Administrative Tasks

Toward the end of 1955 production-oriented union work shifted once again away from labor discipline to emulation. A major campaign was initiated late in 1955, for example, to complete the first five-year plan ahead of schedule. A second emulation movement launched by the unions at this time was called the advanced
workers campaign. The major tasks of the unions in this campaign reflected a renewed emphasis on balancing labor discipline with political education: to call workers' congresses to discuss rationalization proposals, production targets, previous errors, etc.; to educate the workers to the advanced experiences of both China and the Soviet Union; to organize mutual aid and cooperation; and to eliminate conservative thinking within their own ranks.²

With the shift in emphasis back to emulation campaigns, and especially toward the end of 1956, political education reemerged as the prime method to bolster labor discipline. One cause of the recurrence of problems in labor discipline was the large influx of new workers during 1956. They needed political education to overcome their materialism.³ But the message of political education was still not communistic; temporary sacrifice was necessary as an investment in future material abundance.

A second problem demanding increased political education was that the 1956 wage reform had encouraged an "economic point of view" among veteran workers.⁴ In addition, emphasis on factory democracy and strengthening the workers' conferences had also contributed to a general relaxation in labor discipline and work attitudes.⁵ Finally, the unions were also expected to politically educate ex-capitalists, men who had owned enterprises that were now joint- or state-owned. In most cases, these men were retained in administrative positions and, having become wage earners, were eligible for union membership.⁶

By early 1957 political education emphasized the major themes of the early fifties: current events and international affairs, patriotism, and the Party's current line and leadership role. It also included emphasis on the correct worker attitude toward labor in the new state enterprises.

Union administrative tasks, other than their own organization work, also returned to the forefront, specifically those tasks associated with the workers' conferences, welfare, and non-political
education programs.

Workers' conferences were revitalized in 1956. Union committees were once again charged with convening the conferences and supervising the implementation of conference resolutions between conference sessions as well as the administrative work connected with the conferences. The Party committees were given leadership over the conferences themselves and over the general task of regulating relations between workers and management. Nevertheless, efforts by union leaders to establish a prominent role for workers' conferences were a key issue in the Party-union debate that followed and are discussed in the next section of this chapter.

Welfare work had been badly neglected during the previous years. Because the unions were preoccupied with carrying out production-oriented directives from above, they were not primarily a workers' organization in outlook. They were too busy to check on workers' living conditions or to organize cultural and recreational activities. Moreover, the orientation and preferences of individual union committees had had little relevance because the unions had no power to oppose management decisions. A prime example was labor protection. Despite criticisms in the press during late 1954 and 1955, the imposition of extra work hours, resulting in high accident rates, continued to be common practice in 1956. When union committees opposed this practice, they were accused of economism, and their opposition was overruled in the name of fulfilling production quotas.

In another respect, unions were also relatively helpless to improve welfare conditions. Many of the criticisms of workers' living conditions during this period involved poor housing and deficiencies in insurance and other amenities. The unions had no control over the total funds allocated by the central government for workers' livelihood and welfare, except to report conditions in their area.

A wage reform was carried out in early 1956 to standardize
wage policy throughout the country and to increase wages and emphasize material incentives. Also, labor insurance was now calculated on the basis of wages. A major effort was also initiated during 1956 to alleviate acute shortages in urban housing. The construction of new housing for workers became a publicity item almost as widely exploited as labor insurance had been during the early fifties. The housing problem in China was, however, severe. From 1949 through 1955, per capita urban living space had decreased, especially in rapidly growing industrial centers. Major increases in new construction in 1956 and 1957 barely arrested the decline and were overwhelmed by large-scale migration to urban centers in 1958 and 1959.

Finally, the unions' administrative role in non-political education came into prominence for the first time. Literacy and general education classes for industrial workers have been provided almost exclusively in China by spare-time industrial schools. Technical education to produce skilled workers has been carried out mainly through on-the-job apprentice training. Technical education to produce administrators from the ranks of the labor force has also been through the spare-time schools to some extent, but after the early fifties most potential administrators were sent to full-time schools beyond union influence. Initially, the unions were directly responsible for organizing the spare-time schools and for arranging apprentice-master relations in the factories. Under the system of one-man management these responsibilities had passed to management. After the demise of that system, responsibility became dispersed, with emphasis once again on the unions.

In terms of emphasis and, probably, of long-term effects, the spare-time schools have been the most important method of educating Chinese workers. Nevertheless, the program has had a mixed history. Students and teachers have been poorly qualified, and production demands and political meetings have left little time for study. During the early years of the program literacy classes predominated. Few plants conducted specialized technical courses
until 1955-1956. Education above the literacy level consisted largely of practical demonstrations of basic skills, best handled by experienced workers on the production floor. While more attention was paid to improving and expanding the program in the mid-fifties, new problems were created by the Great Leap Forward and the economic crisis that followed it. Nevertheless, substantial success in eliminating illiteracy among workers has had a major long-term effect on the efficiency and general outlook of China's work force.

Party-Union Relations

By the end of 1955 Party leadership over the unions had been intensified by the union reorganization that accompanied the socialization of industry. Party leadership had become so complete, in fact, that the organizational integrity of the unions was threatened. In September of 1955 an editorial in the Jenmin Jihpao (JMJP) initiated a discussion of union functions and union-Party relations that continued through 1957.

The question was, what role do unions have in socialized industry. In response, a JMJP editorial encouraged Party committees to "bring into full play the supervisory role of trade union organizations over State organs and economic organs." The Party should ensure that the unions carry out Party policies, but not usurp the unions' "concrete tasks." An article by Liu Tzu-chiu went even further. The major problem in union work at that time, Liu argued, was "abject reliance" on the Party, manifested in "complete similarity between, and the indiscriminate mingling together of, tasks of labor unions and of the Party." Although Party leadership over the unions was necessary, the Party and the unions had separate functions.

This theme was continued by Lai Jo-yü at the Eighth Party Congress. According to Lai, the unions spent most of their time carrying out the policies of the Party and government, and this led to divorce from the masses and to bureaucratism. In fact,
two problems were being discussed. On the one hand, the unions were concentrating on carrying out the directives of Party, government and economic organs from above and were therefore neglecting their relations with the workers. Union cadres had begun to consider themselves part of the administrative establishment and issued orders from their offices. Since they were not communicating with the workers, they could not serve as a communication link from bottom to top or carry out genuine political education among the workers. The remedy for this was increased leadership over the unions by the primary Party committees, political education, and prodding union officials to get out of their offices to work with the masses.

The other problem was that in some cases Party committees had "taken everything into their own hands without making use of the unions as an organization." If the unions became organizationally indistinguishable from the rest of the administrative establishment, that also would preclude the unions from effectively carrying out their work of implementing Party policies in light of the concrete circumstances in their own factories. Unless increased Party leadership over the unions was applied in the proper manner and spirit, it could increase the problem rather than solve it.

A similar situation had developed in union relations with enterprise directors. In the process of changing enterprises from private to joint state-private ownership, various forms of class struggle had been intensified. Once the change was made, however, the relationship was also to change. The new relationship was to be one of cooperation and mutual help to accomplish common goals. At the same time, the unions retained the function of protecting the workers against bureaucratism by management, especially over-emphasis on production to the neglect of workers' interests. Workers' interests were to be protected by mass supervision of management by the workers' conferences. In the last analysis, workers' interests were defined as increased production.
In that context, protecting workers' interests meant supervising management to prevent the violation of Party policies and state laws, not to maximize immediate worker remuneration. Nevertheless, union leaders were arguing that the unions and the managers still had different work and different approaches to problems and that the unions ought to provide a forum for worker opinions. In fact, Lai Jo-yü argued that the conferences should provide a vehicle for major decentralization in factory management, that is, direct worker participation in factory decision-making, with the unions playing a major role. The workers' conferences, Lai argued, should have equal status with management.

This entire discussion on the functions of the unions reached a new level in 1957 with the introduction of the Hundred Flowers campaign. By September of 1956 it was evident to Party leaders that the first Chinese "leap forward" in agriculture was a relative failure, due primarily to peasant resistance to collectivization but exacerbated by bad weather during that summer. According to Mao, opposition to the collectivization program was still strong in the winter of 1956-1957. This failure was officially blamed on lower-level cadres. In the press and in many reports and speeches to the Eighth Party Congress in September of 1956, cadres were criticized for commandism, dogmatism, and blind optimism. A rectification campaign was launched to improve cadre work style. In this case, however, the rectification was to include criticism by groups outside the Party, distinguishing the Hundred Flowers campaign from earlier rectifications.

Mao called for "a hundred flowers to bloom and a hundred schools of thought to contend" as early as May of 1956, but the Hundred Flowers campaign did not actually begin until 1957. The idea of letting all schools contend appeared in the union press as early as May of 1956, for example, but all of the criticism of union work that appeared during 1956 was issued by the national union leadership. In February of 1957 Mao reissued his
invitation in his famous speech on contradictions among the people. In the factories union cadres were instructed to mobilize the workers for a major rectification campaign in five stages. The first stage was to be a period of contending and blooming on the mission of the unions. Later stages were to focus on the organizational structure of the unions, systems and procedure work, personnel, and the livelihood and wages of union cadres. The first three stages were still being "consolidated" through the end of 1957, and the five-stage program was never completed.

The first task of the unions in the campaign was to overcome resistance by cadres who did not want to be criticized and by workers who feared retaliation after the campaign was over. This fact in itself was indicative of the general state of affairs. To encourage worker participation in the campaign, a JMJP editorial admitted that several labor disturbances, that is, unauthorized strikes, had occurred in the recent past. The editorial even argued that these disturbances had their "good side" because they exposed cadre errors.

The most dramatic response to the call for blooming and contending in union work was a report on an 8,000 li tour made by Li Hsiu-jen, deputy director of the ACFTU General Office. Li's report and letters of personal experience by other union cadres written in response to the report were published in most of the Chinese press. The unions, these critics argued, did fail to support worker demands and even defended administrators against the workers.

But the reason for this was not only the failings of particular union cadres. The unions were caught between the workers on one side and the administration and Party on the other side. As Party members, union cadres were subject to Party discipline which often conflicted with worker desires. In their relationship to management they were given no support by other organs and were helpless to oppose unreasonable regulations or demands for extra
working hours. If they did resist such demands, they were accused of economism and their opposition was overruled. The lack of mass participation in union work and the failure of workers to attend meetings was caused not only by the bureaucratic work style of individual cadres but also by the fact that the workers had lost respect for the unions.

These criticisms were supported by Lai Jo-yū in an interview with the Kungjen Jihpao (KJJP) that appeared on the same day that Li's "8,000 li Tour" appeared in the JMJP. These reports called for increased union independence, albeit under Party guidance. They also echoed the analysis made earlier by Liu Tzu-chiu, namely, that over-reliance on the Party, as it was developing after the state assumed control of industry, inhibited the transmission belt function of the unions in both directions. It would also seem that this position had support from within the top Party leadership outside the ACFTU. According to Li Hsiu-jen, he had made his 8,000 li tour accompanied by a "responsible comrade" from the central government to secure support for the unions from the central leadership.

During the Cultural Revolution Liu Shao-ch'i was accused of being the actual instigator of the trip although he was also accused, of course, of instigating all other erroneous or superceded union policies. Liu's remarks at the Eighth Party Congress were more guarded but in the same direction as those by Lai Jo-yū: "A system of leadership which combines collective leadership with personal responsibility, with the Party as the nucleus should be set up in all enterprises...all day-to-day affairs should be handled according to the principle of division of labor and fixed responsibility."

The openness of the call for operational independence for the unions was no doubt encouraged by the general Hundred Flowers policy. Its reversal came with the reversal of that policy. One reason for Mao's speech had been to encourage criticism of cadre performance. Once the initial reluctance to "blooming and contending" was overcome, the response far exceeded his intentions,
attacking the "dictatorial" leadership of the Party itself.

When Mao's speech was finally published in June of 1957, it signaled a reversal of the rectification campaign. Included in the June version were six criteria by which "blossoms" could be distinguished from "weeds." Cadres guilty of various errors, especially criticism of the Party's leaders, remained under attack, and future criticism was to be limited to individual cadres. An anti-rightist campaign was also initiated against those who had abused the Party's invitation to criticize and had "attempted to undermine" its leadership role.

In the unions the anti-rightist campaign began with public refutation of some of the criticisms expressed during the Hundred Flowers period. Beginning in June, workers in some areas were organized to "detect rightist weeds" and to refute the claims of "rightist" intellectuals that welfare and working conditions in Chinese factories were not improving. In October and November a series of articles in the KJJP indicated that the policy reversal had been accomplished. Many of the welfare demands previously submitted by workers were characterized as unreasonable, and criticism that the unions "breathed through the same nose" with administrators and did nothing to help the workers was now considered to be incorrect or erroneously one-sided. Suggestions that the unions be abolished or limited to the administration of welfare programs were also rejected.

The unions definitely had a function, these articles argued, and should not be abolished. They were a link between the Party and the workers and did most of the concrete organizational work related to welfare, education and production. Union work could not be limited to welfare work because welfare, political education, and production were all related. Unions should be active in all three fields, "taking production as the center." The earlier policy of recognizing the good side of labor disturbances was also reversed, and union leaders accused of encouraging disturbances
were expelled from the Party and relieved of their union positions during September and October.\textsuperscript{35}

In late November an article by Lai Jo-yü acknowledged the new line, at least by implication.\textsuperscript{36} This article continued to recognize that the administration and the unions had differences of view and that the union position was a difficult one. For the solution of these problems, however, Lai merely rejected the old stand-bys of increased discussion with the masses and increased reliance on Party leadership.

One of the main indicators of the reversal was a subtle but significant change in Lai's emphasis. During 1956 and early 1957 Lai had argued that the Party must exercise political leadership over the unions, but that the unions must retain their independent organizational role and the Party must not usurp the unions' concrete tasks. In mid-1957 Lai began to argue that the unions must not disappear and must have tasks separate from the Party's but not ideological independence from the Party: "The Party platform is the trade union platform."\textsuperscript{37}

In May of 1958 Lai Jo-yü died, and he was succeeded as President (now Chairman) of the ACFTU by Liu Ning-yi at the second meeting of the Eighth ACFTU Executive Committee in August of 1958. Preceding that meeting, a rectification conference was held "under the direct leadership of the Central Committee of the Communist Party."\textsuperscript{38} This conference acted to purge three close associates of Lai from the top echelons of the ACFTU: Tung Hsin, a member of the ACFTU Secretariat, Wang Jung of the ACFTU Presidium, and Ch'en Yung-wen, editor-in-chief of the KJJP.\textsuperscript{39} While Lai himself was not posthumously attacked in public, he was attacked in an unpublished report by Liu Ning-yi for opposing the Party and for building a rightist faction within the ACFTU.

The attack on Ch'en Yung-wen was the most detailed of those published.\textsuperscript{40} His major crime was writing an article called "Notes on a Trip to the West," appearing in the KJJP over several days
during 1957. In that article he had advocated the organizational independence of the unions and union opposition to Party one-sidedness. His trip to the West was in fact to Yugoslavia, and the views expressed in his article gave de facto support to the idea of strong workers' conferences. He was also accused of encouraging a discussion in 1957 in the KJJP on the "crisis of trade unions." In 1955 he had counteracted a JMJP editorial entitled "Any Accident Must be Seriously Examined and Handled" with an editorial in the KJJP titled "Oppose the Trend of Punitivism" (see Chapter III, note 14). As early as 1951 he had been one of those found guilty of economism. In addition, he had consistently refused to publish Party propaganda and had collected stories about "cases of injury and death [of workers]," and the "discharge of workers," that is, careless or arbitrary acts by factory management.

This purge at the top was preceded by purges of union leaders at the provincial level for their part in labor disruptions during the summer of 1957. Leading union officials in Hopei and Liaoning, in particular, were accused of attacking Party leadership over the unions and of demanding union independence and of stirring up worker unrest on the basis of welfare issues. Under the "guise" of "protecting workers' interests," they had "fooled" and "corroded" the workers into attacking the Party and Party leadership over the unions.

Despite a number of revelations during the Cultural Revolution, it is exceedingly difficult to get a clear picture of exactly what went on in China during this period. Much of the detail and nuance is simply not available. The information made available during the Cultural Revolution is systematically distorted to discredit the losers, and official Communist jargon further obscurcs detailed understanding. It is tempting to see the issue in terms of a sympathetic union organization battling for the workers against managers and Party administrators. But that, I think, would be a mistake and not just an oversimplification, even though the issue of union independence did involve the issue of reliance
on material incentives, which many workers presumably favored. Union activity was only one area affected by broader issues.

One of those issues was the bureaucratism and commandism of lower-level cadres. To achieve the political goal of communization the cadres had to orient their work with the masses toward conversion in general and persuasion and education in particular cases. To achieve the economic goal of industrialization they had to get the job done, thus the temptation to issue orders and coerce the masses into following them, the very essence of bureaucratism and commandism. As early as 1956 Mao was making a major effort to resolve this conflict by accelerating the pace. The "leap forward" in agriculture in 1956, including accelerated collectivization, was intended not only to remove economic bottlenecks but also to provide a practical educational experience that would overcome mass resistance to changes in world outlook and orientation. Success on that front would also result in accelerated economic advance, based on the new attitudes of the masses. At the same time, constant political education of the cadres was also necessary.

It is now clear that Mao faced opposition among the top leaders of the Party over his entire approach to industrialization and socialization. In this context, the discussion of the role of the unions becomes more understandable. Before the socialization of industry there existed some doctrinal justification for distinctions among the Party view, the management view and the union/worker view within factories. After socialization there was a tendency for these distinctions to disappear, replaced by a single view embodied in the Party. The argument for union independence from the Party was that even in socialized industry there would be conflicts, or what Mao was to call nonantagonistic contradictions, and that the unions therefore had a distinct role to play.

But the question of union independence related directly to the disagreement over the direction of major policy. The unions had become increasingly professionalized, increasingly a part of
an entrenched administrative elite. An independent union organiza-
tion would be free from the "politcizing" influence of lower-level Party committees and would become an administrative bureaucracy. Therefore, union independence had to be defined very carefully.

The issue was resolved for the unions by decisions at a higher and broader level. By the time of the union purge in 1958, the Maoist policy of the Great Leap Forward had already been adopted and partially implemented. The basis of the Great Leap Forward strategy in the factories was an emphasis on political mobilization as against the strategy of reliance on material incentives, increased welfare benefits, and technical expertise. While theoretically one task of the unions was political education and mobilization of the workers, this was an activity in which the Party itself had always taken the lead and for which the Party generals were better suited than the relatively professionalized and specialized union cadres. Thus, one tactical component of a Great Leap strategy would be increased Party leadership over the unions, not increased union independence.

Lai Jo-yü and some of his close associates had attempted to maintain union independence from the Party and were caught in the rapid policy changes in 1957 and 1958. Lai's successor, Liu Ning-yi, did not suffer the same fate. The issue was further complicated by a long-standing competition between Lai Jo-yü and Liu Ning-yi for leadership of the ACFTU. The first president of the ACFTU after 1949 was Ch'en Yün. But Ch'en was one of the inner core of Party leaders with other important posts, and his leadership of the unions was mainly titular. When he relinquished that title in 1953, his logical successor was Liu Ning-yi, a veteran union organizer who was also close to the top Party leadership. Li Li-san had been the main spokesman on labor policy beginning in 1948-1949 but had also been the major victim of the union purge in 1951. In fact, Liu Ning-yi had replaced Li as major spokesman for the unions after 1951. However, Lai Jo-yü was elected ACFTU president at the Seventh Congress, apparently because he had been
a Party generalist not specifically connected with the unions. He was brought into the unions as a Party man to correct the trend toward "trade unionism" both in the form of economism and in the form of organizational professionalism. By 1957 Lai himself was analyzing problems from the perspective of the unions.

Another question still not entirely answered is the degree of influence Lai was able to maintain during his illness in early 1958. The general policy reversal came in mid-1957 and was partially reflected and acknowledged in Lai's later addresses. Lai and his supporters had clearly been caught on the wrong side in 1957. By the time of the Trade Union Congress, policy changes were already being implemented. Decentralization of industry had been discussed at the Third Plenum of the Party's Central Committee in September and October of 1957 and began to be implemented in November. At the Trade Union Congress itself, the union constitution was amended to change the structural principle of the unions from strictly industrial (vertical) lines to both industrial and local area (horizontal) lines, thus facilitating control of union organs by corresponding Party organs. But the purge did not come until after Lai Jo-yü's death, at the rectification meeting prior to Liu's election as ACFTU chairman in August of 1958. At the Eighth Trade Union Congress, Lai had been reelected ACFTU Chairman, and Liu Ning-yi was not even reelected to a vice-chairmanship. According to T'an Hsin-wen, after Lai's death in May "the internal strife for the post [of chairman] was very keen." 43

One possible explanation for this sequence of events, offered by Paul Harper, is that the purge had been postponed to allow an amiable front at the Eighth Trade Union Congress and then further postponed until the death of Lai who was critically ill in early 1958. 44 Perhaps another possibility is that as long as Lai was alive, he was able to protect himself and his faction, especially if he had support from within the top Party leadership. Also, if T'an Hsin-wen is correct, the Lai faction may still have been able
to offer some resistance up to the time of the rectification conference.