

Background: (7/3/84, 2.5 hrs.)

The informant graduated from Shanghai Jiaotong University in 1957, and was initially assigned to work in the No. 1 Machine Building Ministry's designing office. He worked there until early 1958, when he was sent down along with many other ministry personnel to work "at the front line of the struggle for production". He was sent to a Machine Building Factory in Beijing, near the Temple of Heaven, that produced primarily printing presses. He worked in the design department, or its equivalent (since it went through many changes, being abolished and combined with other departments in various periods). The plant employed over 3000 people. He worked there until he left for Hong Kong in May 1984.

Wage Readjustments

In 1977, 40 percent of those who began work before 1971 were given a raise. This was done according to their work contribution, work attitude, technical level, and attendance (over one half year sick leave and you were ineligible). They had a problem with this method: people who leaders had a good impression of got raises because of their good attitudes and "big contribution", but this was done according to their wishes. The people who got raises (40%) were happy, but 60 % were unhappy. The party committee gave a list of people to be considered by the employees, then the employees discussed in groups. In reality the party committee had to decide if you were all right before you got it. It in reality was decided by guanxi. If you had bad guanxi with leaders you wouldn't get it, or bad guanxi with the masses, then they wouldn't nominate you or support you. Also there was the problem with the masses who like someone but the party that didn't.

There were many contradictions that arose in this process. One young worker in a petroleum plant committed suicide because he didn't get a raise. Another in Anhui killed the factory director and his entire family. So there was a problem with resentment, and sometimes revenge too. This was not a good way to handle raises.

In 1978 they gave a raise to 2% of the employees. This was for people good in work. It was done because some good people who the party secretaries didn't like missed out on the early readjustment. In the department they voted on it. The leaders used the vote as 'reference material', but the raises were still decided by the leaders. In reality the relations with the masses were also involved. But leaders can mobilize the party, union and youth league to nominate and support their favorites.

In 1979, they had another basically the same as 1977, except one difference. In 1977 you couldn't be raised over 7 yuan, regardless of what the scale said. But in 1979 they did it according to the scales. Again, 40% received one. The contradictions were not so great this time because many of those who missed out had gotten one earlier. Few were left that didn't get one. They used the same method of evaluation and used the same criteria. They didn't use biao xian as a criteria so clearly as they had in the past, but they still had it. There was still the 'four upholds' (sige jianchi). But if you didn't openly violate them, there was no problem. But informally, if the party secretary didn't like your biao xian or thought, he would simply have a bad impression of you. But everybody knows how to say what is necessary so it doesn't matter.

In 1982 they started a new readjustment in the jiguan in Beijing. Before 1978 hires, everyone was given a raise of one grade unless they made a mistake. One example, a case he heard of through a friend he worked with. A married worker who had an affair with an unmarried girl and got caught was given a reprimand (jiguo) and didn't get a raise. Another worker had been locked up for fighting and didn't get one. Others were denied them for stealing factory materials and selling them. Middle aged intellectuals were given a raise of two grades. College graduates before 1960, 1966 and below a certain pay grade for these levels of seniority were given 2 grades. It was all decided by a central document. The technical school graduates were eligible for this only if they had reached the rank of engineer or lecturer.

A problem in 1977 and 1979 had been that the attendance restriction was 6 mos. You could be absent for 5 months and 29 days, and still get a raise. That was not a good way to do it. People taking long leaves and still were getting raises. So they solved it this way: they figured the entire previous 3 years together--no more than one year leave in 3 years. There was a big problem of people using connections with doctors to get sick leave certificates. It is still a widespread problem caused by free medicine and sick pay. This was basically the way they did it in the factory beginning in the fall of 1983, with their new readjustments. People didn't have an opinion about this was of doing it. You didn't have any contradictions arising because all was fixed by the center. They had already finished their wage readjustment before he left. By March in Beijing it was already done. They also ignored problems 'left over by history'--this was to be solved later.

Bonuses

They restored bonuses in 1978. There were initially no fixed regulations. They gave about 6-7 yuan a month. In 1979 Deng came back and things changed. They said that the yearly bonus can't be more than the factory's average wage for 1.5 months. In 1983 they adopted a new spirit: factory performance was the point of emphasis. The second criteria was that the amount can't be over 5% of the profit remitted to the state. This was begun the end of 1978. Factories had little power, and had to get permission for how much to pay out. After they got the amount approved, the leading cadres met and decided how to distribute the funds. They assessed your work, problems, etc., and divided people into 3 grades according to the final decisions made by leading cadres. Even top leaders got bonuses. They set different amounts for shops, offices. In our department grade 1 was 10 yuan, 2 9 yuan, and 3 8 yuan. They had problems because in the offices the work is all about the same, everyone works about the same pace. Hard to assess work performance. They would deduct from your bonus based on the leave you took, no matter what kind of leave it was. They did not have group assessments in the office.

Year end bonus. The money left over at the end of the year was given out as a year end bonus equally to all. Egalitarianism. Later on they criticized egalitarianism, then they had 3 grades, about 32, 30, 28 yuan. That's what they reported to the above levels, but in reality all got the same amount.

The progressive elements would be assessed at the end of the year in small groups. According to your work and technical level. This small number would be given a prize of 10 yuan in addition every year.

The system overall is basically no different than the supplementary wages of the past. Just about everybody got something. I think only the

really good people should get anything. They still practice egalitarianism. There has been no big effect on people's work effort.

There is also a problem with sarcastic barbs (fengci) directed against the outstanding to bring them into line. They would say that they were trying to make the others look bad.

Even people not directly involved in the production process get bonuses just like the production workers. Even people who watch the factory's bicycles get them. There's not been much effect at all on worker activism. People's attitude is that it was a fringe benefit that they should get every month.

They did practice the floating wages system in the Beijing Iron and Steel company. They could practice it because they were not limited in the percentage they could devote to bonus funds. They are under special regulations. They can give raises to 20% of workers each year. Lately they have discussed regulations to give leading cadres wage supplements: directors 30 yuan, department heads 20, and so forth, but only if the plans are fulfilled. They were only discussing this up to May 1984, they had not begun to implement it.

Also, in 1983 they did not let money losing factories readjust wages. Readjustment is also related to bonuses. Some factories produce things not needed and don't have many orders to fill. Does that mean that workers don't work hard? Not necessarily, it just means that they can't get bonuses because the factory not running full capacity. So they need to redistribute work among factories so that everyone has something to do. If you don't have a quota to fulfill you can't get a bonus.

Benefits

They got 5 yuan per month as a food subsidy (fushi butie) to compensate for the price rises. But this was helpful depending on how many in your family and whether or not they worked. Also had soap and haircut fees, 3 yuan for men and 3.5 for women, beginning 1978. They had transportation fees. If you don't live in the factory and have to take more than 4 stops on the bus, you get 2 yuan per month. Under four stops, nothing.

The factory had housing, and built more after 1978. They had some in the factory as well as outside. About 30% of the employees live in factory housing. There was a waiting list. Newly marrieds didn't get them for many years. They basically built none during the cultural revolution, but very recently built quite a lot. The factory had a housing distribution committee. This was made up of representatives from every ke and shop, about 60 people, representatives of the employees. You ask your representative and if you meet seniority requirements, family size, age, average housing space currently, then your representative will bring up your case. It is not the case that everyone who meets the requirements will get housing. You still have to line up. They had points to figure out your standing according to the criteria mentioned above. This was also a new committee in 1980, a new method. Previously you just brought it up with your leader and housing was given out according to the leaders' impressions of you and guanxi. Workers were unhappy with this, so they had the committee set up.

Changes in the Leading Group (7/4/84, 2.5 hrs.)

The slogan was revolutionization, youthification, intellectualization, and specialization. They wanted 35-55 year old middle aged cadres with middle school education or over, educated before the cultural revolution. They are to emphasize the promotion of these cadres.

By revolutionization, they meant appointing people who obey the party's current line, utilize party people in leading positions, but those who have good ability, or get specialists into the party.

By youthification, they meant that factory level leaders over age 55 should retire to the second line of leadership. Shop directors can't be over age 40 when appointed. In our technical department, they couldn't appoint a new department head who was over 45, and they had to retire at 50. The above levels raised this requirement. They could only implement it slowly, you can't get rid of everyone at once. Within 5 years, all directors of large factories must have a college degree. For party leaders they don't have such a strict dividing line. They had 8 directors in the factory, 2 college grads, 3 high school, and 3 of worker background. They first had meetings to discuss this policy and they had elections from among the middle level leading cadres by secret ballot to elect new leading cadres. The upper levels sent in people to supervise the election. After the elections they added up the vote at the upper levels. The upper level leaders used this as reference material in deciding who to appoint as the new director. This took place in June 1983. They also used dang'an in deciding who got appointed.

They kept their old director because he was within the guidelines but they changed the party secretary because he was too old. The director was an old worker. But there was a problem in using the elections as reference material. The director and party secretary could get the chief engineer and vice directors they wanted by talking well about the ones they liked to the bureau. So the ones appointed are not necessarily the best.

Another problem: "shangmian you houtai, xiamian you bangpai." People above know those below and put their favorites in office. They appoint people who are not really qualified, and then people in the factory don't listen to their orders.

There is also the guanxi problem. If someone has good relations with someone in the bureau, they can get you appointed to a leading factory post because they want people who will obey them. They didn't really shake up their leading group because there were no major problems in the factory with business or factionalism. So they didn't send in a working group to renovate the leading group.

For promotion, you needed good work attitude, leadership ability, organizational ability, obedience to the party's policy, and good relations with the masses. The organization department still appoints the leading cadres. The branches in the departments nominate new leaders, talked this over with the party committee, which includes the plant director, and gives the appointment to the organization department to carry out after a final investigation of the candidate's background.

The specialization part of the policy means that they no longer want waihand leading neihang. That means they now want someone who knows something about the work to lead departments. But this does not mean that they appoint the person that is best at the work. It means that they want someone who knows something about the work. They still want people that listen to the party's orders.

Department Organization

He worked in the design department, about 106 people. They had a head, 2 vice-heads. They had seven groups in charge of various functions in the design and testing process. Each had a group head. They had a party branch secretary and 2 vice-secretaries, one in charge of organization and one in

charge of propaganda. They also had a union head, and a youth league branch secretary.

The party secretary in charge of thought work. They studied every saturday afternoon, all afternoon. They studied Red Flag, and Hu Yaobang's speeches and articles, and also had political tests. The party secretary had to be consulted on all major matters. The department head had a little less power, he had to listen to the branch secretary. The department heads and vice heads all were party members, so how could they not listen?

Our department head had only entered the party in 1981, so he was not a member of the branch committee. But the two vice heads were not party members. The head was a college grad 56 years old. The vice-heads, both in their 40s, one was a college grad and the other an engineer but only a middle school level grad. Both were neihang.. There is a missing generation that would have graduated from the mid-1960s to the mid-1970s. So there are not many qualified people in their 30s now. The branch secretary was a dazhuan graduate of a shipbuilding institute. Originally he was a Russian interpreter on shipbuilding projects, and he was 49. He was not a neihang, and didn't really understand design work. The organization group leader was a former worker, grade 8, who was now a jishi. He was over 50. The head of propaganda was a middle school grad, also a neihang. He was also the head of the union committee, and the head of the electrical design group as well.

But there were bad relations between the department head and the branch secretary. The department head was a pai mapi type, he kissed the director's ass, and was a high grade engineer. He always looked out for himself, and wrangled three opportunities to go overseas in recent years. So the top leaders really liked him. He went to the US twice recently. They gave him free tickets, new clothing, and 300 yuan to buy a new suit of clothes and other things for the trip. He also went to West Germany. All in 1983. The branch secretary didn't like this, he never travelled outside and looked down on him. He didn't have a houtai in the party secretary; if he had he would have been vice-secretary by now.

This contradiction affected the department's work. You would get permission from one but not the other. That slowed things down. In the beginning the branch secretary supported his promotion and nominated him, but later the contradiction came up.

A couple of the leading cadres had been promoted during the CR--the union head and propaganda head--but unless someone had engaged in beating and looting, or had been a faction toutou, they were not replaced after 1976. They demoted the vice head of the revolutionary committee in 1977, and now he is an ordinary cadre in the labor department.

The main changes since 1977: they respect intellectuals and intellectual work more; they don't have campaigns and manual labor like before. They subscribe to more periodicals, respect foreign languages, and listen to your opinions now. There is still some resentment against intellectuals among leading cadres from the working class, but now they don't dare say anything against official policy. These people were leading cadres during the CR, although they all stepped aside for a period, and before the CR also. The problem has deep roots and a long history.

Spiritual Pollution Campaign (7/6/84, 2 hrs.)

It began in 1983. It was really something started by Hu Qiaomu and Deng Liqun aimed at Deng Xiaoping and opposed his policies. It was carried out in factories. They had a meeting and investigation to see if workers listened to tapes from Hong Kong and Taiwan like Deng Lijun, read yellow

magazines, go dancing. They read out the document at a mass meeting at the factory. Every small group had to register the possibly polluted things they had at home and the material was sent to the party committee which decided whether or not to erase the tapes or destroy the books, or whether it was OK to keep them. They also had study meetings to "oppose spiritual pollution" but no real criticisms like in intellectual circles. They did tell them to get rid of bell bottoms, cut their hair, get rid of tight pants; dark glasses weren't great but definitely not with the imported tag on them. It had a big influence and all these mannerisms stopped. If you didn't stop, the branch secretary would call you in for a little talk.

The campaign did not much affect intellectuals in the factory, except there were a lot who had Deng Lijun tapes. Actually most party members had these, and so did everyone else. But they didn't go search homes like in the Cultural Revolution, so people just said they didn't have these things, and only registered a small percentage of what they had in order to comply. The campaign was carried out for 7-8 months, later was changed to "building jingshen wenming," or politeness, morality, public spirit.

Changes in Design Department Work

They instituted a gangwei zeren zhi after 1977, spelling out the responsibilities for each job. They have also restored the old regular and correct ways of design specifications. They also established awards of 10-15 yuan for new technical designs or design improvements decided by the bureau above. It was a sheji jiangli, or a designing award. They have stressed business study--english, computers, etc. during work hours, and technical training courses.

They instituted awards for 'advanced technical workers' each year, 15 yuan, and 'quality model soldier', 15 yuan, about 6 persons for each award. This was in addition to the bonuses grades 1-3. Improvements in work? Things are more lax than during the CR in the offices. There were a lot of political pressures during the CR in offices, but now things are relaxed, except when there is a rush job to be completed. Now they are more relaxed than the forced methods of the CR when they forced people to work overtime with pay all the time.

Office technical people have lots of opinions about the new policies. Their bonuses are smaller than the workers and shop cadres, but they feel that they make just as big a contribution. They're also unhappy about the lack of housing, it is still very tight. The problem still hasn't been solved.

Of course the intellectuals are happy with the new policies of the top levels to treat intellectuals better, as valuable. But at the basic levels leading cadres of working class background are not entirely convinced, and still have a prejudiced attitude (pianjian taidu) towards intellectuals. An example of how this comes out: in promotion of leading cadres to union head, youth league, party branch secretaries and vice secretaries, plant directors and vice directors, they still promote workers mostly. Second, in admission to the party they rarely let the intellectuals in. So they will have to work at the same jobs all their lives. There are no chances for promotion. Sure, several of us applied to join the party back in our 20s, but up to this day they haven't been admitted. It's not a matter of you wanting to join. It's that the leading cadres have a bias against intellectuals and don't want them. Their thinking is complicated, they don't take orders well, they have their own point of view, etc (these are the cadres views of intellectuals). Down to today this is still a problem.

They still don't trust the intellectuals; they don't enter the party, can't travel overseas unless they are in the party, etc. So they've decided they need the intellectuals, but they still don't entirely trust the intellectuals.

Differences among the intellectuals in the factory. There is the yingmei pai (British-American faction), who graduated from 1950-3. The Sulian faction, 53-60, the gailiang pai, 61-66, and then the gong-nong-bing graduates of the CR years, and then the recent grads. Basically there are no contradictions between them, but they are different!

Of course there is not at present anyone who openly opposes the new policies in the factory, but there are many who are unhappy with them. They don't like their youth being unemployed, they don't like inflation. Not everyone feels they have benefitted from this new policy. There is still a problem of family burden for the middle aged intellectuals; low wages and many mouths. They still can't get enough housing, still can't find jobs for teenage kids, still are not trusted to enter the party.

The material supply problem has indeed improved very much. But there is still a problem with shopping for families where both work, especially for food, which you have to buy every day. Free markets have increased the supply, but the prices are very high, anywhere from 50-100 percent higher for most things. High grade commodities--there has been an improvement in supplies of most, but still a quality problem because they just started up factories to make these things in China. People don't want them, they're easy to buy. But famous brands, like feige bicycles from Tianjin, still need industrial coupons, passed out through the work unit. In the department of 100 people, they got 2 feige bike coupons a year, and they did it by drawing lots. The leading cadres can go back door for this but not the ordinary staff.