
PERSONAL DATA

Age: 47

Sex: Male

Education: University graduate

Total Years Relevant Experience: 24

Last Year of Relevant Experience: 1979

Year Left China: 1979

Initial Immigration Status: Legal

Native Place/Overseas Connections: Hong Kong native, returned early 1950s

Class Background/Political Designation: OS

OCCUPATIONAL HISTORY SUMMARY

Positions Held: 1) Staff, Planning Department, Metallurgy Ministry,
Peking, 1956-58

2) Chief Planner, Planning Department, Metallurgy
Equipment Factory, Hunan, 1958-67

3) Staff, Production/Technology Department, Mining
Machinery Plant, Hunan, 1967-79

Administrative Level of Work Unit/(No. of employees):

2) Ministry/(1000+)

3) unknown/(300)

Experience in Full-time Manual Labor (for non-worker occupations):

unknown

APPOINTMENTS: 3

TOTAL HOURS: 9

PAGES TEXT: 9

Occupational History (8/10/80, 3 hrs.)

The informant is a native of Hong Kong, who went to China in the early 1950s for education and could not come out thereafter. He graduated from university in 1956, and was assigned to the planning department of the Metallurgy Ministry in Peking. He worked there until 1958, when he was transferred to a metallurgy machinery factory in Hunan under the Ministry's system. There he was responsible for planning work in the planning department. He was the head of the department, but did not have a formal appointment. The plant had about 1000 employees. In 1967 he was transferred to a smaller plant which made mining machinery, also in Hunan, which only had about 300 employees. There he worked in the production/technology department. He came to Hong Kong legally in 1979, and is preparing to go to the U.S. to live with relatives.

Wages

When he first graduated from college he was set at grade 15, the top grade assistant technician. After one year, they were assessed and raised either one grade or 2. This depended on the leadership's opinion of you and your coworkers. He was raised to grade 13. In the 1956 wage reform he was raised to grade 11, and was raised to grade 10 in 1963. After that there were no more raises for him.

In the readjustments they started the nominations process by discussions in small groups, a series of meetings. The plants were limited by year lines and by percentage figures set by the government. The final decision was made by the factory party committee.

In 1959, there was a very small readjustment largely to make up for leftover problems from people passed over in 1956. Both workers and cadres. In 1963 there was a relatively large one. They wanted to raise those who had worked a certain number of years, who had made big contributions, and whose wages were still relatively low. Most were raised one grade, but it was possible to be raised two grades. After 1957 the main criteria, the first thing they looked at in the readjustments, was your political thought, how active you were in each political campaign, whether or not you supported the Great Leap Forward policies, whether or not you had raised opinions against the party in 1957. But before the anti-rightist campaign they took the best qualified people, whether they were activists or not. The main criteria always was the leader's impression of you.

The next readjustment was in 1972, for both technicians and workers who had worked a long time but still had low wages. They had discussions in small groups to assess people, but there weren't many arguments. Things went pretty smoothly because it was clear in the records who met the standards and who did not. The next readjustment was in 1978, they used the same small group assessment method. The process took about a month, meeting almost every day after the shift. They combined it with political study of the documents and the 'spirit' of the documents. This was the preparatory period of consciousness raising before actually doing the nominating. Most people were satisfied, but there were problems with people who were dissatisfied, and they had to do ideological work on them. They had to try to convince them that next time they would get their chance.

Bonuses

The office workers had quarterly bonuses before the cultural revolution, while workers had monthly bonuses. They divided the bonuses into 3 grades, all between 10-20¥. The cadres assessed one another every month in meetings,

got bonuses every quarter. The workers assessed every month, and got paid every month. Theirs were also three grades, between 3-8¥. These were called zonghe jiang. The amount of money set aside for bonuses depended on the production and quality performance of the plant as a whole and of each shop. This determined what percentage of the people in the group could get a bonus. People were disqualified if they asked over 2.5 days of sick leave in the month. They assessed in the groups, and used the group's records for attendance, output, quality. They use these records to decide whether or not they will get a bonus, and also what grade. They could not use production records to assess the people who worked in the departments. They didn't have concrete quotas. So they used the attendance records, whether or not a person was prompt in completing work, whether or not they dragged the jobs out. This was largely assessed by the leaders. So it was a bit more troublesome to assess among the staff.

The shop directors and department heads could get bonuses if they were below grade 17 on the administrative scale. All the leaders below that level were eligible. But the plant-level leaders, directors and vice-directors, were not eligible for bonuses.

During the cultural revolution, they wanted at first to completely eliminate bonuses, but since incomes were low they changed to supplementary wages (fujia gongzi). In his plant every worker and technician got 5¥, as did all leading cadres who were eligible for bonuses before. Some factories gave a bit more to workers. Some factories gave more money than others. They cancelled the supplementary wages in name when they restored bonuses after 1977, but they retained them in fact as a sort of income guarantee for those workers who had them. Those workers who started after 1967 never got them. So when they got bonuses after 1977, if they only got a 3¥ bonus, they would not give the money but let the person keep the 5¥ supplement. If they got a 5¥ bonus, you were even. If you got a 7¥ bonus, they gave you an extra 2¥.

They restored a bonus system after 1977 which was the same as before the cultural revolution. Now the bonus system varies by industry, and every enterprise has a different system. The amount of money for bonuses varies every month depending on the plant's performance. Their objective in restoring the bonuses was to restore the activism of workers. For many years they had not distinguished between good and bad performances, had not given people more for working hard. People considered these things. Income was a concrete problem. Getting enough to eat for your family was still on people's minds. Since they restored the bonus system worker motivation has been strikingly restored. It is now about as good as it was before the CR.

Temporary and Contract Labor

They did have workers of this type in his two factories. He does not distinguish between temporary and contract workers. He calls them 'temporary contract workers'. They had them the entire period, but in 1972 they received orders to turn a number of them into permanent workers--those who had been working there for a long time. But they continued to ask new temporary workers to work in the factory after that. To do this in 1972 they had to give the factory permission to enlarge the number of permanent workers. There were also seasonal workers who came from communes. This was for factories with seasonal labor demands like sugar and paper factories.

To get these kinds of workers, the factory notifies the bureau which manages it, which has to give it permission to hire these workers. If permission is gained, then the labor bureau arranges the finding of workers. The bureau then turns to different counties, communes, city neighborhoods with

requests for people with certain characteristics. They set contracts for a fixed period--3,6 months, it depends. When the period is up, they decide whether or not to extend it. But if the worker works poorly they can just let him go after the period is up. These workers usually do odd jobs like moving--things that the permanent worker refuses to do. Most of these workers came from among unemployed people in the city, and some came from among the youth who were sent down to the countryside. If the worker came from a commune, he had to send part of his wages back to the commune to pay for his grain.

These workers get the wages of about a grade 2 worker--34¥ or so. They sign contracts--each individual worker. This is the law. The contract specifies the period of work and the wage. They also had another kind of contract labor with people from rural communes who formed basic construction teams. This was handled directly between the plant and the team. This was legal, they notified the bureau of it. The contract was with the team as a whole, with a fixed price for the entire job. This was for putting up new buildings.

Production Planning Department (8/12/80, 3 hrs.)

The leader is the department head, who is not necessarily an expert, but is always a party cadre. His most important job is ideological and political work. Second is to arrange the work of the department. The planner (jihua yuan) takes the year's plan and is responsible for concretely arranging the quarterly and monthly plans for the entire plant. You must remember that planning includes not only apportioning targets but designing and producing the special tools needed to produce a product or the hard-to-get parts needed for a product. This is the technical side of planning. There is also a materials side to planning. They had to determine the amount of raw materials or blanks, of what specifications, when they will be needed. There is also a labor side to planning. You have to determine if personnel needs will be increased. There are also financial plans to be prepared. But these were the planning responsibilities of the other departments. The production planning department set the targets for each period.

The 'planner' has to figure that there are about 300 days in the year that they can produce in. He must also figure the shutdowns for major repairs and overhauls. He also must figure these targets out for each shop and department. And he must make sure that in the plans a balance is maintained. He prepares draft quarterly plans two months in advance. Quarterly plans a month in advance and monthly plans 10 days in advance. The dispatcher (diaodu yuan) is responsible for resolving contradictions which occur in the concrete process of carrying out the plans. He is to make sure that production is well coordinated between shops. The shops also have their own diaodu yuan, in the shop offices, and if they have any problems they bring them to this person. There is one person for each shift. These people do actual leadership work. As the plant developed and got larger, they established an independent production control office (diaodu shi). The statistician (diaodu yuan) takes the daily, 10day (xun), monthly, quarterly, and yearly production statistics from the shops, summarizes them, and fills out reports. He usually sends the daily and 10-day reports just to the plant leadership. But in a large centrally-run plant they may go right up to Peking every day and every 10 days. The monthly, quarterly and yearly plans go up to the bureau. Finally, there is a production quota manager (shengchan ding e yuan). He sets the time quotas for each piece that was to be produced in the shops. Sometimes he guesses based on

experience with other technical standards, sometimes he will watch a set of experienced technical workers at work. He tries to set them at the average worker's ability. If they turn out to be unreasonable, he will revise them. Usually he tries to test them out, give them some practical basis, before he sets them. In their plant they had five people in this department, one for each job.

Setting of Plans

There is a State Planning Commission, State Scientific and Technical Commission, and State Construction Commission. Below them are the ministries. The State Planning Commission does long-term plans. The State Economic Commission does the yearly plans, along with the Construction Commission. After these yearly plans are approved by the State Council. Then the responsibility for each bureau was finalized. Then they had to distribute the responsibility to the various units under them. They started with a 'planning meeting' (jihua huiyi). Before 1958 this took place in Peking. At that time they employed vertical integration (tiaotiao). After that until the CR they reduced the scope of the central meetings because they sent down the administrative and planning powers to the provinces, and they had these planning meetings at the provincial level. After 1958 very few representatives of enterprises went to Peking for these meetings. During the cultural revolution they simplified administration at the provincial and municipal level to get rid of provincial planning commissions, etc. During this period planning was in disarray at the provincial level.

The plant director and sometimes the vice-director in charge of production would attend. They bring with them the draft plan for the next year. This is around the first of October. It includes the amount of the old products--they have to increase by an average amount each year--and also what new products they would like to produce. The bureau or ministry leaders at the meeting may require adjustments in assortment depending on the state's needs that year, or suggest new products. These are control numbers (kongzhi shuzi) and are considered as suggestions (jianyi). These are not full production plans.

After the meeting, the upper levels might revise the control numbers, the 'eight big norms' (ba da zhibiao). 1) Output, 2) Cost targets for comparative price products, 3) quality standards and targets, 4) labor productivity, 5) profit, 6) assortment, 7) materials consumption rates, power consumption rates, 8) amount of circulating funds, and turnover period. While all of these things are specified in the control numbers, the production planning department only sets the standards for output and assortment. After receiving these control numbers in the form of a draft plan, the plant can raise objections once again about certain aspects. Then adjustments might be made if they convince the bureau. But the changes at this point are not likely to be large. The reply to a request for a change may not come until sometime during the first quarter of the next year. Adjustments can be made later in the year if required. The plants plan will be specified for the year, and for the quarter also by the state, depending on the type of product. They never specified plans down to the month.

Generally they should set the first quarter targets at 1/4 of the year's, but they often set it lower, at 23% or so, because they have the Spring festival and Yuan dan jie in this quarter, which reduces the number of productive days.

Dividing the plan by shops and time periods is very complex in a machinery plant. Generally the shops have to be divided into three groups--blanks production, processing (jiagong), and assembly. So they have to pay

special attention to balance between shops, make sure that each shop will have the supplies and half-finished products on time. The planning department specifies targets for each shop, each month. The planning personnel in the shop offices do the planning work for the shop within the month, setting targets for each section for each 10 day period. The section itself decides how to divide the labor and targets between production groups, based on the nature of the products and the size and equipment of each group. The individual quotas for each processing job are included in the plans given to the shops. The planning department's quota setter has already figured the time required given personnel and equipment to meet the overall plan.

The work of the planning department is busy the entire year. They don't simply draw up plans, but after making plans they have to notify other departments at what points the supplies, equipment, and personnel are not sufficient, have to make reports and convince these other units. So it's not just simply a matter of getting a paper balance sheet for the year's production finished. They have to do more concrete arrangements also, and actually work with the other departments. Generally speaking, the adjustments that are made in the production plans are between months. Quarterly targets are rarely adjusted. Yearly plans can only be adjusted in the most unusual of circumstances. This requires a special report and a careful explanation of the different factors that make plan completion impossible.

Control of Plan Completion

Depending on the size of the plant, the bureau may require completion of the monthly plan, or only of the quarterly plan. Generally, the monthly plan is the key time unit in the factory. Also, if the plant misses a delivery of a product, a report is sent to the bureau and an investigation made. If the monthly plan is not fulfilled, then the leaders come under pressure from the masses because their incomes through bonuses will be affected. If it happens that plans are not met several months in a row, which is rare, they will send an investigation team to find out the problem and discuss it with the manager. It has also happened that plant directors who fail are transferred to another plant and made vice-directors. But no influence on their wages. The plant directors and vice-director have never gotten bonuses for plan completion, or bonuses of any sort. Before the cultural revolution and very recently they chief engineer or chief of production (shengchan zhang) can get assessed for bonuses just like staff and workers, and they are vice-directors. But the first and second in command have never gotten any material incentives.

In each month, the first xun is fairly lax, and the last is very busy. They have a saying about the 3 xun: "first, relaxed; second, busy; third, all-out" (yi song, er jin, san pingming). Part of the reason for this is that in the first period you have to do planning and preparation. This comes from people's thinking, that's the way they want to work. This also means that production has not been balanced well, and that there have been periods where for a few days a shop had to wait for spare parts or blanks. This is especially a problem in a machine-building plant, which is especially complex to plan. They have the same thing for the year as a whole. Early in the year things are fairly lax, while in the last couple of months things are fairly busy. Part of this is related to weather. Often things have to slow down in the summer because it is so hot and no air conditioning. In the first quarter you have all the important holidays. So the political workers in the factories would hold meetings to make sure this would not happen. They would raise the slogan 'kai men hong' (开门红), which meant success (red) from the very beginning. The whole slogan was kai men hong, yue yue hong, hong dao di (开门红, 月月红, 红到底).

During his 25 years or so in the industrial system, this kind of unbalanced production situation was most striking during the cultural revolution period. They always had this to some extent. The period where this kind of situation was least serious, and where plans were carried out in the most balanced way, was during the first five year plan, 1953-57. This was also the period where the lower levels treated the plans sent down with the greatest amount of respect. Generally speaking, the more politics entered into the planning process, the more the plans were separated from reality and the more imbalanced things became. This was most striking in 1958-59 and during the cultural revolution period. It made things worse when planning personnel were attacked for being conservatives as during the anti-rightist campaign of 1959. They were accused of being conservative and opposing the Great Leap Forward, and this was rightism. So as time went on they became less willing to raise opinions on objective matters like facts and production figures, and exaggeration and being cut off from reality became more widespread. When this was the case, completion of targets proceeded in a much less balanced way.

Procurement of Supplies (8/14/80, 3 hrs.)

They had large goods ordering meetings (dinghuo huiyi) every year. They were not always held in Peking. The metallurgy ministry held these meetings every year for all the units under their system. They also had them at the province level. Those from other systems could participate only through application to the ministry. Larger and medium-sized enterprises who had a lot to buy or sell sent their own representatives. Small plants or those who had little to sell or buy were represented by a local organ like a materials bureau (wuzi ju).

The purpose of the meeting was two-fold. First, it was to find buyers for the products you have already produced. Second, it is to find sources of supply for those materials they need to produce the products in the plan. This is a meeting to help factories concretely carry out the production plan. Because when the production plans are set the sources of supply and the buyers of finished products are not always specified in advance completely. They can't specify all these things in advance. So the dinghuo huiyi are to fill in the gaps left in the supply plans and sales plans.

The representative delegations go to these meetings, which are rather large, in order to conclude contracts. They specify price, delivery dates, specifications, method of payment. They fill out a dinghuo kapien (goods ordering card), which is in effect a contract. Before the four cleans movement they could get damages from a plant that failed to meet the terms of the contract, but afterwards they didn't enforce them so tightly. They have always had these goods ordering meetings without change throughout the cultural revolution period. They had to, if not, how could they carry out the plans?

If they can't accomplish their aims at the dinghuo huiyi, there are two situations. The first is when you lack outlets (quekou). Then they can apply to several different commercial organs for permission to export to Japan, USSR, or other countries. If a materials bureau is unsuccessful in buying the needed goods, they can investigate importing, or more likely they will try to arrange for a plant in the ministry to produce the new product on a trial basis.

Another method is the materials adjustment meeting (wuzi tiaoji hui) which is held after the goods ordering meeting every year. It is organized either by the ministry or by the provincial government. For the dinghuo huiyi, in the first instance it is organized by the ministry specialty (tiao), in the second it is all enterprises under a province (kuai).

The ministry handles certain kinds of products which are designated as nationally managed, while the province handles those that are handled at the local or provincial level. The same enterprises can participate in both the national and local dinghuo meetings, if they are dealing with the appropriate classifications of goods. These are held early in the year. But if they still have problems with overstocking of certain goods they can go to these materials adjustment meetings at a number of levels. In these meetings, which are optional or voluntary, the point is to put enterprises into contact that have goods in their warehouses that others might need. Sometimes this might result in a trade, sometimes in an immediate sale. This is meant as a supplement to the dinghuo meetings. The informant has participated in these kinds of meetings. If an enterprise still cannot get the needed materials, then the procuring agents will try to arrange a back door exchange, using personal relations. This last method they had before the cultural revolution, but it was not very pronounced. They started having it after 1958, but it became most serious as a problem during the 10 years after 1966, because the regular channels of supply and planning was disrupted. The informant says that he turned to his own purchasing agent a few times to help him out with things he couldn't get in the goods ordering meetings. Often this would involve giving gifts--small things--on the side to sweeten the deal for the other side. The informant seems embarrassed about the use of this method, and insists that often it is their only resort when the alternative is not meeting the plan. They have always talked about solving this problem, but mostly it has been just talk. There in fact was a central document about this in 1971.

Great Leap Forward

Their plant was a machinery plant. During the Great Leap they built an indigenous steel furnace around October 1958. The quality was very poor. They went around collecting 'waste iron', like people's pots and pans. Every unit in the country, even schools and offices, were running these indigenous furnaces. At the same time they increased the output of their machinery and parts. They did not make any basic changes in management methods. The main method was to increase working hours. Workers would get an overtime supplement, which was not proportional to daily wages or figured by the hour. It was very small, just a few mao a day. In 1958 and 1959 they were able to increase production, but by 1960 things slowed down and started the period of readjustment. When they increased quantity, quality dropped. A lot of the products could not be used. But at that time they did not worry greatly about quality, they just wanted results. If you finished, they said you were good.

There were people who raised opinions about this Great Leap method, and in 1959 they criticized some 'rightists' in the plant in mass meetings. They were criticized for opposing the Great Leap. These people were mostly production leadership, not party leadership, some even at the all-plant level. Some were even taken away, but very few. Most of them were party members.

By 1960 they started the readjustment. Problems of balance occurred because they tried to use a mass movement to run the economy. There were problems with labor. The plant hired a lot of new workers from the countryside, and after the Great Leap tapered off there was no work for them to do. So they mobilized them to return to the villages. There was also a problem of supplies, especially since so many of the goods they were receiving turned out to be substandard. There were problems with finance and materials supply also, as well as with the supply of grain. The great leap forward was a big lesson.

Cultural Revolution

The movement began to affect their plant around September or October of 1966 when the Red Guards on exchanges of experience began to enter their plant. This was before the four cleans movement had ended in their factory. They started to put up wallposters. Before long the wallposters were attacking the leadership, and different opinions were being expressed about leaders. Some wanted to knock down the leaders, others wanted to support them. Production still continued in this early period because the unit was still leading the movement. One group tried to turn the spearhead towards the leaders, the other group back toward the masses. The leadership was collecting black material on the masses and putting it in their files, and the masses demanded to have it.

Rebels seized power in the plant in 1967. They set up a temporary leading group in the plant made up of leaders of the rebel faction. But there was still factional struggle in the plant and around June 1967 armed struggle became serious, and production completely stopped. By this point most but not all of the leaders had stood aside--but there were factions among the leaders too, so some survived. Soon thereafter the PLA was dispatched to 'support the left' and stop the fighting. They formed a group in the factory and tried to get the factions to unite and grasp production.

They finally established a revolutionary committee in 1968. The head of the RC was one of the PLA representatives. There were six vice-heads, three were former plant level cadres--plant directors and vice-directors. The other three were mass representatives, workers who had been leaders of mass factions. These people were chosen after consultation with the PLA leaders and approved by the above levels.

Right after the establishment of the RC, there was no real administrative structure. The RC members divided labor among them, handled different leadership jobs. Then they established three groups, political work group, production leadership group, and an administrative affairs (banshi) group. Some of the former department leaders and staff were used in these groups. The rest did manual labor in the shops. They had stood aside. The production leadership group was huge; it included the functions of the old production, technology, sales and supply, and finance departments.

In 1972-73 they gradually began to return department officials to the offices, and to gradually re-establish the departmental structure. It was not fully restored until 1978. This was a step by step process. At the beginning of this period they transferred a lot of leading cadres in and out of the plant. The same was true around the time of the establishment of the RC. The upper levels re-shuffled the leading group a number of times. The PLA finally left in 1972, after Lin Biao's death. During that period the PLA ran things, tried to use the Army style to run factories, and a contradiction developed with production. So they changed the policy, pulled out the soldiers, and began to return the old cadres to leading positions. During the entire 1967-73 period, the production situation was bad. There were still factional feelings among the leaders, also among the masses. Also they continued to run a series of movements without cease, the cleaning of the class ranks, and others. They still ran production, but not very attentively. Main attention was paid to the campaigns. Production only gradually improved over the next 5 years. It was not until 1978 that their plant re-attained the production levels they had achieved before the CR.

Factionalism

This existed in their plant right up to the time the Gang of Four fell, right up to 1978-79. When they first formed the RC, a number of mass representatives from rebel factions had been made vice-heads and put in

other leading positions. They were people that had done some bad things during the CR, and did not have business ability. They were sent back to workers jobs after Lin Biao died, but used the Pi Lin Pi Kong campaign and anti-Deng campaign to get back into leading positions. It was not until the Gang of Four was knocked down and they reorganized leading bodies that all of these mass representatives were completely removed from leading positions and leadership became the same as before the CR. But this does not mean that there is no factionalism left in the plant. People still have differences which they keep to themselves--differences in attitudes toward the CR and its methods. This does not mean that if there is a political change later that these people will not try to get back into leadership.

Changes after the Gang of Four

They reorganized leading groups. This did not mean the abolition of RCs. This was stated in the constitution. What it meant was that the leadership of factories was 'soft, lazy, and disunited' (ruan,lan,san). They were not up to the task to handle production. The main thing this meant was that young people were moved out who did not have the ability to manage a factory. They talked about giving technical and business tests to the leading cadres, and promoting engineers and technicians to positions of leadership, but they never actually implemented this in his plant. They did in some of the larger, key-point enterprises, but not in his small one in Hunan.

Originally, the county wanted to have elections of group leaders, shop directors, and even plant directors. They read an article about a unit in Yunnan that did carry out these elections as experiments. But they never carried out these elections in his plant. These are experiments that have not been carried out throughout the country. Factories have been told by the General Trade Union to think this over. This is a method they began to think about after Chinese delegations and leaders visited Yugoslavia. A central document came down in 1978 from Peking saying that Yugoslavia's method was good. Before they had criticized it. So they discussed Yugoslav management in their factory as part of their political study, on the orders of a central document. They learned about elections, workers councils, and the ability of factories to fire workers.

Can China carry out the reform of industry? It depends. Power in China has been very centralized for a long time. Now they talk about collective leadership, but nothing more. So it depends on whether the present leading group--Zhao Ziyang, Deng--can maintain themselves in power, and it also depends on the international situation. If these internal and external conditions can be maintained, then it is possible.