

### 3 | The Economy: The First Five-Year Plan 1952–6

#### Mao's aims for Chinese industry

Mao's early attempts to modernise the Chinese economy carried the stamp of Soviet influence. Impressed by the apparent success of **Stalin's Five-Year Plans** in the USSR, Mao wanted the PRC to build on the same model. In 1952 China's first Five-Year Plan was introduced. Its aim was to develop the state-directed growth of **heavy industry**.

A partial basis for this already existed. During their period of government in the 1930s and 1940s, the GMD under Chiang Kaishek had established a National Resources Committee (NRC) which had taken control of industrial investment policy. A large number of NRC managers and over 200,000 of its workforce had stayed on in China after 1949. In addition, a significant population shift had begun with the coming to power of the CCP. Between 1949 and 1957 migration from the countryside to the towns nearly doubled the urban population from 57 million to 100 million.

Thus, as the PRC began its economic reforms it already had available a large potential workforce and considerable industrial expertise. However, the new government's first notable success was scored unaided. In its first 2 years it brought under control the galloping inflation from which China had suffered during the final years of the GMD. From a rate of 1000 per cent in 1949 inflation had dropped to a manageable 15 per cent by 1951. This was largely achieved by:

- slashing public expenditure
- raising tax rates on urban dwellers
- replacing the old Chinese dollar with a new currency, known as the renminbi or yuan.

#### The first Five-Year Plan 1952–6

Under the plan the areas targeted for increased production were coal, steel and petrochemicals. Attention was also to be given to the development of a Chinese automobile and transport industry. As a morale-boost a number of spectacular civil-engineering projects were undertaken. An outstanding example was the construction of a vast road and rail bridge across the Yangzi (Yangtse) River at Nanjing (Nanking). The degree of success achieved by the plan can be gauged from Table 2.1.

Care has to be taken with these statistics. As in the USSR under Stalin, so in the PRC under Mao, there was a tendency for officials to massage the figures relating to economic performance. All those in the spiral of command from CCP officials and industrial managers down to foremen and workers were anxious to appear to be fulfilling their targets. The presence of party cadres checking on production targets meant that in many areas of industry there was what amounted to a large-scale conspiracy to adjust the figures so that they appeared as impressive as possible.

**Key question**  
What were the objectives of the first Five-Year Plan?

**Stalin's Five-Year Plans**  
Between 1929 and 1953, Stalin revolutionised the Soviet economy by a series of government-directed 5-year plans aimed at achieving a massive increase in industrial output.

**Heavy industry**  
Iron- and steel-based products and constructions.

Key terms

**Key question**  
How far did the first Five-Year Plan achieve its objectives?

Table 2.1: The first Five-Year Plan 1952–6

	1952 Output targets	1957 Output achieved
Gross industrial output (yuan, millions)	53,560	65,020
<b>Particular areas of production</b>		
Coal (millions of tonnes)	113	115
Oil (millions of tonnes)	2,012	1,458
Steel (millions of tonnes)	4.12	5.35
Electric power (billions of kilowatts)	15.9	19.34
Hydroelectric turbines (kilowatts)	79,000	74,900
Machine tools (units)	12,720	28,000
Locomotives (units)	200	167
Freight cars (units)	8500	7300
Merchant ships (tonnes)	179,000	54,000
Trucks (units)	4000	7500
Bicycles (units)	550,000	1,174,000
Manufactured chemicals (thousands of tonnes)	1580	2087

Table 2.2: PRC expenditure (as percentages of national budget)

	1950	1952	1957
Economic development	25.5	45.4	51.4
Education and culture	11.1	13.6	16.0
Defence	41.5	26.0	19.0
Government administration	19.3	10.3	7.8
Miscellaneous	2.6	4.7	5.8
<b>Total (yuan, millions)</b>	<b>6810</b>	<b>16,790</b>	<b>29,020</b>

Yet even allowing for exaggeration, the statistics above, which have been filtered through Western analyses, do indicate a considerable degree of success for the plan, this at a time when the Korean War required China to finance a major war effort.

#### The plan's scale of success

China's economic growth rate of nearly nine per cent between 1953 and 1957 compared favourably with that of the USSR in the 1930s. In the circumstances of the 1950s it was natural that China should measure itself against the yardstick of the Soviet Union's industrial performance and seek to match its success. At this stage Stalin's USSR was the PRC's political and economic model and mentor. It was, after all, the only country after the 1949 revolution that was willing to offer China economic aid.

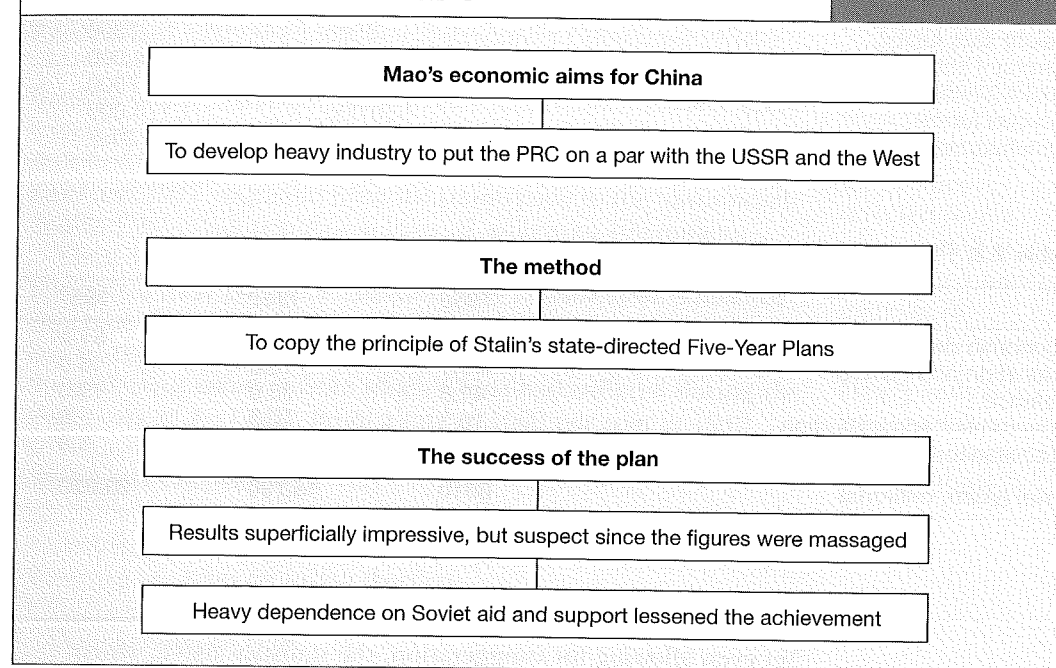
Yet this aid was to prove a mixed blessing. In the **Sino-Soviet agreement of 1950** the USSR agreed to provide China with economic assistance, but the bargain was weighted very much in favour of the Soviet Union (see page 139). Soviet aid was not a gift from one brother nation to another; it had to be paid for by commercial concessions. For example, the PRC was required to send a substantial portion of its bullion reserves to the USSR.

**Key date**  
Sino-Soviet Treaty signed: 1950

**Key term**  
**Sino-Soviet agreement of 1950**  
A consequence of Mao's meeting with Stalin in Moscow; the USSR agreed to provide the PRC with vital resources that the PRC would pay back with interest over time.

Furthermore, the 10,000 Soviet economic advisers who went to China came at a price. The PRC had to meet their costs by taking out high-interest loans. Such loans were the predominant form of Soviet aid to China. Only five per cent of the capital sent to China was genuine industrial investment; the rest was in the form of loans. The realisation by the Chinese that they had been exploited rather than aided was a major factor in the later souring of Sino-Soviet relations.

#### Summary diagram: The economy – the first Five-Year Plan 1952–6



#### 4 | The Hundred Flowers Campaign 1957

Mao travelled extensively in China during the early 1950s. The rapturous reception he received wherever he went convinced him that he was in touch with the people. In 1956 he informed his government and party colleagues that it would now be an appropriate time to allow greater freedom of expression to those who might wish to comment constructively on how well Communist China was achieving its aim of turning the nation into a proletarian state.

In a widely reported speech on 'Contradictions', given to leading party workers early in 1957, Mao stated his satisfaction with the economic advances made under the first Five-Year Plan, but went on to complain of the heavy-handedness with which some CCP officials were applying national and local policies. He

**Key question**  
What was Mao's motive in launching the Hundred Flowers campaign?

The Hundred Flowers campaign: 1957

Key date

hinted that the time might have come to allow **intellectuals** a greater say in debate.

This was an unusual twist, since Mao had an abiding distaste for intellectuals. But he had been sufficiently tolerant in 1956 not to give his backing to a campaign against Hu Feng, a writer who had dared to challenge the notion that **Marxist-Leninist** values were the only criteria for judging artistic merit. Hu's argument had brought bitter denunciations from among the upper ranks of the CCP. However, Mao joined Zhou Enlai in suggesting that China had made such progress under the first Five-Year Plan that it could afford to be lenient towards Hu, who was simply confused and mistaken.

#### Mao's reaction to de-Stalinisation

It is also likely that Mao was influenced by events in the USSR. It was in 1956 that the new Soviet leader, Nikita Khrushchev, shook the Communist world by launching an extraordinary attack on the reputation of his predecessor, Joseph Stalin, who had died 3 years earlier. In a programme of de-Stalinisation, Khrushchev denounced Stalin for his '**cult of personality**' (see page 140). Mao could see how easily this charge could be made against himself in China. His apparent encouragement of criticism from within the party was, therefore, a way of taking the sting out of such a suggestion and preventing the comparison being made between him and Stalin.

#### Mao invites criticism

Early in 1957 Mao urged Communist Party officials to be prepared to undergo criticism from the people. With the slogan, 'Let a hundred flowers bloom, let a hundred schools of thought contend', he called on critics within the party to state openly where they thought the government and the CCP had gone wrong.

Once they had overcome their initial fear that they might be thought of as being anti-party, members rushed to respond by pointing out the mistakes that had been made. Individuals and policies were complained against on the grounds of corruption, inefficiency and lack of realism. Leading figures in government, education and the arts were heavily censured for their failures. Things even went so far as to include mild criticism of Mao Zedong himself.

#### Mao changes direction

It was at this point that Mao called a halt to the campaign. Everything now went into reverse; it became a time not of freedom of expression, but of fierce repression. The Hundred Flowers campaign was abandoned and replaced by an **anti-rightist movement**. Those who had been foremost in responding to Mao's call to let a hundred schools of thought contend were now forced to retract their statements. University staff and school teachers, research scientists, economists, writers and artists – many of the best minds and the most able public servants in

Key terms

**Intellectuals**  
Mao classed intellectuals as those who did not do a proper job, e.g. writers, teachers, artists and lawyers.

**Marxist-Leninist**  
The official Communist ideology based on the theories of Karl Marx as interpreted by Lenin, the Russian revolutionary.

**Cult of personality**  
A reference to the unlimited power that Stalin had taken into his own hands at the expense of the party.

**Anti-rightist movement**  
Rightist had no precise definition; it was applied to anyone Mao wanted to remove.

China – were obliged to make abject confessions and submit themselves to 're-education'. The party was purged of those members who had been too free with their objections to government and party orders.

Even high-ranking members were vulnerable. Zhou Enlai, despite being one of Mao's most loyal supporters, was obliged to make a humiliating self-criticism in front of a large party gathering. Zhou admitted to having been too slow in putting Mao's industrialisation plans into action. In ordering Zhou to make this statement, which was simply untrue, Mao was showing that nobody in the party or government, no matter how prominent his position, was beyond investigation and criticism.

All the members of the CCP and the government understood the message; if someone as respected as Zhou Enlai could be treated in this way, then nobody was safe. The only way to avoid suspicion, therefore, was to conform absolutely to Mao's wishes.



A victim of the anti-rightist campaign, Zhang Bojun, the Minister of Communications, is humiliated in front of jeering members of his own staff at a rally in Beijing in July 1957. What are the likely explanations for Zhang's being turned on by his staff in this way?

## 5 | The Key Debate

What were Mao's motives in launching the Hundred Flowers campaign?

### Was it a trick?

Many historians have discussed the question of why Mao introduced the Hundred Flowers campaign. Some writers, most notably Jung Chang in her 2005 biography of Mao, argue that the speed with which he reversed his policy was proof that from the beginning the campaign had been a trick on his part. She suggests that, far from being intended as a liberalising measure, it was a deliberate manoeuvre by Mao to bring his critics into the open so that they could be easily exposed, identified and removed. In her words: 'Few guessed that Mao was setting a trap, and that he was inviting people to speak out so that he could use what they said as an excuse to victimise them. Mao's targets were intellectuals and the educated, the people most likely to speak up.'

As Jung Chang sees it, the Hundred Flowers campaign was part of the movement towards a controlled society in which all expression of opinion had to meet the criteria of political correctness as defined by Mao. The way in which the anti-rightist campaign purged the government and party of his critics was of a scale and ruthlessness that anticipated the upheavals of the Cultural Revolution a decade later (see page 89). This is a strongly put case. However, there are other viewpoints equally worthy of attention.

### Was Mao genuinely seeking criticism?

Lee Feigon, a US scholar, in a revisionist argument published in 2002 contends that Mao had been genuine in his original appeal for ideas to be expressed. This was not to say Mao was being tolerant. His intention was to undermine the bureaucrats in the government who in the short time that the PRC had been in existence had come to have too big an influence in the running of affairs. Feigon puts it in these terms:

By giving scientists and engineers the freedom to express their ideas, Mao sought to prevent party bureaucrats from interfering with technical decisions. He wanted intellectuals to expose and attack corruption and bureaucracy. He also wanted peasants, students and workers to speak out and even demonstrate to prevent government bureaucrats from running roughshod over their rights.

### Was the campaign simply a muddle?

Jonathan Spence, widely acknowledged by his fellow historians as an outstanding authority on Mao's China, dismisses the idea that the Hundred Flowers campaign was a ruse by Mao to bring his enemies into the open. Spence sees the affair as the confused result of contradictory thinking among the CCP leaders:

It was rather, a muddled and inconclusive movement that grew out of conflicting attitudes within the CCP leadership. At its core was an argument about the pace and development that was best for China, a debate about the nature of the first Five-Year Plan and the promise for further growth. From that debate and the political tensions that accompanied it sprang the Great Leap Forward.

### Further points in the debate

In the event, whatever Mao's motives may or may not have been, it was the scale of the criticism that the Hundred Flowers unleashed that took him aback. He had not realised the scale of the dissatisfaction with the party that the campaign had revealed. In practical terms there was little difference as to whether he intended from the beginning to flush out opponents or whether he decided to do this once he had discovered the extent of the opposition. The outcome was the same. Mao crushed those he thought were opposed to him.

There is also the consideration that if Mao had indeed launched the Hundred Flowers out of a fear of being compared with Stalin, the fear greatly lessened from late 1956. In November of that year Khrushchev sent Soviet tanks into Budapest to crush the **Hungarian rising**. That was the Soviet leader's way of making it clear that de-Stalinisation did not mean the lessening of the grip of the Communist Party over the USSR or the weakening of Soviet control over the **Eastern bloc**.

Mao fully approved of the Soviet action for two reasons. In the first place, he believed it was the kind of tough line that Communist governments should take in order to maintain their authority. In the second, he was relieved by the knowledge that the Soviet Union had merely been flirting with liberal ideas. This meant that he did not need to compete with Khrushchev in developing **Communism with a human face**. Neither leader had any intention of relaxing his political control over the people.

It might be wondered why Mao was so sensitive to happenings in the USSR. The answer is that at this early stage of its development, the PRC still regarded itself as being dependent on the economic and diplomatic support of the Soviet Union. It would not be until later that Mao and the Chinese Communists would feel strong enough to throw off Soviet dominance and challenge the USSR for the leadership of international Communism (see page 146).

### Some key books in the debate:

Jung Chang and Jon Halliday, *Mao: The Unknown Story* (Jonathan Cape, 2005).

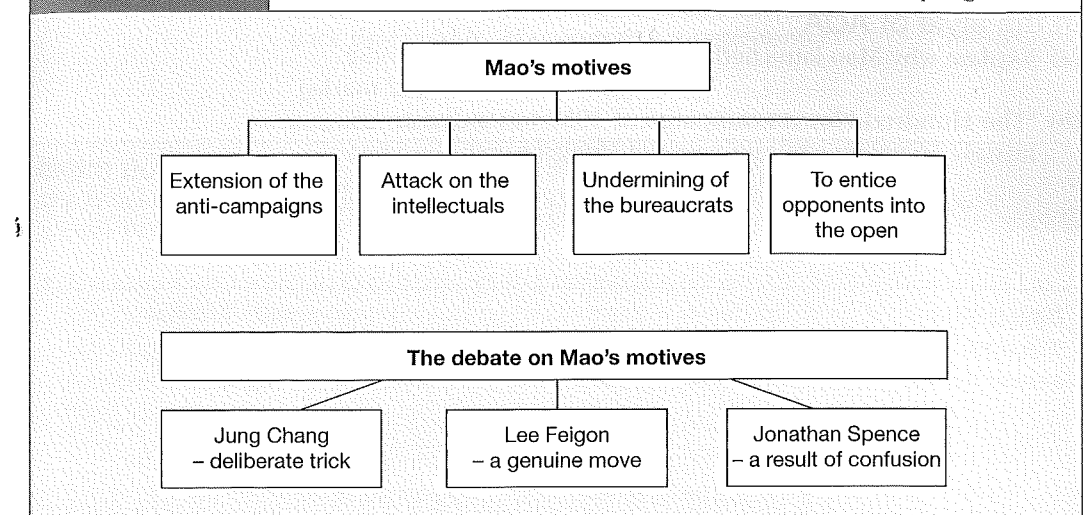
Lee Feigon, *Mao: A Reinterpretation* (Ivan R. Dee, 2002).

Philip Short, *Mao: A Life* (Hodder & Stoughton, 1999).

Jonathan Spence, *Mao* (Weidenfeld & Nicolson, 1999).

Jonathan Spence, *The Search for Modern China* (W.W. Norton, 1990).

Summary diagram: The Hundred Flowers campaign 1957



### Hungarian rising

An attempt in 1956 on the part of the Communist government of Hungary to break away from Soviet control.

### Eastern bloc

The countries of eastern Europe which fell under Soviet domination at the end of the Second World War.

### Communism with a human face

The idea that Marxist governments, without losing their commitment to the Communist ideal, should act in a less authoritarian manner and show understanding of the real needs of ordinary people.

Key terms