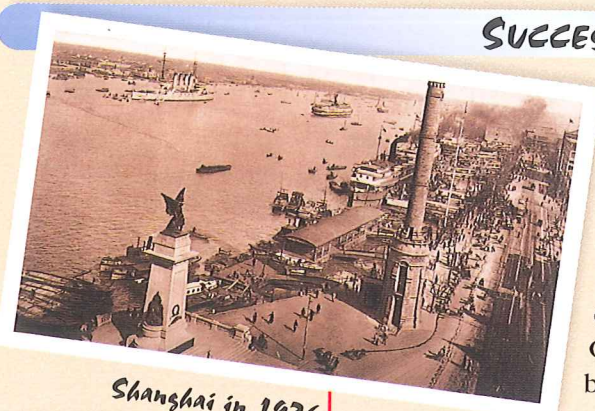


INDUSTRIAL REFORM – SUCCESS OR FAILURE?

When Mao came to power in 1949, China's industry accounted for only about 10 per cent of national production – agriculture was far more important. However, the country's new leader was determined first to draw level with and then to overtake the industrial output of major Western nations such as the USA and Britain. But were his efforts in this field a success? Or did Mao's insistence on political purity lead to failure? Read both sides of the argument and the sources, then judge for yourself.



Shanghai in 1926

SOURCE 1

	COAL (ESTIMATED OUTPUT IN TONNES)	STEEL
1949	32,430,000	158,000
1952	66,490,000	1,350,000
1957	130,000,000	5,400,000

SOURCE 2

We shall have to master what we do not know. We must learn to do economic work from all who know how, no matter who they are... We must acknowledge our ignorance, and not pretend to know what we do not know.

(EXTRACT FROM 'ON THE PEOPLE'S DEMOCRATIC DICTATORSHIP' BY MAO ZEDONG, 30 JUNE 1949)

SUCCESS?

GROWTH AND DECLINE

In the early 1900s, when Mao was growing up, industries such as mining and textile-making were developing in China, especially in the northeast and Shanghai. However, civil war and Japanese occupation brought decline. In 1949, Communists had to rebuild substantially before they could expand.

MAKING A START

From 1949 to 1952, the Chinese government was able to take control of most heavy industry as many of its owners were Nationalists who had fled to Taiwan. Output then began to rise (Source 1). Most light industry, however, was run by ordinary businessmen. Many remained in control until 1955, when the state take-over of private businesses began (see page 33).

THE FIVE-YEAR PLAN

By 1953, post-war reconstruction was complete and Mao was ready to take the next step. He did so by adopting a Five-Year Plan that set out to increase industrial production by 14.7 per cent a year. At its heart was a scheme to develop 694 mines, steel works and other major projects. The Soviets were to provide financial and technical aid – Mao had always accepted the need for this help (Source 2) – and to run about 140 plants.

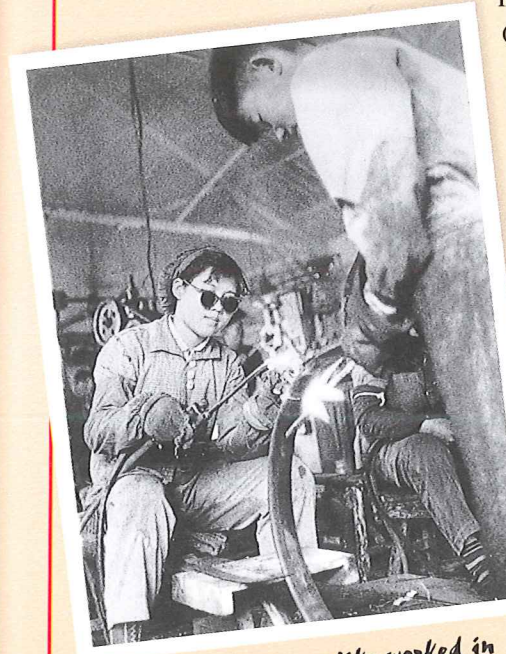
STRIKING ACHIEVEMENT

The industrial aspect of the Five-Year Plan was a striking success. By 1957, Chinese production of many commodities,

including steel and coal (Source 1), had grown greatly. The overall increase in industrial output was about 15.5 per cent a year. Many new products, including electrical goods, were also manufactured in China for the first time.

THE GREAT LEAP FORWARD

In the Great Leap Forward (see page 34), Mao set out to accelerate industrial development. Steel production in particular was to reach 10.7 million tonnes in 1958 (Source 3) and 100 million tonnes by 1962. Ninety million people in the new communes participated in this task by building and running furnaces (Source 4). By 1960, steel production had indeed greatly increased (Source 10).



Men and women alike worked in Communist steel factories.

AFTER THE GREAT LEAP

Despite Mao's good intentions, the Great Leap Forward failed, and Soviet aid was withdrawn. There was further upheaval during the Cultural Revolution, when protests disrupted factories. But in 1969, a more moderate programme was introduced under the slogan: 'Promote Revolution, Grasp Production'. Industry then grew at about 12 per cent a year.

Consumer goods became important products and trade with the West increased. The Four Modernizations programme of 1975 (see page 40) encouraged these upward trends to continue (Source 5).

INDUSTRIAL SUCCESS

As a whole, Mao's industry policies were a great success. When he came to power, China was a largely agricultural country whose peasants had no industrial expertise. But by 1978, two years after his death, it had a growing industrial sector that produced 72 per cent of national output.

SOURCE 3

...It is necessary and possible for iron and steel production to develop by leaps and bounds, in view of the tremendous present demand for iron and steel by the people [and] the great efforts made to produce iron and steel... After discussion, the meeting decided to call on all party members and the people throughout the country to do their utmost to work for the production of 10.7 million tonnes of steel in 1958, or double the 5.35 million figure of last year.
(EXTRACT FROM A POLITBURO DOCUMENT, AUGUST 1958)

SOURCE 4

Furnace fields are everywhere...plots of hundreds of small earthen furnaces were 'growing', in late autumn when I was there, alongside fields of sweet potatoes and tobacco...On the scene the atmosphere is like a fairground, with scores of people bustling in and out of the rows of furnaces.
(EXTRACT FROM THE ACCOUNT OF AN EYEWITNESS IN LUSHAN COUNTY, HENAN PROVINCE)

SOURCE 5

With his [Mao's] support, Zhou Enlai presented to the National People's Congress a programme for 'modernising agriculture, industry, defence and science and technology before the end of the century, so that our national economy will be in the world's front ranks.'
(EXTRACT FROM MAO: A LIFE BY PHILIP SHORT)

INDUSTRIAL REFORM – SUCCESS OR FAILURE?

FAILURE?

SOURCE 6

Communists must... combine the leadership with the masses... all correct leadership is necessarily 'from the masses, to the masses'. This means: take the ideas of the masses (scattered and unsystematic ideas) and concentrate them (through study turn them into concentrated and systematic ideas), then go to the masses and propagate and explain these ideas until the masses embrace them as their own.

(FROM A SPEECH BY MAO ZEDONG, 1967)

SOURCE 7

A climate of raw terror developed. Minor offenders, Mao declared, should be criticised and reformed, or sent to labour camps, while 'the worst among them should be shot'. For many, the psychological pressure became unbearable. The two campaigns together took several thousand... lives, the great majority by suicide, while an estimated 2 billion US dollars... was collected from private companies in fines for illicit activities.

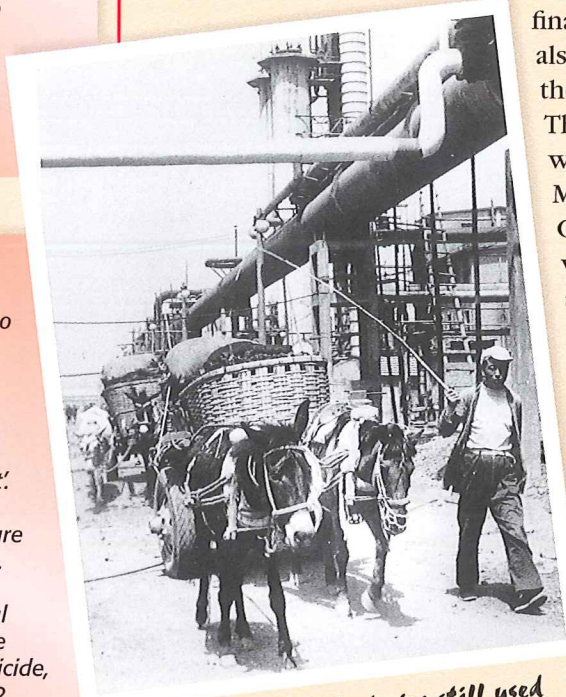
(EXTRACT FROM MAO: A LIFE BY PHILIP SHORT)

MIXED MOTIVES

Mao's wish to improve China's industry was driven in part by a desire to strengthen the economy. But he also had political aims. He wanted to show that a Communist state could outdo Western capitalist countries. And he wanted to prove that his belief in the 'mass line', the idea that the masses should both adopt and guide Communist practice (Source 6), was right. Industry often suffered as a result of these mixed motives.

THE 'ANTIS' CAMPAIGNS

The early years of the Mao era brought a great increase in industrial output. But the 1951 launch of the Three and Five Antis Campaigns against financial crimes (see page 31) also provoked upheaval in the business community. The campaigns' main targets were factory-owners whom Mao wanted to toe the Communist line. CCP teams were sent out to spy on and punish them. The results were disastrous (Source 7).



'Modern' Chinese factories still used mule-drawn goods carts.

THE FIVE-YEAR PLAN

Mao's insistence on the central importance of political aims also influenced the Five-Year Plan. To carry out their Five-Year Plans, the Soviets used many technicians who were not keen Communists.

But Mao said all scientists employed in China should be 'Red as well as Expert'. Other, more practical, CCP members, including Prime Minister Zhou Enlai, wanted to build industry quickly and worry about politics later.

THE GREAT LEAP FORWARD

Mao's political ideals affected industry most strongly in the Great Leap Forward. A main aim of this second Five-Year Plan was to hand power back to the people. In Mao's view, the first plan had been controlled too firmly by the CCP leadership. Now peasants were to be far more active. Mass line politics, not economic necessity, was to be in command.

COMMUNE CHAOS

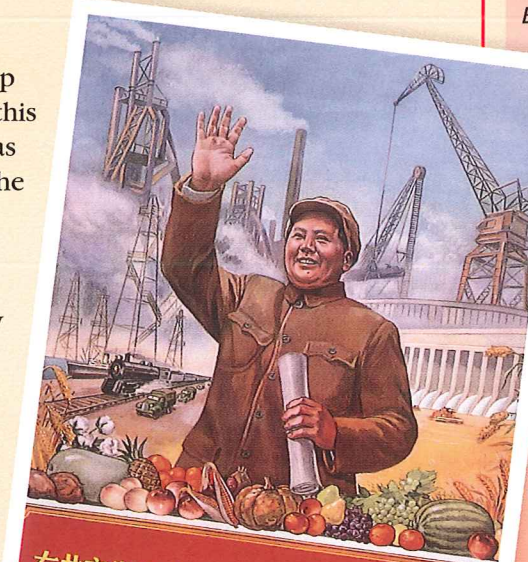
The result of this policy was the chaos of the communes. Peasants strove to achieve impossible feats without skills or materials. Even children scrambled to meet steel targets (Source 8), but much of the steel produced was not good enough to use. In 1959, Mao admitted that he had been misguided (Source 9), but it was too late to stop falls in steel and coal production (Source 10).

THE CULTURAL REVOLUTION AND AFTER

The Cultural Revolution that began in late 1965 was another attempt by Mao to enforce the mass line. Power was again to be wrenched from the centre and returned to the people. The result was chaos once more as workers overthrew the 'capitalist roaders' in factories. Calm returned only after 1969, when Mao's ideas were set aside (see page 47).

INDUSTRIAL FAILURE

Mao's views often clouded his economic judgement, with catastrophic results. If the ideals of the Great Leap Forward had continued to guide industry, China would have made little progress. But thanks to politicians with more flexible attitudes, such as Zhou Enlai, China was saved from disaster.



在共產黨和毛主席領導下，把中國建設成爲一個繁榮富強的社會主義工業化國家！

An unrealistically optimistic Great Leap Forward poster.

SOURCE 8

Every day, on my way to and from school, I screwed up my eyes to search every inch of ground for broken nails, rusty cogs, and any other metal objects that had been trodden into the mud between the cobbles. These were for feeding into furnaces to produce steel, which was my major occupation. Yes, at the age of six, I was involved in steel production...

(EXTRACT FROM THE AUTOBIOGRAPHY WILD SWANS BY JUNG CHANG)

SOURCE 9

Before August of last year my main energies were concentrated on revolution. I am a complete outsider when it comes to economic construction, and I understand nothing about industrial planning... But comrades, in 1958 and 1959 the main responsibility was mine, and you should take me to task [criticize me].

(EXTRACT FROM A 1959 SPEECH BY MAO ZEDONG)

SOURCE 10

	STEEL	COAL
	(ESTIMATED OUTPUT IN TONNES)	
1959	10,000,000	290,000,000
1960	13,000,000	270,000,000
1961	8,000,000	180,000,000