

How did Mao apply communism to industry?

Fact

Members of the 'national bourgeoisie' were restricted in their right to dismiss workers (even if there was no job for them) and were ordered to improve working conditions and provide paid holidays, canteens, restrooms and other facilities. Some suffered under the 'three antis' and 'five antis' campaigns, launched in 1951-52 (see page 135), but after confessing, most returned to their businesses.

The GMD had already taken control of a considerable amount of industry before 1949, so the moderate period of National Capitalism between 1949 and 1953 involved minimal disruption. During this period, the state took over the ownership of heavy industry and the banking system only. Wages and prices were regulated, but members of the 'national bourgeoisie' were still able to make profits. In 1953, 20% of heavy industry and 60% of light industry was still privately owned.

During this period, China turned to the Soviet Union for support. The Sino-Soviet friendship treaty of February 1950 provided \$300 million in Russian loans (repayable at low interest - largely by food exports). During the 1950s, 11,000 Soviet experts arrived in China, while 28,000 Chinese received training in the Soviet Union.

Between 1949 and 1952, the value of industrial output more than doubled and 300 modern industrial plants were planned, including factories for iron, steel, motor vehicles and aircraft.

The first Five-Year Plan, 1953-57

The period of National Capitalism ended with the launch of the first Five-Year Plan in 1953, which was intended to speed up China's industrial growth. Over the next two years, all private industries and businesses were nationalised, although many former owners were still kept on as managers and given an annual share of the profits.

Sectors such as iron and steel, energy, transport, communications, machinery and chemicals were prioritised with targets, at the expense of consumer industries. In addition to Soviet loans, which represented 3% of total investment, capital was raised by setting low prices to be paid to peasants for grain, so as to produce a large surplus for investment.

Vast new industrial schemes were planned for areas in the north-east (former Manchuria) and north-west, far from the old centres of development in the port cities such as Shanghai. Iron and steel mills were set up in former small market towns, such as Lanzhou and Baotou. Roads and railways were built, including a spectacular new rail link from Lanzhou across the Gobi Desert to Urumqi, capital of Xinjiang, where oil, coal, iron ore and other minerals were found.

In the north-east, the factories and mines formerly operated by the Japanese were developed, creating more industrial expansion. According to official statistics, heavy industrial output nearly trebled and light industry rose 70% during this period. Overall targets were exceeded by 20%. These figures cannot necessarily be trusted, but for the first time China came to produce its own cars, tractors, aeroplanes, cargo ships, machine tools and penicillin. The urban population grew from 57 million (1949) to 100 million (1957).

Fact

The Anshan steel complex, with 35,000 workers, was a new showpiece. In 1954, the British reporter James Cameron travelled the north-east and wrote: 'The train-ride to Anshan was fantastic; a lunar landscape of new bricks and drifting smoke, heavily guarded bridges, great gangs and communities of people laying immense girders over riverbeds.'

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'Unrelated incidents'