**Industry and Agriculture Questions:**

**Three Examples:**

**How accurate is it to say that the Great Leap Forward in agriculture (1958–62) was a failure?**

**How accurate is it to state that, as far as industry was concerned, the first five year plan was a success and the second five year plan was a failure? (*This question requires you to assess the relative success of each of these five year plans, so you need to ensure you examine positive and negative features of each. You cannot do this effectively unless you establish the criteria on which you can judge them, so make these clear at the outset: meeting targets, increasing output of key goods etc.)***

**How far do you agree that the Chinese economy was transformed in the years 1949–62? (*Need to consider 1st and 2nd FYPs and also refer to years 1949 -52. Refer to both Industry and Agriculture)***

**Mao’s general aims (Useful info for an introduction on a question about industry or agriculture or both):**

Chinese economy in 1949 largely dependent on agriculture but it was backwards and inefficient.

Mao wanted China to be considered a modern superpower in order to avoid it being exploited by other countries as it had done previously. To do this he knew that he needed to improve both agriculture and industry as quickly as possible.

Mao no longer wished China to be considered the ‘Sick man of Asia’. In 49 he told the world that the ‘Chinese people had stood up’.

Main aim to make PRC as self - sufficient in food and manufactured goods as possible in order to protect China in a potentially hostile world.

Peasant farmers 80% of population in 1949.

Food supplies needed to be increased not to improve the living standards of the peasantry. But instead to feed the growing urban population who would provide labour for the new factories.

**Early agricultural reforms before the plans introduced (Before 1952)**

Early agricultural reforms – by the summer of 1952, the ‘land to the tiller’ movement had been largely completed. 43% of the land had been distributed to 60% of the population.

Between 50 and 52 total agricultural production increased at a rate of 15% per annum. The landlords had been destroyed as a class with an estimated 1 to 2 million landlords executed.

**Early Industry before the plans introduced (Before 1952)**

200,000 managers of Industrial policy under the Nationalists remained in China and provided the Communists with industrial expertise.

Significant population shifts from the countryside to towns began. Between 49 and 57 migration from the countryside to the towns nearly doubled the urban population from 57 to 100 million.

In the first two years inflation had dropped from a very high 10005 in 1949 to a manageable 15% in 1951. This was achieved by slashing public expenditure; raising taxes on urban dwellers and replacing the old currency with a new currency.

**First Five Year Plan 1952 - 56:**

**Agriculture during 1st Five Year Plan:**

Value of agricultural output grew by only an average of 2% per year, a sharp fall from the rate achieved of 14% in 49-52.

Not enough food was getting to the cities to feed the workers. Farmers had to sell their crops to the state at artificially low prices. Standards of living in the countryside were very low.

So much food was taken in grain requisitioning that peasants lived at subsistence levels.

The first five year plan assumed a 23% increase in agricultural production, but actual output fell far short. In 53 and 54 production had risen less than 2%.

By 56 80% of peasant households were in APCs (approx. 30 – 50 households) Agricultural Cooperatives.

Mao was convinced that peasant support meant that it was not necessary to wait for agricultural mechanisation before moving to large scale production.

Over the period of the 1st five year plan, food production increased by 4% per annum, but this was still insufficient to sustain the growing industrial workforce.

Basic problem was that the amount of cultivated land per head of the pop was so low.

It would have been hard for the peasants to produce a surplus whether collectivised or not.

Situation was made worse by a lack of state investment in agriculture and the demotivating effect created by the fact that people no longer owned their own land.

**Industry during 1st Five Year Plan:**

Targets set from above by economic planners. All of the government targets were surpassed. Coal production doubled.

Industrial production increased greatly. Annual growth rate during plan was 9% - impressive figure and compared favourably with Russian experience in the 30s, particularly when it is remembered that the Korean War initially disrupted long term planning.

However official figures not completely reliable – often exaggerated by official’s.

Urban living standards and wages improved. Migration to the cities increased. Industrial working class grew from 6 to 10million.

Industrial output grew 15%. Heavy industrial production tripled.

Living standards of industrial workers improved. Greater job security.

In five years China was criss-crossed with railways. Russia provided 10,000 engineers to boost industry.

Vast road and rail bridges were constructed across the Yangzi River.

**BUT:**

Plan dependent on loans from Soviet Union with high interest rates agreed in the Sin Soviet agreement of 1950. Could only be paid back by selling grain for currency.

Only 5% of the capital (money) sent to China was genuine industrial investment: the rest was in the form of loans.

10,000 Soviet economic advisers had to be paid for by taking out high interest loans.

Supply of consumer goods was very low. Little to buy in the shops.

The success of the plan contributed to Mao’s overconfidence and his disastrous decision to quickly move peasants in to massive Communes during the Great Leap Forwards.

There was a tendency for officials to massage the figures relating to economic performance. Industrial managers were anxious to appear to be fulfilling their targets. However even allowing for exaggeration, the impressive results of the plan do indicated a considerable degree of success at a time when the Korean War required China to finance a major war effort.

**Aims of Second Five Year Plan 1958 - 62. (Great Leap Forwards):**

Second Five Year Plan aimedto stimulate agricultural production and industrial production simultaneously.

‘Walking on two legs’ – increasing both agricultural and industrial production at the same time.

The regime declared that general steel and ‘general grain’ were in charge of the economy.

Aim to make agriculture more productive and efficient to free up workers to move to the cities.

Mao hoped to make China a modern industrial power without going through the normal phases of development other leading powers had experienced. China would bypass the stages through which the advanced nations had gone, and go straight from being a rural agricultural economy to becoming an urban industrial one.

Gt Leap gave more freedom to local party officials to harness the energies of the masses.

Chief method by which industry was to ‘leap forward’ was by production of as much steel as possible.

Mao wad convinced by sheer manpower China could solve all the problems of industrial development.

This was an attempt to turn China into an industrial superpower by using the massive manpower of the country.

Mao was encouraged by the success of the First Five Year Plan and believed that, will power, determination and mass manual labour could turn China into an industrial superpower almost over-night.

There were also urgent problems to attend to. The population of China's cities had grown, but food supplies had not matched the increase.

Agriculture was still not producing a surplus. Mao expected the peasants to pay for industrial expansion just as they had for the First Five Year Plan.

**Agriculture during the Great Leap Forwards:**

Mao believed best way to improve production was to move peasants into communes. The communes were to be vast in size and incorporate both agricultural and industrial production. Mao called this focus on both aspects often economy ‘walking on two legs’

Workers who had migrated to towns during the First Five Year Plan were sent back to their communes to work.

Mao decided that peasants must be brought under central control. He ordered the creation of 25,000 Communes. Most contained about 20,000 people, but some were as large as several hundred thousand.

Peasants were ordered to live communally in dormitories, eat in mess halls and tear down their houses. Private property was abolished. Peasants lost freedom of movement. Required internal passports to travel from one commune to another.

Strict controls were enforced to regulate agriculture. Peasants were ordered to farm according to instructions and not according to their own experience.

The ideas of the Soviet scientist Trofim Lysenko were adopted. He had put forward fraudulent theories, which did great harm. Deep ploughing ruined the topsoil and bird-scaring allowed insects and pests to flourish. This was part of the ‘Four No’s’ campaign.

The Communes were also to be industrial units e.g. producing tools and farm machinery.

**Why did the changes in agriculture fail during the Great Leap Forwards?**

Communes and GT Leap forward were a disaster for agricultural production.

Mao had grossly over-estimated potential production figures. He believed that agricultural production could be doubled in a year.

The Four No’s campaign was disastrous and ruined agriculture in many areas.

Peasants, who, only a few years earlier had been rejoicing at Land Reform, had now lost all independence and were working in agricultural factories. All private farming abolished with the establishment of communes in 58.

In their spare time, they were expected to undertake military training.

Many peasants gave up farming to work on backyard furnaces.

In 1958 China produced 200 million tonnes of grain, in 1960 the total was 143.5

4.3 million tonnes of meat produced in 1958, in 1960 the total was 1.3 million tonnes.

Eventually even Mao had to admit that Collectivisation was a failure, but he reacted by accusing officials of incompetence.

Mao believed the key to its success was to use the **millions of peasants** in China to do the work – instead of machinery and experts, who he distrusted.

Instead of building big factories in cities, the CCP encouraged peasants to set up small-scale industries in the countryside (called the **‘industrialisation of the countryside’**). For example, they had to make steel in **backyard blast furnaces.**

To improve **agriculture**, massive schemes of irrigation and dams were planned, to be built by enormous armies of labourers. However these schemes took large amounts of labour away from farming and many were a total failure.

Peasants in the communes went short of food because it was being exported to Russia to pay for Soviet advice, and sold cheaply to the cities to feed urban workers.

**Targets** were set for every village, commune and factory. These targets were extremely high and people were too scared to argue with them.

1958 – Four pests campaign to rid china of sparrows, rats and flies. With no birds now to thin their numbers, insects and small creatures gorged themselves on grains and plants. Vermin also multiplied and destroyed stocks of grain. The effects of this campaign was exacerbated by the decision to follow the ideas of Soviet scientist Lysenko. Coupled with massive waste of labour in the backyard furnace scheme – led to a drop in agricultural production.

Peasants could not be producing food, supervising a backyard furnace and working on water conservancy projects all at the same time.

Officials demanded even higher quotas of grain be extracted from the countryside and sold to the government at artificially low prices.

Between 58- 61 the amount of land in use for crop production as reduced by 9% (orders were given to leave a 1/3 of the land fallow because the storage facilities would be sufficient to contain the expected enormous grain yields.

Grain exports to Soviet Union to pay for more and more heavy industry continued to rise and rise.

Even communes that did produce a surplus but the transport system were too poorly developed to move food where it was needed.

To produce steel, peasants neglected their crops that went to ruin. All over China the harvest was left to rot and this made the famine brought about by Collectivisation all the worse.

Backyard furnaces had failed completely by 1959.

The peasant industries **did not work** properly – no-one had the expertise to run them properly. E.g. the steel produced in the backyard furnaces was so poor it could not be used.

People **lied** about the amount they had produced because they were scared of what would happen to them if they did not meet their **targets**. This meant that even crazier targets were set.

**Foolish ideas** like ploughing deep, planting crops too closely together and killing birds led to poor harvests.

**No-one dared criticise** the plan for fear of being labelled a ‘rightist’ or a ‘counter-revolutionary’.

No one was prepared to tell Mao what effects the changes were having. He announced that agricultural production for 1958 was more than 400 tonnes, when it was in fact about 200.

The result was famine and 30,000,000 Chinese died. But CCP officials dared not report this to Mao.

**Famine:** **1958-62 – greatest man made famine in history.**

Peasants **neglected the farms** to look after the industries and a disastrous famine began (1959-1961).

Fearful of being labelled a rightist, local rural cadres refused to reveal the real conditions in the communes.

Created greatest famine in history –in Sichuan 9 million starved, Henan 8 million.

30 -50million died in total.

‘Arc of misery’ swept through China’s central and eastern provinces.

In July 1959, Peng Dehuai tried to warn Mao of the consequences of the famine. He had seen the effects of famine in his own province and sent Mao a letter during the Lushun Conference.

Predictably, Mao used the letter against Peng. He asked the Politburo either to support Peng or himself. All but one backed Mao. (Mao stung by criticism – chose to retire from day to day politics.)

**Industry during Great Leap Forwards 1958 - 62:**

**Successes:**

Some eye catching successes – notably construction of Tiananmen Square. This was begun in 57 and completed within 2 year. This was an enormous project that involved clearing a 100 acre site of shops and markets and laying a vast concrete paved level space

Also development of nuclear weapons.

Steel production doubled within the first year of the plan. Other successes in the first two years e.g. Coal produced rose 230 tonnes to 270 tonnes.

Creation of state owned enterprises (SOEs – Private industry was brought under state control) provided workers with accommodation and medical and educational benefits for their families. Workers had ‘an iron rice bowl’ (guaranteed jobs and wages)

**BUT Huge Failures:**

By 62 plan failed. China only producing ½ the amount of heavy industrial goods and ¾ the amount of light industrial goods that were being made in 58 at the start of the plan.

China did not have an integrated plan for turning what raw materials had been produced into manufactured goods which were actually sellable. China lacked the following essentials: technical skills; managerial know how; efficiently run factories and an adequate transport system. Without these China could not build the modern economy Mao had promised.

Political interference made the plan impossible to manage.

Anti-rightist campaign meant there were no experts left to offer advice. Targets were over ambitious.

Quality of goods produced was poor.

By 62 industrial production had declined by 40% from the 58-59 level.

Every family urged to produce steel in backyard furnaces. By Oct 58 ¼ of pop had abandoned their normal activities to take part in it. But what was produced was useless. Campaign was both economically damaging and environmentally as many trees were cut down to fuel the furnaces with wood. Some parts of China were deforested beyond the point of recovery.

SOEs were inefficient largely as a result of abandoning any incentives. It did not matter whether an SOE was efficiently managed or not since any surplus when directly to the state.

Major industrial development needed capital investment, technology and planning; Mao rejected all of these as revisionist.

He was afraid that if he allowed the creation of a class of experts he would lose control of the revolution.

To make matters worse, the split with the USSR in 1960 meant that Soviet experts left and no more cheap loans were on offer. It also resulted in the closure of half the 300 industrial plants that the Soviet Union had sponsored in China, including a number of steel mills.

Mao’s understanding of the industrial process was limited. He simply believed that by a massive deployment of manpower China could achieve the advanced industrialisation it needed.

**Changes to industry and agriculture after Great Leap Forwards:**

After 1962 - changes were made to agriculture:

Peasants now allowed to have small private plots and trade on free market. And industrial production was changed to support agriculture, size of the Communes was reduced.

By 65 agricultural production had recovered to the same level as before the Great Leap.

Chinese economy recovered after the Gt leap forward

By 65 production of consumer goods was double the 57 level.

In 1962 **Deng Xiaoping** and **Liu Shaoqi** took over the running of the economy and changed it a lot. E.g. they allowed peasants to have their private plots of land again so that more food could be produced.