The Economic Revolution—Efforts to Create a Socialist Economy

By 1953, the Communists had removed all resistance to the regime and had broken up the old social order. Vast numbers of people in the villages who had formerly enjoyed wealth, authority, and respect had been killed. The business and industrial groups in the cities were ruined. Freedom of thought of the intellectuals had been destroyed. The dominant group in the new society was the Communist Party. Its members were tightly disciplined by the party leaders. By 1953, the Communists were ready to move ahead toward a socialist economy in agriculture and industry.

Industry

The Five-Year Plan

The aim of China's first Five-Year Plan (1953–1957) was to industrialize China as rapidly as possible using the Soviet Union as a model. Some of the goals were to quadruple the production of steel and to double the output of power and cement. The government invested most of its capital in heavy industry. Increasing agricultural production was less important.

Soviet aid. Thousands of Chinese party members had been trained in the Soviet Union since 1921. They hoped to copy what the Russians had done in industry and agriculture. In the 1950s, thousands of Chinese went to the Soviet Union to learn about the economy. Large numbers of Soviet technicians and advisers came to China. A Sino-Soviet Agreement of 1955 provided for Soviet assistance in the establishment of over 100 industrial projects—mainly in the fields of electric power, mining, chemicals, and metal. China received essential help in the form of technology loans and equipment.

Agriculture. The money to pay for China's industrialization had to come from its agricultural products. The Agrarian Reform Law of 1950 and the campaign against the landlords had given the peasants their own land. Most peasants now farmed small plots of land using primitive methods and tools. This did not produce enough food for China's enormous population of nearly 600 million people. It did not provide the government with enough crops to sell to pay for the new industries and the imports of machinery.

The Communist leaders believed that the best way to get more crops from the peasants was to organize them into collective farms (very large farms run by the government). The Five-Year Plan prepared the way for the collectivization of agriculture. It was to be done in stages. During the first stage, peasants were organized into mutual-aid teams. These teams shared their tools, animals, and fertilizer and helped each other by joint planting and harvesting. But the land still remained in individual hands. In the next stage, producers' cooperatives were set up where the small plots of 30 or 40 families were combined into a large cooperative farm. The members shared the equipment and farm animals. Each family owned a share of the cooperative and divided the crops. By 1956, 90 percent of the peasants were reported to have joined the cooperatives.

The cooperative system allowed for greater planning of farm production. Workers could be assigned to plant the crops that were most needed. Modern methods began to be used. By 1955, more food was being produced than ever before.

Between 1955 and 1957, many cooperatives were joined together to form collective farms. The peasants were asked to give up the shares they owned in the cooperatives and to become wage laborers on the collective farms. Soon there were one or two collective

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farms to a village. They were run by members of the Communist Party who made sure that the state received the required share of crops. Many peasants were unhappy with the situation because they did not like giving up ownership of their land.

By 1956, party leaders believed that they had been successful in basically changing Chinese society. They decided that it was time to allow greater freedom of expression. In May 1956, a campaign was begun using a slogan from China’s ancient history: “Let a hundred flowers bloom, let a hundred schools of thought contend.” People were encouraged to express their opinions, even to criticize party workers. Mao believed the criticism would be healthy and that it would result in unity.

However, the result was a storm of criticism against the aims of communism and the basic policies of the state. Mao and the top leaders were shocked. In the spring of 1957, the movement was harshly suppressed. Many of the protesters were punished. So were party workers for failing to keep in touch with the people. Party workers and intellectuals were sent to work in the countryside, to be close to the masses.

The First Five-Year Plan had achieved excellent results. There were new roads, dikes, dams, factories, and cities. Industrial production had increased rapidly. However, the setting up of collective farms had not increased crop production. Between 1952 and 1957, the population in the cities grew by about 30 percent, but the government’s grain collections hardly grew. In 1958, a second Five-Year Plan was adopted. It was to be a “Great Leap Forward” in industrial and agricultural production.

The plan set very high goals for increases in production. A basic idea was to use China’s abundant manpower to develop the countryside. Millions of people in the villages were mobilized for irrigation, flood control, and land reclamation projects. To encourage the spread of industry throughout the country, small iron furnaces were set up in backyards. Mao believed that spirit and willpower were enough to get economic results.

The first results seemed to show a great leap forward: through sheer muscle power the face of China was changed. There were thousands of new reservoirs, hydroelectric power stations, and hundreds of miles of railways, bridges, new canals, and new highways.

But the plan had set unrealistic goals and there was not enough careful planning. The all-out effort at instant growth led to massive errors and wastage of labor. The new factories could not get the raw materials they needed. The transportation system could not handle all the traffic. It became clear that the ambitious goals would not be met.

An important part of the Great Leap Forward was the setting up of communes. In each area a number of collective farms were joined together to form a commune. The communes were huge. Some were the size of towns, containing as many as 25,000 people. The people were divided into production brigades and production teams. Each brigade had a specific job to do. It was believed that because of the large size of the commune it would be possible to use labor and resources more efficiently. In this way agricultural production would increase without a huge investment in modern equipment.

Control in each commune was in the hands of Communist Party members who took on the functions of a local government. They assigned members to teams and brigades; paid out wages; ran the schools, health clinics, and day-care centers; collected the taxes; and provided for security.

Many peasants disliked the communes. They disliked being moved about and assigned to jobs against their will. They were exhausted by the long hours of hard work and poor diets. A wage system of paying each person according to need instead of according to work
lowered productivity. Soon there were serious food shortages. By 1959, Mao admitted that the Great Leap Forward was a failure.

The agricultural crisis worsened in the early 1960s as China suffered from drought and plagues of insects. Poor harvests led to widespread malnutrition. There were food riots, and great numbers of people died because of famine.

At the same time, the Soviet Union withdrew its aid and its technicians. Transportation broke down, and industry practically came to a standstill. Production (GNP) declined by about one-third in 1960. The people were exhausted. It was acknowledged that Mao and his followers had made errors on a gigantic scale. Mao removed himself from the day-to-day administration of affairs. He turned over his position as chief of state to Liu Shaoqi (Liu Shao-ch’i), although he still kept his post as chairman of the party.

The Great Proletarian Cultural Revolution

The Great Proletarian Cultural Revolution was launched by Mao in 1966. For the next three years, China was turned upside down. Everything was shaken up—the economy, the education system, the government, and the party. Many important people were publicly humiliated, including the future leader of China, Deng Xiaoping. Thousands lost their lives during this time of chaos and violence. Things did not begin to return to normal until 1969. However, many historians now date the Cultural Revolution from 1966 to 1976 because they include in this period the radical activities of the “Gang of Four.”

Causes

The Great Leap Forward had brought China close to disaster. For the first time, there was great opposition to Mao, especially within the Party. There was also opposition from the intellectuals—writers, artists, professional people, and university professors and administrators. From 1962 on, essays appeared in newspapers and journals satirizing (making fun of) Mao’s incompetence.

Liu Shaoqi (Liu Shao-ch’i) took over the day-to-day running of China. He and Deng Xiaoping set about restoring the economy. They established production goals for agriculture and industry that were realistic. They gave a great deal of authority to technicians and experts. There were also bonuses and incentives for peasants and factory workers to make them work harder. By 1965, the Chinese economy had recovered.

Mao was very concerned with what was happening. A great debate began within the leadership of the Communist Party over what path to follow. It was a debate over “red versus expert.” On one side were Liu and his followers who stressed the importance of economic progress, the need for specialized skills and a technical education, and the need for a class of professionally educated people. On the other side were Mao and his supporters who believed revolutionary spirit and dedication to communism were more important than a technical education. Mao was very suspicious of “experts.” He saw in them the making of a new ruling class. In fact, Mao was very concerned that the Party members themselves had become an upper class. In the Party, the government, and the army there were many who had privileges, private property, and an advanced education that the ordinary people did not have. To Mao communism meant equality—equality between town and country, between workers and peasants, and between mental and manual labor. Consequently, in 1966 Mao decided that it was time to renew the class struggle and he launched the Cultural Revolution.

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Mao had several goals in starting the Cultural Revolution. Some of these were to:
1. Regain his leadership
2. Rekindle the revolutionary spirit of the nation, especially among the young people
3. Remove from power all those who opposed him
4. Bring about a change in leadership throughout China by removing government and Party officials, university professors and administrators, and factory managers

Mao had to look outside the Party for support. He turned to Defense Minister Lin Biao (Lin Piao) and the army. He called on the young people to organize themselves into Red Guards. Between August and November 1966, approximately 11 million Red Guards came to Beijing to meet with Mao and participate in mass demonstrations. Then they dispersed all over the country, where they violently attacked people and things that represented the “four olds”—old ideology, thought, habits, and customs. The Red Guards grew in numbers and power. Each Red Guard carried a copy of *The Quotations of Mao Zedong*, known as The Little Red Book. Mao’s ideas were the guide for all action, and the actions of the Red Guards became more and more violent.

Every part of Chinese society was affected. The top leadership of the Party was shaken up. Liu Shaoqi (Liu Shao-ch’i) and Deng Xiaoping issued confessions admitting their past errors and pledged their loyalty to Mao. But Mao rejected them as insincere. Liu was thrown out of the Party and died in disgrace in 1969. Deng was sent to work in the countryside. Red Guards paraded officials wearing dunce caps through the streets and looted the homes of officials who seemed to lack revolutionary spirit.

Also singled out for attack were the outstanding writers, scholars, and scientists. They were publicly humiliated and sent to the countryside to do manual labor while many of their works were destroyed. The Red Guards also destroyed many precious art works of the past. The entire educational system was affected. University officials and professors were criticized and even denounced. Students went to mass meetings and organized instead of going to class. Then the universities and schools were closed.

The Cultural Revolution spread from city to city. The newspapers urged city residents to seize control of their local governments. The radicals took over factories, banks, newspapers, and police stations. Mao called on the people to set up “revolutionary committees” to take the place of the local party and governments. Chaos was widespread. Clashes between armed groups occurred in many places. The army had to be called on to restore order and it took over many of the functions of the government. In some cases local army commanders ignored the authority of the central government in Beijing. Finally at the end of 1968 Mao called for a halt to the disruptions. He encouraged young people to go to the countryside to help with the farming. In 1969, about 20 million young people went to work on farms. This weakened the power of the Red Guards. In 1969, life in China began to return to normal.

The Cultural Revolution was a personal triumph for Mao. He was honored in songs, banners, statues, and portraits. The old moderates in the party, like Liu Shaoqi, were gone. Lin Biao, Mao’s loyal supporter, became the number-two man and was named Mao’s successor. Jiang Qing, Mao’s wife, also emerged as an important political leader. The Cultural Revolution hurt China’s economy. The damage to agriculture, industry, education, and science set back China’s development by 10 to 20 years. Millions of lives and careers were ruined and thousands died.
During the years of cultural revolution, there were mass demonstrations all over China. Here, Red Guards carry banners and photographs of Mao.

The Last Years of Mao’s Rule

The bitterness created by the Cultural Revolution lasted many years and resulted in a continuing power struggle. Under circumstances that still remain unclear, Lin Biao and Mao had a falling out. It seems that in 1971, Lin planned to have Mao assassinated. When the plot was discovered he tried to escape to the Soviet Union, but he and a number of senior military officials were killed in a plane crash. Again there was preoccupation with the questions of who would succeed Mao and what path China would follow. Two factions arose—the moderates led by Zhou Enlai and the radicals led by Jiang Qing, Mao’s wife. Zhou said that China should concentrate on economic development, with the goal of making China an industrialized nation by the year 2000. He set forth the guidelines for this
development which became known as “The Four Modernizations.” Zhou sponsored the return to power of Deng Xiaoping. In 1975, when he was very ill, Zhou turned over the day-to-day administration to Deng. Jiang Qing and her three allies, who became known as “The Gang of Four,” believed that the Cultural Revolution had been a positive experience and they fought to keep its revolutionary ideas alive. When Zhou Enlai died in January 1976, the Gang of Four convinced Mao to remove Deng from office. Deng was disgraced for a second time. By this time Mao was very ill and the Gang of Four was preparing to take over power. Mao died in September 1976 at the age of 82.

China and the World: Foreign Relations Under Mao Zedong

China and Taiwan: the Problem of “Two Chinas”

A hundred miles off the coast of Southeast China lies the island of Taiwan, also called Formosa, a name given to it by Portuguese sailors in the 16th century. Taiwan became part of the Chinese Empire in the early years of the Manchu Dynasty. Following the war with Japan in 1895, Taiwan was given to Japan but was returned to China 50 years later.

After the Communists took control of China in 1949, the defeated Nationalists, under the leadership of Chiang Kai-shek, fled to Taiwan. There they set up a government that they called the Republic of China. Approximately 2 million Chinese left mainland China and came to Taiwan. Both the Nationalist Government of Taiwan and the People’s Republic of China claimed that it was the only legitimate government of China.

The Chinese people have a strong feeling of nationalism that calls for the unity of all Chinese people under one government. Therefore, a principal aim of Chinese foreign policy was, and is, the recovery of Taiwan. The communist leaders in Beijing have always claimed that Taiwan is an integral part of China. As soon as they were firmly in power, Mao and the People’s Liberation Army prepared for an invasion of Taiwan. At the same time, the Nationalist government prepared for a counterattack to recover the mainland.

These plans changed as a result of the Korean War. President Truman sent the U.S. Seventh Fleet to patrol the Taiwan Straits, which separate Taiwan from the mainland. This action prevented the Communists from making any attempt to recover Taiwan. It was during the Korean War that the United States began to build up the military power of Taiwan. After the war, the United States recognized the Nationalist government as the legitimate government of China and pressured its allies to do the same. In 1954, the United States signed a mutual defense pact with Taiwan, promising to protect it against attack. These moves convinced Mao that the United States would resist any invasion of Taiwan. The United States continued to provide generous military and economic aid, which helped Chiang Kai-shek build up the island’s economy. By the mid-1960’s, Taiwan’s industrialization was so successful that U.S. economic assistance was discontinued.

The existence of “two Chinas” presented a problem to the United Nations. Who was to represent China in the United Nations? Until 1971, the Nationalist government of Taiwan was a member of the United Nations and the People’s Republic of China was barred. This was mainly the result of United States’s pressure and influence. Year after year, the Soviet
Union and India tried to get U.N. membership for Communist China, but these efforts were blocked by the United States.

For the leaders of China, the question of Taiwan was an issue of national pride. They felt that only U.S. support for Taiwan prevented them from taking over Taiwan and unifying the Chinese people. Thus, the communist leaders of China regarded U.S. policy as a great insult. The United States became the main target of Chinese propaganda and the United States was called an imperialist power.

Over the years more and more nations came to believe that the People’s Republic of China should be represented in the United Nations. In October 1971, the United States removed its objection to seating the People’s Republic in the United Nations. The U.S. delegation, however, fought to keep both Chinese governments in the world organization. When the vote was taken on October 25, 1971, the Communist Chinese were admitted to the United Nations and the Nationalist Chinese were expelled.

**Relations with the Soviet Union**

Since the establishment of the People’s Republic of China in 1949, China’s relations with the Soviet Union, as well as with other countries, have gone through many changes.

**“Lean to One Side”**

Several months before he took control of the country, Mao proclaimed that China would “lean to one side” to support the Soviet Union in its rivalry with the United States. For a number of years during the 1950s, the two Communist powers were close allies. During the late 1950s, however, serious differences developed between the two, and by 1960 their “unbreakable friendship” had deteriorated.

In 1950, Mao traveled to Moscow and the leaders of the two nations signed a treaty, the “Sino-Soviet Treaty of Friendship, Alliance, and Mutual Assistance.” This treaty provided that if either country were attacked by Japan or “any state allied to it” (meaning the United States), the other country would come to its assistance. The treaty lasted 30 years. During the Korean War, China and the Soviet Union drew closer together. Chinese forces in Korea, fighting the Americans and South Koreans, were built up with heavy Soviet weapons.

During the 1950s, the Chinese modeled just about everything on Soviet examples. They modernized their army and created a professional officers corps similar to that of the Soviet Union. Soviet examples guided the Chinese in their economic planning, the organization of their party and government, and in many other ways. In addition, the Soviet Union provided a great deal of economic and technical assistance to China. Thousands of Chinese trainees went to the Soviet Union, and thousands of Soviet technicians came to China to help with hundreds of industrial projects. China received equipment and large loans to help its industrialization. The Chinese Constitution of 1954 was copied in large part directly from the Soviet Constitution of 1936.

In the late 1950s, very serious differences arose between the Soviet Union and China. In 1960, there was an open split. Soviet technicians and advisers suddenly left China. Then, in 1969, serious military clashes occurred along the Sino-Soviet frontier. What are some of the causes behind the quarrel that turned the two communist allies into enemies?

1. **De-Stalinization in the Soviet Union**: Joseph Stalin, who had ruled the Soviet Union for almost 30 years, died in 1953. The new Soviet leader, Nikita
Khrushchev, began a program of de-Stalinization in 1956. He accused Stalin of many crimes and of having made many serious mistakes. In China, Stalin was still regarded as a great communist hero. Mao and the Chinese Communist leadership were embarrassed by Khrushchev's anti-Stalin campaign. Mao even found it a threat to his own leadership.

2. Economic position: For almost 50 years, Soviet leaders worked to build up a powerful, modern industrialized nation. China in the 1950s was still a poor developing country. Thus, the Chinese and the Soviet peoples had very different needs and goals. This made the two countries look at things differently.

3. Differences over ideology: Arguments arose over communist doctrine. Each country accused the other of betraying communist ideas. During the Great Leap Forward, the Chinese claimed that the establishment of communes put them farther along on the road to communism than the Soviet Union. Khrushchev denounced the Great Leap Forward and the communes as dangerous fanaticism. Mao regarded this as an unforgivable insult and accused the Soviets of revisionism (revising Communist theory) and selling out to capitalism.

4. International goals: Under Khrushchev the Soviet Union tried to improve relations with the United States and ease international tensions. Mao saw this as a betrayal. When Khrushchev visited the United States in 1959 and spoke of "peaceful co-existence," Mao felt that Khrushchev was sacrificing socialist unity. He accused Khrushchev of "capitalist collaboration."

5. Attitude toward war: Communists always believed that there could be no lasting peace in the world until all countries had a Communist form of government. As long as there were capitalist nations, they might try to attack the Communists. Therefore, according to Communist theory, it was the duty of Communists everywhere to wage war against capitalists and bring about their downfall. However, with the development of atomic weapons it became obvious that such wars could destroy the world. The Soviets were not willing to take this risk and they began to promote a policy of "peaceful co-existence," that is, living peacefully with other countries. The Chinese criticized Soviet policy for not being revolutionary enough. Mao's statements minimizing the dangers of nuclear war frightened the Soviets. In 1957, the Soviet Union promised China assistance in developing nuclear weapons. In 1959, the assistance was stopped.

6. Rivalry for leadership: In Russia, the Communists came to power in 1917. In China, the Communists took over in 1949. For years, the Soviet leaders felt they were more experienced, and therefore they should determine the policy that Communists all over the world would follow. As the split between China and the Soviet Union widened, China tried to capture the leadership of world communism. China tried to increase its influence with the developing nations in Asia and Africa. The Chinese said that these nations had more in common with China than they did with a powerful, industrialized Soviet Union. Therefore, the Chinese model of revolution should be followed by these countries. China supported "national liberation movements" in Asia and Africa and called for "people's wars" against both superpowers.

7. Territorial disputes: The Soviet-China border extends over 6,500 miles. Under the tsars, Russia expanded into territory that had been part of the Chinese Empire—in northeast China, Mongolia, and Turkestan. The Chinese charged that the Soviet Union was holding over 700,000 square miles of land that once belonged to China.