

Local Industry in China

AN important aspect in the profound changes on China's economic front since the start of the Great Proletarian Cultural Revolution is the rapid growth of local industry.

This includes all industrial branches not attached to the central industrial departments and embraces all industrial enterprises run by provinces, administrative regions, counties, people's communes or production brigades. Most of these are small or medium-sized enterprises run by counties, people's communes or production brigades.

There had never been such a rate of growth in productive capacity and increase in output before the start of the Cultural Revolution. More than half the country's counties have set up their own small machinery, chemical fertilizer, cement and iron and steel plants and small coal-pits. The others also each have one to two or three to four small factories. Production of chemical fertilizer and cement by small plants now accounts for 40 and 50 per cent of the national total. Output of these two items in the first half of the year rose by 30 to 50 per cent over the corresponding 1970 period.

The local iron and steel industry which was almost brought to a standstill by the renegade, hidden traitor and scab Liu Shao-chi in 1961-62 has not only been revived but expanded, with small iron and steel plants set up in hundreds of counties and cities throughout the country. The iron-smelting capacity of small local plants in 1970 was 2.5 times that in the previous year, while output of pig iron was 2.8 times as much. In the first six months of this year production was over 30 per cent more than in the same period last year.

The practice of "shipping coal from the north to the south," the situation in old China, has begun to change as a result of the mass efforts to look for, report and mine mineral deposits. Coal deposits confirmed in the provinces south of the Yangtze by 1970 rose two to five fold compared with those located before the Cultural Revolution. The scope of coal-mine construction in these provinces last year was more than nine times that in 1965. Large numbers of small and medium-sized coal-mines have been built and put into production in Kwangtung, Hunan, Kiangsi, Fukien, Chekiang and Kiangsu Provinces. Coal output in the southern provinces last year was double that in 1965, and it is continuing to rise at an even faster rate this year. Some provinces have become basically self-sufficient in coal supply.

Small power stations, coal-mines, tanneries, flour mills and other industrial enterprises have been set up on the Tibetan Plateau which previously had no modern industry. The Liangshan area in Szechuan Province, inhabited by people of the Yi nationality, where the slash and burn method of farming was dominant before liberation, now has its own small iron- and coal-mines and chemical, cement and farm machinery plants.

Local industry has developed on a larger scale and at a faster speed in provinces that have a much better industrial foundation. More than 18,000 factories and mines have been set up in the past few years in Shansi Province and they produce about one thousand products ranging from iron, steel and coal to manufactured goods. They are run either by the province, the administrative regions, the counties, or by the communes and the brigades.

Giving Play to National and Local Initiative

China is a big country with a population of over 700 million living in an area of more than 9.6 million square kilometres. But China is still poor. New China inherited a very poor modern industrial base. China's industry must be built at the fastest possible speed in order to change this backwardness, smash the imperialist blockade, interference, subversion and aggression, and to build socialism. The question of speed is the most important question in China's industrial construction. Which of the two can ensure high speed in industrial construction: industry that is undertaken exclusively by the central industrial departments or that which is run by the mobilized strength at all levels throughout the country? Practice shows that faster speed is possible when the central industrial departments and all the localities make concerted efforts to go in for industry. Chairman Mao gave a number of very important instructions on this question years ago. He pointed out in 1956: "**It is far better for the initiative to come from two sources than from only one**" and "**Let the localities undertake more work under unified central planning.**" Two years later Chairman Mao formulated the Party's general line for building socialism and laid down a series of principles summed up as "walking on two legs," which include the simultaneous development of industry and agriculture, heavy and light industry, central and local industry, and big,

medium-sized and small enterprises. Thus he placed the development of local industry on the same important strategic plane as the development of industry under the central industrial departments.

Local industry developed by leaps and bounds during the big leap forward of 1958 because the initiative of the localities was brought into full play under the guidance of the general line. The amount of iron produced by local plants at that time came to 50 per cent of the national total. In 1961-62, our country met temporary difficulties because Soviet revisionism tore up contracts and withdrew experts and as a result of three years of natural calamities. In their attempt to restore capitalism, Liu Shao-chi and his gang took advantage of this to wildly attack the general line and the big leap forward and closed down nearly all the local factories that had just been established. The people settled accounts with Liu Shao-chi's counter-revolutionary crimes during the Cultural Revolution, and local industry once again is in a period of vigorous development.

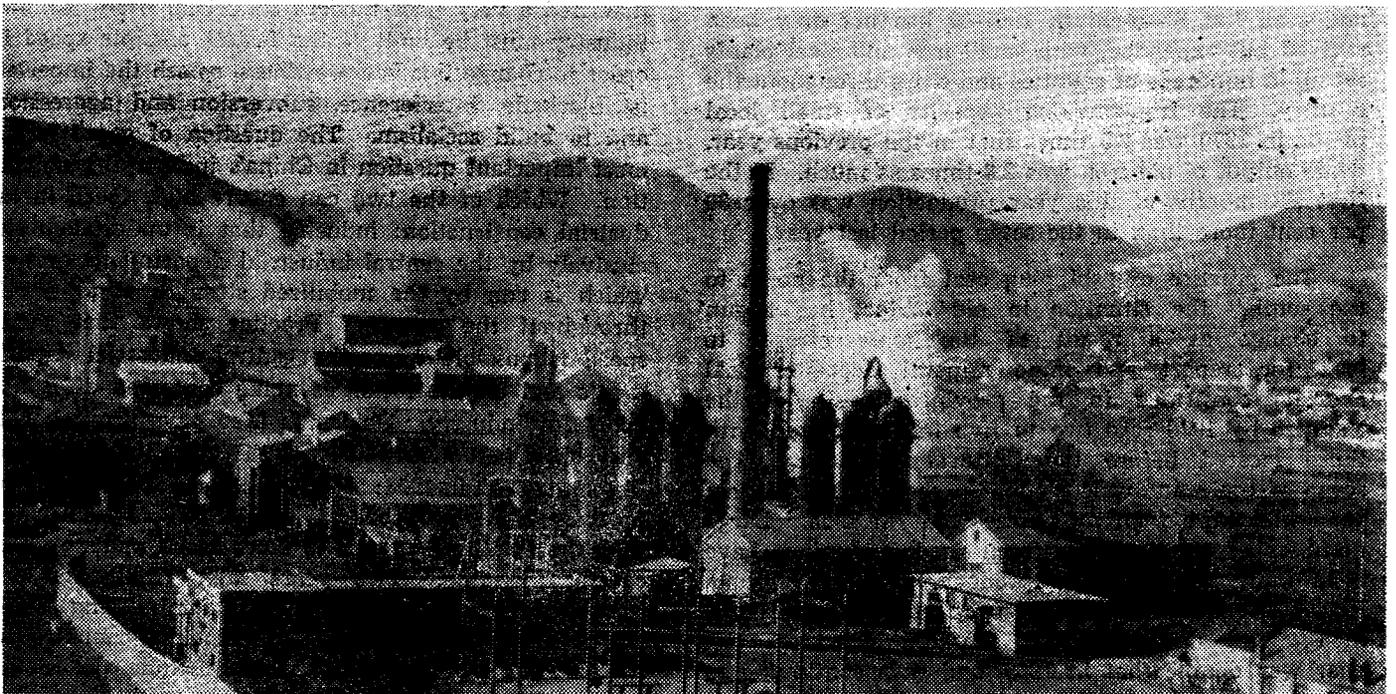
The experience of the big leap forward of 1958 and the facts since the start of the Cultural Revolution prove that the principle of giving play to the initiative of both the central government and the localities and letting the localities undertake more work is the only correct principle for developing China's industry with greater, faster, better and more economical results. This is because this principle accords with China's specific conditions, with the objective laws of industrial

development and with the masses' aspirations and demands.

China has a vast territory and the economic foundations, geographical conditions, mineral resources and other natural conditions in different parts of the country vary greatly. It is difficult to make industry in all areas achieve significant progress in a short period of time by relying on the efforts of the central industrial departments alone. It therefore is necessary to develop local industry according to conditions in the localities. For instance, the central industrial departments can set up large industrial enterprises in areas with rich, concentrated mineral resources, but they are not in a position to fully tap the large amounts of mineral resources scattered in the localities. Local industries, on the other hand, can make full use of local resources.

China is a multi-national country, and her people live in different areas with a different climate. Some engage mainly in agriculture and others in animal husbandry. With different production and living conditions, they have different demands for manufactured products. Their greatly varying needs cannot be fully satisfied by the central industrial departments alone. Only by developing local industry energetically is it possible to meet their needs satisfactorily.

Still more important, this will set off mass movements and bring the enthusiasm of the masses for socialism into full play. This tremendous enthusiasm is the fundamental guarantee for building socialism.



An iron-smelting plant at the small iron and steel complex in the Yentai Administrative Region, Shantung Province.

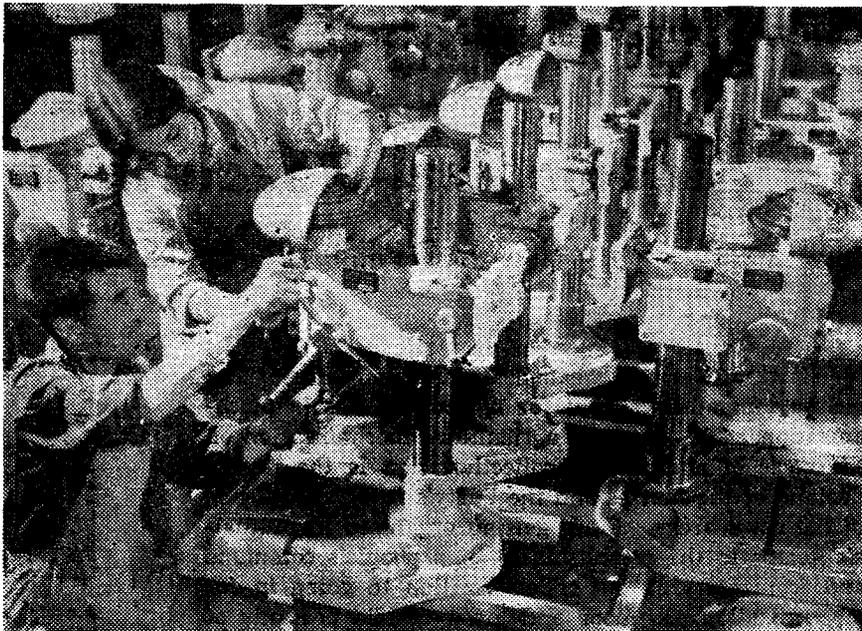
For these reasons, the principle put forward by Chairman Mao of giving full play to the initiative of two sources has not only brought about the vigorous development of local industry, but has also resulted in stimulating the rapid growth of the whole country's industry. This has an important bearing on improving the distribution of industry in China, building independent industrial systems in different parts of the country, and carrying out the strategic principle "Be prepared against war, be prepared against natural disasters, and do everything for the people."

Promoting Growth of Agriculture

The speedy growth of local industry has also been a powerful impetus to the development of agriculture.

With over 80 per cent of its population in the countryside, China is a big agricultural country that has 1,600 million *mu* of cultivated land (15 *mu* equals one hectare). The situation in agriculture has a vital bearing on socialist construction and the consolidation of the dictatorship of the proletariat. Chairman Mao says: "Industry must develop together with agriculture, for only thus can industry secure raw materials and a market, and only thus is it possible to accumulate fairly large funds for building a powerful heavy industry." Chairman Mao stressed the importance of industry aiding agriculture and of setting industry on the road of serving agriculture.

A number of big national enterprises serving agriculture such as tractor plants and chemical fertilizer plants have been built to support agriculture. But it is local industry which can support agriculture most directly, promptly and effectively. The big tractor plants run by the central industrial departments can produce only some kinds of tractors suited to the general needs of most areas but cannot make farm machines for special use in specific places. This problem has to be solved by local industry. Now more than 20 provinces, municipalities and autonomous regions have built plants to produce tractors, engines, farm tools and machine parts. About 90 per cent of the counties have agricultural machinery plants which also do repairs. This is also true for the chemical fertilizer industry. Though the central industrial departments have set up a number of big chemical fertilizer plants, they cannot meet the needs of agricultural production. We must rely on chemical fertilizer plants run by provinces, counties and people's com-



Bench drills made in the electric machinery plant of Tsunhua County, Hopei Province.

munes to solve the problem. Small chemical works and chemical fertilizer plants have been rapidly set up in many places and more than half of the counties in some provinces have built small chemical fertilizer plants.

The big growth of local industry has played an enormous role in promoting the development of agriculture. Grain output in Chincheng County* in Shansi Province had long remained at the level of some 100 *jin* per *mu* before liberation. Local industry has developed to a certain extent since the founding of New China. More than 800 small factories were built during the 1958 great leap forward in the county and, as a result, grain output exceeded 300 *jin* per *mu*. Local industry throughout the county has developed even more rapidly since the start of the Great Proletarian Cultural Revolution. Now there are over 1,900 small factories and mines in 37 trades producing over 1,300 kinds of light and heavy industrial products. There are 30 people's communes in the county and each one has a small blast furnace, a machinery plant and a chemical fertilizer plant. Each of the 606 production brigades has small industries. The county's total industrial output value was 57 per cent of the total output value of industry and agriculture in 1969 and reached 63 per cent in 1970. At present, local industrial production is organized at the county, commune and production brigade levels to serve and promote agricultural production. This county was hit by an unusually big hailstorm in 1970 but the average per-*mu* grain yield still reached 400 *jin*, thus setting a new local record.

* See issue No. 20, page 18.