Chapter V
THE GREAT LEAP FORWARD, 1958-1960

At the Eighth Party Congress in September of 1956 the Chinese reassessed their application of the Soviet industrialization strategy to their own situation. While industrial development was advancing well,¹ the Chinese were disturbed by imbalances in their economy. The Soviet strategy involved the diversion of agricultural resources into heavy industry with little or no reinvestment in agriculture. The Chinese Communists had inherited no grain surplus, as the Bolsheviks had, but did inherit a large and rapidly growing population. Since there was no agricultural surplus to be exploited, agricultural output would have to be increased if a high level of industrial investment was to be continued.

By late 1957 the Party leaders were formulating a new economic strategy for their second five-year plan. The strategy adopted was to increase output in both sectors simultaneously. Heavy industry was to retain priority in investment allocation, although agricultural investment did increase slightly.² Output in agriculture and light industry was to be increased on the basis of reducing waste and inefficiency and increasing labor productivity and labor production. At the center of this strategy was the maximization of human effort by ideological incentives and political mobilization.

The general change in economic strategy introduced at this time was accompanied by administrative decentralization of light industry to the provincial level, effectively removing control from the central ministries and placing it in the hands of provincial Party committees.³ At the same time, the enterprise Party committees assumed complete control over operational as well as policy-making management functions in the factories.
With the assumption of complete enterprise leadership by the Party, reference to the independent organizational role of the unions ended. The new relationship between the Party and the unions was epitomized in a KJJP editorial:

> Trade unions are mass organizations of the working class and trade union work forms a part of the mass work of the Party. They are assistants of the Party in carrying out its work among the broad masses of workers. Therefore, trade union organizations must not only be politically and ideologically dependent upon the leadership of the Party, but also in organizational and business matters. Trade union organs at all levels must carry out their work under the leadership of Party committees of corresponding levels...

To facilitate this change the unions underwent administrative decentralization from the provincial level down. Provincial unions delegated to the next lower levels powers of financial administration, organization, cultural and business administration, and authorization of administrative expenditures. The effect was to decrease vertical control within the union structure, and increase horizontal control by corresponding Party committees.

The unions retained no organizational independence after mid-1958 and therefore had no independent functions. Their role was to carry out Party tasks, under Party leadership, in cooperation with the Communist Youth League. Until mid-1959 even the unions' routine tasks were neglected. Union cadres were to assume the routine duties of Party committees, allowing those committees to concentrate on mobilizing the workers for production and the reorganization of labor to support agriculture. At the same time the Party committees also assumed complete direction of the workers' conferences. It was precisely this organizational change that Lai and his associates had apparently tried to avoid.

Following the major rectification campaign of 1957 the ACFTU had called on the unions to organize a production upsurge motivated by an "unprecedented increase in labor enthusiasm" resulting
from the rectification campaign and a socialist education campaign which had followed it. This introduced the industrial production phase of the Great Leap Forward. Its basic strategy was the maximization of human effort, motivated by ideological incentive and political mobilization, to increase output without increasing capital investment. The tactics were: (1) to mobilize all potential sources of labor, e.g., housewives, students and teachers, soldiers, merchants, and underemployed peasants; (2) to raise work attendance among regular workers; (3) to improve productivity among regular workers through socialist emulation, improvement in the organization of labor, that is, reduction of personnel not directly participating in production, increasing workers' skills, and technical innovation; and (4) to reorganize labor throughout the country.\footnote{7}

Thus, within industrial enterprises labor productivity would be increased by technical innovations, and actual production output would be increased by mobilizing everyone available into labor-intensive campaigns. It would then be possible to reallocate part of the industrial work force to participate in agricultural production and in newly formed small industries in rural and suburban areas. This reallocation or reorganization of labor was the first phase in the so-called worker-peasant system which survived into the sixties and will be discussed in Chapter VII.\footnote{8}

The key to production efforts during this period was neither labor discipline nor emulation campaigns as such. It was the mass production movement, somewhat similar to organizing the entire industrial work force into emulation campaigns within emulation campaigns and differing from earlier campaigns in three ways.

First, they were based almost entirely on political mobilization rather than material incentives. In the second half of 1957, with the beginning of the anti-rightist and socialist education campaigns, political education increasingly dominated union attention and shifted increasingly to the theme of class struggle.\footnote{9}

During the Great Leap Forward itself, political education was taken
over almost entirely by the Party committees, and political educa-
tion gave way to fervent exhortation. Wage levels were lowered 
and piece wages were largely eliminated as obstacles to effective 
political education. At the end of 1956 excesses in the wage 
and bonus increases adopted earlier that year were adjusted, and 
early in 1958 wages at the bottom of the industrial wage scale 
were reduced to bring them into line with rural wages. In part 
this reduction in lower-level industrial wages was to discourage 
migration to the cities. But the general freeze in workers' wages 
from 1958 through 1960 was a reflection of the "politics in com-
mand" philosophy of the Great Leap Forward. But during the Great 
Leap period, unlike the Cultural Revolution, the marathon mobil-
ization of energies was still rationalized in terms of essentially 
material rewards; the Great Leap was to be a leap to a strong and 
prosperous new China.

Second, the mass production movement was much larger and more 
inclusive than earlier campaigns. Third, it was characterized by 
frantic activity with few organizational or regulatory guidelines. 
Since 1953 the trend had been toward increasing the planned organi-
zation of emulation campaigns and replacing shock tactics and 
quantitative output with technical innovation and quality control. 
These trends were now reversed. Regulations concerning work pro-
cedures were abandoned. Labor protection work did not receive any 
public notice until April of 1959 when prolonged overwork and fail-
ure to repair machinery began to seriously affect production. 
Technical innovation was officially an important part of the pro-
duction movement, but in November of 1959 the JMJ} was still calling 
for emulations based on innovations to supplement emulations based 
on "hard work." It was March of 1960 before a major technical innovation cam-
paign was actually launched, and the emphasis remained on political 
education even during that campaign. In any case, sophisticated 
technical innovation was largely precluded by the fact that many 
managers and engineers were sent down (hsiao fang) to work in rural
areas as part of the reorganization of labor and to allow the Party committees and workers freedom to "assault" production problems.