

**PRESS COMMUNIQUE
ON THE GROWTH OF
CHINA'S NATIONAL
ECONOMY IN 1959**

**FOREIGN LANGUAGES PRESS
PEKING**

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Press Communique on the Growth of China's National Economy in 1959

The 1959 plan for the development of the national economy was overfulfilled because the people of the whole nation firmly upheld the general line for building socialism, the big leap forward and the people's communes and launched a vigorous mass campaign to increase production and practise economy. The great call of the Eighth Plenary Session of the Eighth Central Committee of the Chinese Communist Party to fight against right deviation and go all out to fulfil the major targets of the Second Five-Year Plan three years ahead of schedule was successfully realized.

According to preliminary figures compiled by the State Statistical Bureau, the gross value of the 1959 output of industry and agriculture was 241,300 million yuan, an increase of 31.1 per cent over 1958. Of this, the gross value of industrial output was 163,000 million yuan, an increase of 39.3 per cent; that of agricultural output, 78,300 million yuan, an increase of 16.7 per cent. Break-down figures of the principal industrial and agricultural items follow: steel (excluding that produced by indigenous methods) — 13.35 million tons, an increase of 67 per cent over 1958; pig iron (excluding that produced by indigenous methods) — 20.5 million tons, an increase of 115 per cent; coal — 347.8 million tons, an increase of 29 per

cent; electricity — 41,500 million kwh., an increase of 51 per cent; crude oil — 3.7 million tons, an increase of 63.4 per cent; cement — 12.27 million tons, an increase of 32 per cent; timber — 41.2 million cubic metres, an increase of 18 per cent; chemical fertilizers — 1,333,000 tons, an increase of 64.4 per cent; metal-cutting machine tools — 70,000, an increase of 40 per cent; paper — 2.13 million tons (of which machine-made paper was 1.7 million tons), an increase of 31 per cent; sugar — 1.13 million tons, an increase of 26 per cent; salt — 11.04 million tons, an increase of 6 per cent; cotton yarn — 8.25 million bales, an increase of 35 per cent; cotton cloth — 7,500 million metres, an increase of 32 per cent; grain — 540,100 million catties, an increase of 8 per cent; cotton — 48.2 million *tan*, an increase of 14.76 per cent.

Budgetary outlay for investment in capital construction totalled 26,700 million yuan, an increase of 24.5 per cent over 1958. 1,341 above-norm construction projects were undertaken, of which 671 were fully or partially completed and went into operation during the year; below-norm projects undertaken at or above the county level numbered 75,000, of which 54,000 were completed during the year. In addition, great numbers of small construction projects were undertaken by people's communes.

The total volume of goods handled by various means of transport amounted to 2,212 million tons, an increase of 67 per cent over 1958. Of this, railway freight reached 542 million tons, an increase of 42 per cent.

Retail sales amounted to 63,800 million yuan, an increase of 16.4 per cent over 1958. The total value of stocks of goods in various commercial departments at the end of the year exceeded that at the end of 1958 by 26 per cent. Market was brisk and commodity prices were

stable. The supply of a small number of commodities in the market was tight during the first half of 1959 owing to rapidly increased purchasing power, but this situation ended quite some time ago.

The big expansion of industrial and agricultural production brought about a 21.6 per cent increase in national income in 1959 compared with 1958. The 1959 revenue of the state reached 54,000 million yuan, an increase of 29 per cent over 1958.

All this shows that the adjusted targets of the 1959 plan which were adopted by the Standing Committee of the National People's Congress last August were exceeded by a wide margin. On the basis of the 1958 big leap forward, the Chinese people attained a better, all-round big leap forward of the national economy in 1959.

The continuous big leap forward in 1958 and 1959 made for the successful fulfilment three years ahead of schedule of the Second Five-Year Plan for the Development of the National Economy (1958-62) proposed by the First Session of the Eighth National Congress of the Chinese Communist Party in September 1956 and endorsed by the State Council in February 1957.

The Second Five-Year Plan provided that in 1962 the gross value of industrial and agricultural output should increase by around 75 per cent over 1957. In 1959, it was already 94.4 per cent above 1957. The gross value of industrial output was to have increased by around 100 per cent. In 1959, it was already 131.5 per cent above 1957. The gross value of agricultural output was to have increased by around 35 per cent. In 1959, it was already 45.8 per cent above 1957. The national income was to have risen by around 50 per cent. In 1959, it was already 62.86 per cent above 1957.

Breakdown figures in the output of the major items of heavy industry, light industry and agriculture are listed in the following table:

	<i>1962 Targets of Second Five-Year Plan</i>	<i>Production in 1959</i>
Heavy industry		
Steel	10.5 million-12 million tons	13,350,000 tons
Coal	190 million-210 million tons	347,800,000 tons
Electricity	40,000 million-43,000 million kwh.	41,500 million kwh.
Crude oil	5 million-6 million tons	3,700,000 tons
Aluminium ingots	100,000-120,000 tons	70,400 tons
Chemical fertilizer	3 million-3,200,000 tons	1,333,000 tons
Metallurgical equipment	30,000-40,000 tons	205,000 tons
Power-generating equipment	1,400,000-1,500,000 kw.	2,150,000 kw.
Metal-cutting machine tools	60,000-65,000 units	70,000 units
Timber	31 million-34 million cubic metres	41,200,000 cubic metres
Cement	12,500,000-14,500,000 tons	12,270,000 tons
Light industry		
Cotton yarn	8 million-9 million bales	8,250,000 bales
Cotton cloth	7,290 million-8,060 million metres	7,500 million metres
Salt	10 million-11 million tons	11,040,000 tons
Edible vegetable oils	3,100,000-3,200,000 tons	1,460,000 tons
Sugar	2,400,000-2,500,000 tons	1,130,000 tons

Machine-made paper	1,500,000-1,600,000 tons	1,700,000 tons
Agriculture		
Grain	around 500,000 million catties	540,100 million catties
Cotton	around 48 million <i>tan</i>	48,200,000 <i>tan</i>
Soya beans	around 25,000 million catties	23,000 million catties
Pigs	around 250 million head	180 million head
Cattle	around 90 million head	65,430,000 head
Horses	around 11 million head	7,600,000 head
Sheep	around 170 million head	112,530,000 head

The above table shows that the 1962 targets of the Second Five-Year Plan were reached or exceeded in 1959 in the case of such major industrial and agricultural items as steel, coal, electricity, metallurgical equipment, power-generating equipment, metal-cutting machine tools, timber, cotton yarn, cotton cloth, salt, machine-made paper, grain and cotton, and that only those for 11 items — crude oil, aluminium ingots, chemical fertilizer, cement, edible vegetable oils, sugar, soya beans, pigs, cattle, horses and sheep — were not yet reached. The 1959 output of products that have decisive importance for the development of the national economy surpassed the original 1962 targets by a wide margin. For instance, steel output exceeded the target by 1.35-2.85 million tons, coal by 137.8-157.8 million tons, metallurgical equipment by 165,000-175,000 tons, power-generating equipment by 650,000-750,000 kilowatts, metal-cutting machine tools by 5,000-10,000 units and grain by 40,000 million catties.

In 1959, the national economy made an even better, all-round big leap forward as a result of the thorough

implementation of the policy of simultaneous development of industry and agriculture and of heavy and light industries while giving priority to heavy industry. A high-speed, proportionate advance was registered in all departments of the national economy during the year. The rate of development of heavy and light industries and agriculture was all very high. These facts demonstrate powerfully that the proportions between these departments and within each are harmonious.

Compared with 1958, industrial production increased by 39.3 per cent and agriculture by 16.7 per cent last year. The increase in the rate of agricultural growth was relatively greater (the ratio between the rates of industrial and agricultural growth was 4 to 1 during the First Five-Year Plan period, 2.65 to 1 in 1958 and 2.35 to 1 in 1959).

In industry, production in heavy industry went up by 43.3 per cent and in light industry by 34 per cent in 1959 compared with the preceding year. The increase in the rate of growth of light industry was relatively greater too (the ratio between the rates of growth of the heavy and light industries was 1.98 to 1 during the First Five-Year Plan period, 3.06 to 1 in 1958 and 1.27 to 1 in 1959).

Certain weak links in the national economy had an even more rapid development. In the field of transport, for instance, the volume of freight carried by modern means of transport increased 59 per cent and that by simple, local means of transport increased by 74 per cent. Both exceeded the rate of growth of industry and agriculture. This improved the condition where transport had lagged behind the needs of the development of production. In the field of the power industry, electric output in 1959

reached 41,500 million kwh., an increase of 51 per cent compared with 1958. The output of power-generating equipment totalled 2.15 million kilowatts, or 2.69 times the 1958 figure. Both surpassed the rate of growth of the industry as a whole. This improved the power supply situation.

During the great leap forward of 1959, while the big and modern enterprises run by the central authorities showed a tremendous advance, so also did locally-run, medium and small enterprises and those using simple local methods. The gross value of the output of local industry in 1959 was 39.7 per cent more than in 1958. The overwhelming majority of the small enterprises using indigenous methods, which were built in 1958, expanded their production and improved their technique after a check-up.

In 1959, the small and medium-sized enterprises produced 11.05 million tons of pig iron, or more than half of the national total (20.5 million tons, excluding pig iron produced by indigenous methods). The figure was 1.52 million tons more than China's total output of pig iron produced with modern equipment in 1958 (9.53 million tons). Of the 13.35 million tons of steel produced in China in 1959, the output of small and medium-sized converters accounted for more than one-third, i.e. 4.72 million tons.

The widespread development of small and medium-sized enterprises greatly accelerated the advance of industry, improved the geographical distribution of industries, trained large numbers of skilled workers and managerial cadres and brought about an even closer integration of industry and agriculture.

In 1959, factory and office workers in all spheres continued to develop the communist style of work, combining a down-to-earth spirit with daring in thinking, speaking and action, and displayed energy, perseverance and ingenuity in work. They engaged in mass campaigns for technical innovations and the technical revolution on an even wider scale, bringing not only greater and faster but also better and more economical results both in production and construction. Labour productivity of workers who took direct part in production in industrial departments increased by 15.5 per cent. Tens of thousands of new products were successfully trial-produced. The quality of products showed a general improvement. The quality of iron produced by small blast furnaces approximated to that by big blast furnaces. At the same time, a reduction of costs was registered by all departments. Industrial departments cut costs by 6 per cent, enterprises under the Ministry of Building, by 13.5 per cent and the transport and communications departments, by 14.6 per cent. The cost of commodity circulation was also lowered.

Simultaneous with the big economic growth, education, science and culture developed greatly.

Full-time institutions of higher learning admitted 270,000 new students in 1959. Total enrolment reached 810,000, an increase of 23 per cent over 1958 and approached the original 1962 target of 850,000 stipulated in the Second Five-Year Plan. Total enrolment in all types of secondary schools reached 12,900,000 and that of primary schools 90 million. Total enrolment in spare-time secondary schools and colleges reached 10 million, an increase of 94 per cent over 1958.

There was a big expansion in scientific research institutes, both independent ones and those belonging to institutions of higher learning, economic departments and enterprises.

Press, broadcasting, films, the theatre and other cultural undertakings all expanded rapidly. Considerable achievements were made in the fields of sports and public health.

The living standards of the people were raised on the basis of the continued big leap forward of industry and agriculture and increased labour productivity.

The average wages of factory and office workers (not including new factory and office workers) rose by around 5 per cent compared with the previous year. State outlay for labour insurance funds, medical expenses, welfare funds and collective amenities for factory and office workers went up by more than 16 per cent.

The average income of members of rural people's communes was around 10 per cent higher than in 1958.

Among the consumer goods provided to the people by the state through the commercial departments, grain increased by 6.5 per cent, cotton piece-goods 23 per cent, knitted goods 38.7 per cent, machine-made paper 13.7 per cent and cigarettes 15.9 per cent. The supply of the overwhelming majority of other daily necessities also increased in varying degrees. Only supplies of meat and eggs will need some time to achieve a relatively big increase.

The people's communes played a tremendous role in the continued big leap forward of the national economy in 1959.

1959 witnessed the gravest natural calamities China encountered in decades. A total of 650 million *mou*, or

30 per cent of the total sown area in the country, was affected. A dry spell lasted for three to four months last summer in greater parts of eight provinces, causing serious drought on nearly 400 million *mou* of farmland.

However, agricultural production still made a big leap forward because the people's communes, displaying their advantages in being large in scale and having a high degree of collectivism, effectively organized the members to wage a heroic struggle against the natural calamities and put into effect the Eight-Point Charter for Agriculture.

Apart from the good harvests of grain and cotton, the output of soya beans, vegetables, groundnuts, sugar-cane, sugar-beet, fruits, cured tobacco and tea also increased in varying degrees. Forestry, animal husbandry, side-occupations and fishery all made progress.

An additional 280 million *mou* of land were afforested in 1959. The total number of pigs in the sty reached 180 million at the end of 1959, 20 million more than in 1958. The number of big livestock reached 85.38 million, which was also higher than in 1958. Poultry-breeding also registered a big expansion. The campaign to collect wild vegetation — the "small autumn harvest" — was highly successful. The output value of rural side-occupations was more than double that of 1958. The total output of aquatic products was 23.6 per cent higher than in 1958.

Large-scale water conservancy work was continued in 1959 through the organized efforts of the people's communes. The total earth and stone work completed in the period between October 1958 and September 1959 amounted to 13,000 million cubic metres. An additional 70 million *mou* of land were brought under irrigation and

large numbers of existing irrigation systems were improved. Water conservancy work on a still larger scale is being carried out as from October 1959.

The superiority of the people's communes also manifests itself in the big expansion of industry in the rural areas. The gross output value of commune-run industry rose by 70 per cent in 1959 compared with 1958.

The big growth of commune-run industry made for the improvement of farm implements and means of rural transport, the expansion of facilities for the initial processing of agricultural and subsidiary rural products, the raising of labour productivity in agriculture, the increase of accumulation by the communes and the income of their members.

The people's communes also account for the vigorous growth of cultural, educational and public health undertakings in the countryside. By the end of 1959, commune-run agricultural and ordinary middle schools numbered 25,000 and commune-run primary schools 270,000. There were nearly one million cultural centres, libraries and clubs run by communes. The number of commune-run hospitals and clinics exceeded 200,000.

Community dining-rooms run by the communes totalled 3,900,000 and nurseries and kindergartens totalled 3,690,000.

After the 1959 check-up, the people's communes have set out along the road of consolidation and healthy development.

The continued big leap forward in 1959 has consolidated the big leap forward state of our national economy, characterized by both high-speed and proportionate development, which began to appear in 1958. Owing to the rapid growth of production and the con-

tinued improvement in livelihood, the political consciousness of the people of all nationalities in the country has risen higher than ever, their unity has become stronger than ever and they are happy and full of drive.

The great achievements of 1959 powerfully testify to the absolute correctness of the general line for building socialism, the big leap forward rate of development and the people's commune form of organization, all of which were proposed by the Chinese Communist Party and Comrade Mao Tse-tung.

On the basis of the great triumph of 1959, the workers, peasants and revolutionary intellectuals throughout the country are confidently striving for a continued leap forward in the national economy in 1960, for catching up with the level of Britain, within ten years, in the output of major industrial items and for the realization far ahead of schedule of the National Programme for Agricultural Development (1956-67).

(The Hsinhua News
Agency, Jan. 22, 1960)

APPENDIX

New Stage in Socialist Construction

Under the leadership of the Central Committee of the Chinese Communist Party headed by Comrade Mao Tse-tung, and firmly upholding the general line for building socialism, the big leap forward and the people's communes, the people of all nationalities in China launched a vigorous mass movement in 1959 to increase production and practise economy and they have overfulfilled the 1959 plan for development of the national economy. The great call made by the Party's Eighth Plenary Session of the Eighth Central Committee to fight against right deviation and go all out to fulfil the major targets of the Second Five-Year Plan three years ahead of time, has already been successfully realized. The 650 million Chinese people, as industrious as they are courageous, have thus written a new and brilliant chapter in their history of socialist construction. We extend our highest respects and warm congratulations to all comrades: workers and employees, members of the people's communes and revolutionary intellectuals who, at their various posts all over the country, worked diligently to realize the 1959 big leap forward and are working diligently to realize a continued leap forward in 1960.

According to the communique published today, the Chinese people, on the basis of the big leap forward in 1958, brought about a continued big leap forward in the