

# The Impact of the Third-Front Movement on the National Economy during the Cultural Revolution

**Bowen Bao**

Shanghai World Foreign Language Academy, China

**Keywords:** The Third-Front Movement; Cultural Revolution; National economy.

**Abstract:** As a wrong political event, the "Cultural Revolution" had a significant negative impact on the standard of living of the people, and there were two major economic crises during that time. Political activities will affect the economy, the Third-Front Movement completed during the period of the Cultural Revolution is a large-scale national defense, science and technology, industry and transportation infrastructure construction directed by war readiness, which has been carried out by the Chinese government, and executed in 13 provinces and autonomous regions in central and Western China since 1964. The Third-Front Movement has caused various short-term and long-term effects on China's economy. As a historic economic policy, the long-term impact of the Third-Front Movement has continued to today.

## 1. The Background of the Third-Front Movement

The Third-Front Movement refers to the large-scale construction of the national defense, science, and technology, industry and transportation infrastructure in 13 provinces and autonomous regions in central and Western China since 1964. The "The Third-Front Movement" was a strategic decision made by the central government in the mid-1960s. In the first half of 1964, Mao Zedong repeatedly proposed that each province should establish its strategic rear to prepare for a possible war of aggression launched by imperialism. At that time, the majority of China's industry and national defense industry were distributed in the northeast and north of China. The purpose of the Third-Front Movement is to gradually change the distribution of productive forces in China from east to west, the focus of the movement is in the southwest and northwest. The so-called "Third-Front" generally refers to the three lines that the coastal areas with relatively developed economies and in the front line of national defense contracted to the mainland.

The first-line areas refer to the frontier areas along the coast, such as Beijing, Shanghai, and Tianjin. The second-line areas refer to Anhui, Jiangxi, and Henan between the first-line areas and near the Beijing-Guangzhou Railway. The third-line areas refer to areas of the south of the Great Wall, north of Shao guan in Guangdong, west of Beijing-Guangzhou Railway and east of Wushaoling in Gansu, such as Sichuan (including Chongqing), Guizhou, Yunnan and other provinces and regions such as parts of Shanxi, Hebei, Henan and so on. There are three major lines in the national plan and three minor lines in the province's plan. Among them, Sichuan, Guizhou, Yunnan in the southwest and Shaanxi, Gansu, Ningxia, and Qinghai in the northwest are called the "Big Third-Front", while the hinterland of the first- and second-line areas is commonly called the "Small Third-Front".

## 2. The Historical Process of the Third-Front Movement

In August 1964, the State Construction Commission convened a first-line and second-line relocation meeting and proposed the policy of large-scale decentralization and small-scale centralization. A small number of top-end defense projects should be "supported, dispersed and concealed" (referred to as mountains, scattered and caves). The Third-Front Movement has begun. During 1964-1980, the state-approved more than 1,100 medium-sized and large-scale construction projects in the third-front areas. A large number of factories and talents originally located in big

cities have entered the western mountainous areas. There are slogans such as "prepare for war, prepare for famine, serve the people", "good people, good horses, go up to the third line" and so on, which encourages people to go to the third-front areas. In the early period of the Cultural Revolution, the third-front was also the destination of a large number of educated youth. For instance, Hu Jintao, the former president of China, had been assigned to the Liujiaxia Hydropower Station in Gansu Province. Because of national defense considerations, the locations of these factories are remote and scattered, leading to the bottleneck of the follow-up development of enterprises. For example, the Hanzhong Aircraft Industrial Base in Shanxi Province has 28 subordinate units scattered in two regions and seven counties. One of the enterprises is scattered in six natural villages. It takes tens or even hundreds of kilometers to assemble spare parts, and it is very inconvenient for employees to get to or get off work. More than 400 newly-built projects in Shanxi Province, nearly 90% far from the city, are scattered in 48 counties in Guanzhong Plain and southern Shanxi Mountains. The factory layout was ridiculed as "sheep shit", "melon vine" and "village". Moreover, information is blocked in mountainous areas, and the products produced are often unable to keep up with the world trend, which makes them very backward. Sometimes natural disasters such as mountain torrents break out in mountain areas, and enterprises often suffer heavy losses. After the snow sealed the mountain in winter, the workers were even more isolated from the world. People used to describe these factories and such conditions as "months in the cave, thousands of years in the world". Therefore, many factories and mines have hospitals, shops, schools, and other facilities, and become a closed society. There are a large number of new projects with large scale and large populations in Guizhou, eastern of Sichuan, central Sichuan plain, central Hanzhong and northern of Qinling Mountains. Among them, Chengdu, Sichuan, mainly receives light and electronic industries. Mianyang and Guangyuan receive nuclear and electronic industries. Chongqing is a manufacturing base for conventional weapons, including the third plutonium production reactor (816 plants) and conventional submarine manufacturing (Wangjiang shipyard). Guiyang, Guizhou, mainly accepts the optoelectronic industry, and Anshun mainly accepts the aircraft industry. It should be noted that the Third-Front Movement is not only relocating coastal industries but also relocating a large number of basic industries such as Changqing Oilfield, Panzhihua Metallurgical Industry, Liupanshui Coal Industry and a large number of supporting railway and highway projects.

### **3. Rationality Analysis of the Third-Front Movement**

#### **3.1 Analysis of the Third-Front Movement from an External Perspective**

At that time, the reason for making such a major decision was that China was facing great external threats in that period. After 1956, great differences took place between China and the Soviet Union, which caused great dissatisfaction with the Soviet Union. The Soviet Union unilaterally tore up contracts, withdrew military experts and forced China to repay debts owed for purchasing armaments. With the further deterioration of Sino-Soviet relations, unprecedented tensions have emerged along the border between the two countries, and even small-scale clashes have taken place in Taiwan. The Seventh Fleet of the United States entered the Taiwan Strait and established military bases in the surrounding areas, forming a semi-circular encirclement of eastern and southern China. India, Japan, South Korea, and other countries also held hostile attitudes towards China at that time. Facing the heavy oppression of big powers, China's centralized industrial construction structure is not conducive to war preparation, factories are concentrated in large cities and coastal areas. At that time, it was judged that the war would be fought early and heavily, so the "third-front" strategic should be built as soon as possible before the outbreak of the war. The third-front movement has moved some coastal factories to the third-front areas, and implemented the foundation and national defense industry in the third-front. The Third-Front Movement started in 1964 can protect China's important enterprises and national defense cutting-edge undertakings.

#### **3.2 Analysis of the Third-Front Movement from Internal Perspective**

Since the founding of new China, China has been trying to improve the industrial layout. Through the construction of the first Five-Year plan, especially the construction of 156 projects, several new industrial bases have been formed throughout the country, some old industrial bases have been enriched, and the industrial layout has been improved to a certain extent. The Third-Front Movement is another industrial layout adjustment after the first Five-Year plan. However, in the early stage of the Third-Front Movement, around 1964, the development situation of all parts of China is not uniform and showing a polarization trend. In the economically developed coastal areas, there are more and more enterprises while there is no development in China's inland. Therefore, to achieve a balanced development situation, Mao Zedong decided to forcibly replace enterprises from coastal to inland. For example, in the Third-Front area, it is needed to develop an arms industry and layout several shelling fields. There are three shelling factories originally located in Fulaerji, Qiqihar, moved to Mount Funiu. Several factories have also been forced into the mountains. Chairman Mao said that it was "camping near mountains and rivers" and that some small Bonn-style cities should be built. Lin Biao also put forward the policy of "mountain, scattering, and the cave", that is, relying on mountains, scattering, and concealing. These construction principles are reasonable, especially for some advanced national defense projects related to national security, and the concealment should be considered first. However, overemphasizing the concealment will violate the economic rules and fail to achieve the desired benefits. This caused a lot of waste, and eventually, these factories had to move out of the mountains. The most typical example is the construction of the second automobile factory, which scatters the workshop of this automobile factory into several ditches, but there was a reservoir above the automobile factory, which caused great production difficulties, and these processes were very unreasonable. But at that time, it was the need to prepare for war. Therefore, from an internal point of view, the Third-Front Movement was not a wise choice. It was the era when some parts of China had not completed the industry construction reform, they directly forced to balance, which was not in line with the weakness background of the domestic economy.

#### **4. Analysis of the Economic Effects of the Third-Front Movement**

##### **4.1 The Third-Front Movement has Affected the Interests of Ordinary People**

The Third-Front Movement is an inward-oriented economy with closed development. The state is the sole investor, the ownership structure is a single state-owned economy, the regulatory agencies are national plans and administrative orders, the motive force is a single spiritual mobilization, and the pattern relies on domestic own funds and resources. With the order of the Party and the government, millions of construction troops moved to the west, a large number of factories, enterprises, universities and scientific research institutions moved inward, and many construction materials were transferred to the Third-Front areas continuously. The Third-Front Movement is a typical product of a planned economy. Following the decision of the Party Central Committee on the Third-Front Movement, the Secretariat of the Central Committee has made specific efforts. By Chairman Mao's instructions, the Secretariat of the Central Committee has met to discuss and decide that it is necessary to implement the policy for preparing for war, concentrate its efforts on strengthening the Third-Front Movement and guarantee it in terms of manpower, material, and financial resources. It has been decided that all new projects will be built in the mainland and that they should be investigated and designed immediately without delay, and the requirements for increased investment must be in place in time, and so on. Moreover, to create changes for economic development, southwest transportation must be accessible in all directions. The key point of the Third-Front Movement on the southwest is railway construction. After the Gui-Kun Railway Line was completed in November 1966, Jiaozhi, Chengkun, Xiangyu and Yangan lines began to build one after another. However, due to the influence of the Cultural Revolution, the normal work of various ministries and commissions was disrupted. Many leading comrades of ministries and commissions are regarded as "capitalists", or stand aside, or are locked in the cowshed, they are unable to work properly. The Third-Front construction team stopped working and fought for factional warfare, and

the construction command organs could not work because of the impact. Peng Dehuai, Commander-in-Chief of the Third-Front, and Comrade Guo Weicheng, Commander of the Railway Corps, were evicted and lived in a large cement pipe. The rebels also pulled them out and fought alongside the railway line, which was so tragic that the construction of the railway came to a standstill. In this case, when the people of the whole country are facing difficulties, the central government puts the material supply of supporting railways in the first place and puts forward some policies such as the special arrangement of key materials. Although the need for railway construction has been guaranteed, the interests of ordinary people have been greatly exploited while blindly focusing on the need for national construction.

#### **4.2 The Huge Cost of the Third-Front Movement Leads to the Economic Crisis**

At that time, the command headquarters of the "third-front" at all levels rushed for time and speed. As a result, some construction projects were designated without careful exploration. The principle of "three sides" is also adopted, that is, exploration, design, and construction at the same time. Although the overall design of the project is not done well, it will be constructed in an all-round way. If the construction cost exceeds the budget, and the construction period will be delayed and delayed again and again. The more investment, the more losses, and lead to the low economic benefit. The only pursuit of speed, ignoring the quality of construction is the universal phenomenon at that time. Auxiliary and ancillary facilities have not been completed when they put into operation. Many construction projects have not been productive for a long time, which has placed a heavy burden on the national economy. From 1965 to 1975, the state invested more than half of the capital construction funds for the Third-Front Movement. From 1964 to the 1980s, the state invested 205.2 billion yuan, but the facilities produced during the Third-Front Movement hardly directly earned economic benefits. As previously analyzed, the Third-Front Movement is unreasonable - emphasizing the need for combat readiness, ignoring the objective economic rules, and the huge number of projects that have no significant effect in protecting the national defense industry but causes a waste of manpower and material resources in production management and logistics services. Some projects must be canceled due to the funds, equipment and raw materials that cannot keep pace with each other. Some projects are put on hold after completion and cannot be put into operation as planned for a long time. During the Cultural Revolution, the implementation of the Third-Front Movement was inevitably affected by it. The Third-Front Movement pursues political goals at all costs. The large construction scale, the long front and the high investment of the movement, that all exceed the national affordability. The biggest problem of a planned economy is that resources cannot be allocated effectively. A large number of state-owned enterprises were formed during the Third-Front Movement period. These enterprises were only administrative appendages of state organs at that time. They have lost the autonomy of human, financial, material, production, supply and marketing. They have neither power nor pressure nor vitality. As a result, resource allocation is inefficient and wasteful. According to the estimates of relevant departments, from 1966 to 1972, the invalid investment amounted to more than 30 billion-yuan, accounting for more than 18% of the country's third-tier funds in the same period.

Because of the above reasons, the Third-Front Movement has caused tremendous pressure on national finance. In 1966, the foreign debt of the Soviet Union was repaid completely, resulting in a higher fiscal deficit, associated economic decline, inadequate investment, factory shutdown, unemployment of urban workers, and finally, the economic crisis broke out. Finally, relying on the "collective economy" in the countryside, China's "three rural" accepted tens of millions of young intellectuals to go to the mountains and countryside, and the city's economic crisis was transferred to "three rural" to resolve, which in turn caused greater harm to economic development.

#### **4.3 The Investment Structure of the Third-Front Movement is Unreasonable**

Firstly, the proportion of agriculture, light industry, and heavy industry are out of balance. The investment direction of the Third-Front Movement is mainly focused on heavy industry and national defense industry. According to the arrangement, in the total investment of 85 billion yuan in national

capital construction, 62.8 billion yuan is in heavy industry, national defense industry, and transportation, accounting for 74%. Agriculture accounts for 12 billion yuan (14%) and light industry for 3.75 billion yuan (4.4%). The investment of the national defense industry, raw material industry, machinery manufacturing industry and railway transportation in the third-front region accounts for 72% of the total investment in the region. The structure is unfavorable to the development of the agricultural light industry. Secondly, it enlarges the contradiction between the aggregate demand and the aggregate supply of society. The reason is that the scale of capital construction is too large and the accumulation rate is too high, which restrains consumption and affects people's lives. During the Cultural Revolution, there are no wages for employees. During this period, the growth rate of the national consumption level was the slowest since 1949. Thirdly, ignoring the development of the old coastal bases has affected the growth of the overall national strength. As a result of centralized construction of third-front areas, more than 380 projects, 145,000 people and 38,000 equipment have been relocated from coastal areas to third-front areas. Because of the backward economic foundation in the west, the measures are difficult to match, there are a large number of idle funds and equipment, the serious problems of the construction team and production and living, which results in the long-term inability to start construction. In the third five-year plan, the total investment in the third-front areas was 48.243 billion-yuan, accounting for 52.7% of the total investment in capital construction. The total investment in construction in the mainland is 61.115 billion-yuan, accounting for 66.8% of the total investment in capital construction, while the investment in coastal areas is 28.291 billion-yuan, accounting for 30.9%. In coastal areas, which have a thick foundation and can earn high economic benefits, investment is relatively inadequate, affecting the expansion of the production scale.

#### **4.4 The Third-Front Movement has Changed the Industrial Layout and Promoted the Balance of Development**

The state has invested 205 billion yuan in the Third-Front Movement, and has built more than 1100 large and medium-sized industrial transportation enterprises, national defense science and technology industrial enterprises, scientific research institutes and colleges, basically forming a complete supporting industrial system of transportation, electricity, coal, chemical industry, petroleum, building materials, steel and other categories. Although this may not be the original purpose of the Third-Front Movement, it is undeniable that in the Third-Front Movement period, a large number of new industrial bases related to iron and steel, non-ferrous metals, machinery manufacturing, aircraft, automobile, aerospace and electronics industries such as Panzhihua Iron and Steel Base, Liupanshui Industrial Base, Jiuquan and Xichang Space Center have been established, which has resulted in a qualitative change in the state's basic industry and national defense industry. Many famous large enterprises in China, such as Hubei No. 2 Automobile Company, Guizhou Aluminum Plant, Handan Cement Plant, Deyang No. 2 Heavy Machinery Plant and Jiangyou Special Steel Plant, were newly built at that time. By the end of the 1970s, industrial fixed assets in the third-front areas had increased from 29.2 billion yuan to 154.3 billion yuan, the increase was 4.28 times, accounting for about one-third of the country at that time. The total industrial output value increased from 25.8 billion yuan to 127 billion yuan, the increase was 3.92 times. The Third-Front Movement is a great pioneer in the history of China's economic construction. Many new industrial cities have been built in the western region, which has greatly promoted the development of economy, science and technology, and education in the central and western regions. At the same time, the Third-Front Movement has also lightened the burden of the over-intensive industry in the coastal areas, which is of great strategic significance for improving the economic layout, overcoming the situation of over-concentration in the eastern coastal big cities and narrowing the gap between the eastern and western regions.

## **5. Conclusion**

As a large-scale movement started in the national economic adjustment period, under the planned economic system, the Third-Front Movement neglected the economic rules and was disturbed by the "Cultural Revolution", pursued political goals unilaterally at all costs, disrupted the normal economic management system, overestimated the danger of war and caused great damage. In the short and long term, this wrong political decision has caused a lot of damage to the national economy and erased the development of some enterprises. There are some pros of the Third-Front Movement, it accelerated the change of the national industrial layout, promoted the economic and social development of backward areas in the mainland. It laid the material foundation, scientific research conditions and talent team for the western development. However, it is undeniable that the Third-Front Movement has happened too early, and the economic damage caused by it is greater than the benefits. If the time of the Third-Front Movement is delayed, better results can be achieved.

To sum up, the Third-Front Movement during the Cultural Revolution has had a lot of negative effects on China's economic construction. Although in the long run, the Third-Front Movement has had some positive effects, it pursues superficiality and speed, and the country has not considered its actual cost carefully. The long-term impact can also be achieved after a period of economic development. Therefore, the negative impact of the Third-Front Movement exceeds the positive impact.

## References

- [1] Baohua Y. Material Guarantee of the Third-Front Movement during the Cultural Revolution(E). *A Study of Contemporary Chinese History*. 2003,7-10(4).
- [2] Jian R& Mo C. Retrospect and Reflection on the Third-Front Movement(A). *A Study on the History of National Defense and Military Construction*. 2001,1(1).
- [3] Renhuai D. The Internal Motivation of Mao Zedong's Planning and Promoting the Third-Front Movement(A). *A Study of Military History*. 2013,04-0011-08.
- [4] Yijun S. Review and Reflection on Mao Zedong as the Core of the Central Leading Group Making the Strategic Decision of the Third-Front Movement (A). *Historiography Research in Anhui*. 2014, 02-0053-10.
- [5] Zhanxiang L& Feng L. From the Third-Front Movement to the Great Western Development. *Journal of Southwest Jiaotong University (Social Science Edition)*. 2000,1(2).
- [6] Ming W& Dejun W. From the Experience and Lessons of the Third-Front Movement to See the Strategic Choice of the Great Western Development. *A Study of Contemporary Chinese History*. 2000,2(8).
- [7] Yanjing S& Long Y. Third-Front Movement in the 1960s and 1970s (J). *Journal of Northwest University (Philosophy and Social Sciences Edition)*. 2005(2).
- [8] Baoxun D. A Historical Analysis of the Decision-Making of the Third-Front Movement(J). *Journal of Shandong University (Philosophy and Social Sciences Edition)*. 2001(1).
- [9] Min X& Fannin K. Decision-making, layout and construction of the Third-Front Movement: a historical review(J). *Economic Science*. 1989(2).