Introduction

Industrial Manchuria and the Transnational Origins of Chinese Socialism

On October 24, 1954, five years after the Chinese Communist Party (CCP) inaugurated the People's Republic of China (PRC, 1949–present), Indian Prime Minister Jawaharlal Nehru (1889–1964), while visiting China, traveled to the city of Anshan (鞍山) in Liaoning Province, Manchuria (Northeast China). During the reign of Mao Zedong (毛澤東, 1893–1976) from 1949 to 1976, Anshan acquired the epithet "Steel Metropolis (鋼都)" for housing the PRC's largest steel-making enterprise: Anshan Iron and Steel Works (鞍山鋼鐵公司), or Angang (鞍鋼). Angang was a vast, comprehensive steel industrial complex encompassing myriad mines, factories, offices, and research institutes (Figures I.1 and I.2). At that time, producing half of China's steel (Figure I.3), Angang was the fourth-largest steel producer across Asia, following Kuznetsk in Siberia, Tata in India, and Yahata in Japan.[1] Furthermore, Angang was among China's largest state-owned enterprises (SOEs) – corporations owned and controlled by the government. As reported by a leading Indian daily, Nehru was "very impressed" by this "giant metallurgical complex of some forty plants which are the pride of the people of China."[2]

In Mao's China, the approach to industrialization essentially followed the strategy called "socialist industrialization (社會主義工業化)," or the Soviet-style development policy with a focus on SOEs and heavy industry. Manchuria emerged as the epicenter of the early PRC's socialist industrialization, its industry dominated by heavy industry SOEs such as Angang. This contrasted sharply with Maoist China's other industrial

[1] ErSelçuk, "The Iron and Steel Industry in China," 351.

[2] Reddy, "MR. NEHRU VISITS STEEL WORKS." Indeed, Nehru's admiration for Angang was so profound that he talked at length about it in his subsequent meeting with an Indian military physician in Beijing. See "Zapis' besedy s Indiiskim uchenym, laureatom mezhdunarodnoi Stalinskoi premii Sakhibom Sing Sokkheem. 30 oktiabria 1954 god," Arkhiv Vneshnei Politiki Rossiiskoi Federatsii, f. 0100, op. 47, p. 379, d. 7, ll. 87–88. This is a record by the Soviet ambassador in Beijing, whom the Indian physician met shortly after his conversation with Nehru.

Figure I.1 An Angang factory, 1956
Source: Getty Images.

heartland, Shanghai, whose economy was largely driven by light industries. During the 1950s, SOEs in Manchuria produced 30–40 percent of China's heavy industry products, including steel and coal.[3]

Today, through museums, essays, films, and television series, Angang symbolizes a golden age of Northeastern industry, when the region's SOEs were at the vanguard of China's steelmaking, auto manufacturing, coal mining, and other industries vital for building socialism. A recent essay on Angang's official website reads: "The history of Angang is the history of the Party's leadership of the steel industry."[4] The history of Angang and industrial Manchuria, therefore, is portrayed as the tale of the CCP's nation-building efforts.

Such a narrative solely emphasizing Chinese Communists' leadership, however, deliberately downplays certain aspects of Manchuria's history. One such aspect only briefly mentioned in the PRC's official historical account is the Soviet Union's involvement during the 1950s. As the aforementioned Indian newspaper reported, Mao's "new regime has rebuilt and expanded these steel works [of Angang] with Soviet technical

[3] Gongye jiaotong wuzi tongji si, *Zhongguo gongye jingji tongji ziliao*, 166, 168, and 172.
[4] "Suiyue huimou: zhengrong suiyue cong zheli kaishi."

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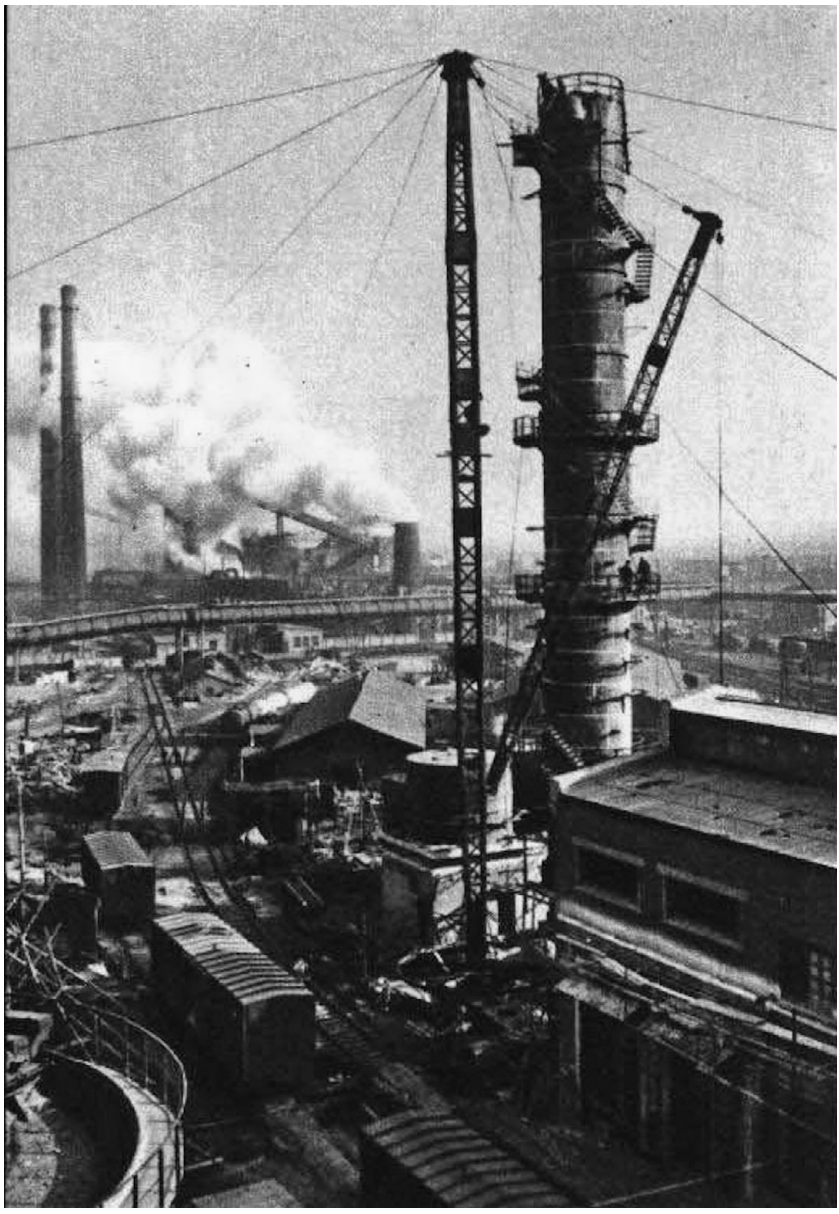

Figure I.2 A recovery tower of Angang, 1965
Source: *Renmin huabao* 人民畫報 (1965, No. 6) (Wikimedia Commons).

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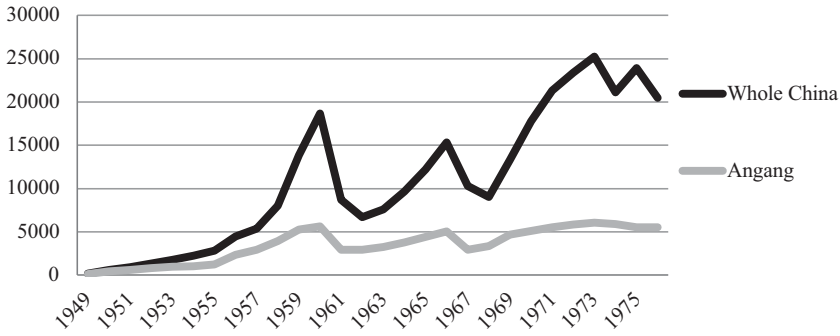

Figure I.3 Annual steel production in the whole of China and Angang (unit: 1,000 tons)
Source: Zhongguo gangtie gongye wushi nian shuzi huibian bianji weiyuanhui, *Zhongguo gangtie gongye wushi nian shuzi huibian*, 1: 1, 2, and 954.

and financial aid."[5] This image was endorsed by Anna Pankratova (1897–1957), a distinguished Soviet historian who visited Angang in 1954. Pankratova wrote, "Angang … surprised us Soviet people in a very pleasant way. If we had not heard Chinese voices, we would have thought we were in one of our own metallurgical enterprises … [I]t is equipped with Soviet technology, Soviet machines."[6]

Even more problematic from the CCP's perspective is the role of Imperial Japan, along with the Nationalist government of China (1927–1949), in the history of Angang and industrial Manchuria. In fact, the Indian newspaper's report on Nehru's visit mentioned something scarcely acknowledged in Chinese media: "[t]he Anshan steel centre was originally developed by the Japanese in 1916."[7] Indeed, Chinese SOEs in Manchuria often learned, sometimes creatively, from the Japanese Empire, which occupied Manchuria and other parts of China before 1945, as well as the Nationalist government, which represented China until its defeat by the CCP in 1949. Many SOEs in Northeast China – including Angang – originated as Japanese colonial enterprises, particularly under the Japanese-sponsored regime of Manchukuo, which existed between 1932 and 1945 (Figure I.4). After World War II, the Soviet Union briefly occupied Manchuria in 1945 and

[5] Reddy, "MR. NEHRU VISITS STEEL WORKS."
[6] A. M. Pankratova, "Doklad o poezdke v Kitaiskuiu Narodnuiu Respubliku" (November 9, 1954), in Kurapova et al., eds., *Kitaiskaia Narodnaia Respublika v 1950-e gody*, 1: 73.
[7] Reddy, "MR. NEHRU VISITS STEEL WORKS."

Figure I.4 Anshan's position in Manchukuo and East Asia, c. 1935
Map by Debbie Newell.

1946. Angang and other formerly Japanese enterprises in the region were then restructured as Chinese SOEs by the Nationalist government, between 1946 and 1948. In 1948, the CCP assumed control of Manchuria during the Chinese Civil War (1946–1949).[8] Thus, the Japanese and the Nationalists unwittingly laid the groundwork for the subsequent socialist industrialization undertaken by the CCP and their Soviet allies.

Drawing upon archives and interviews in Chinese, Japanese, Russian, and English, this book delves into the origins, development, and legacies of socialist industrialization in Manchuria and China by narrating Angang's history throughout the Japanese Empire (1915–1945), the Soviet occupation (1945–1946), Nationalist China (1946–1948), and the CCP (1948-present). In so doing, I unearth the global origins and local realities of Chinese state socialism, which often diverged from the CCP's grand vision. More specifically, I posit that China's socialist industrialization was a fluid system, evolving through transnational

[8] For the development of Anshan up to the immediate aftermath of the CCP revolution, see Matsumoto, *Shinryaku to kaihatsu*; Matsumoto, *"Manshūkoku" kara shin Chūgoku e*; Matsumoto, ed., *Manshūkoku igo*; Tanoue, ed., *Oya to ko ga kataritsugu Manshuū no "8-gatsu 15-nichi."*

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interactions and local-level negotiations. Chinese SOEs such as Angang absorbed technology and policies from different regimes, including the Soviet Union, Imperial Japan, Nationalist China, and the CCP's own tradition. The operation of these SOEs also involved bottom-up participation from lower-level officials and local residents, who pursued their interests by reinterpreting the ideological and institutional rules set by the state.

To examine Angang's evolution, I combine international and local historical approaches to bridge a gap in the current historiography on Maoist China. This gap is delineated by a division of labor between social, cultural, and economic historians maintaining a China-centered approach and historians of China's Cold War primarily focusing on state-level analysis. While social, cultural, and economic historians acknowledge the Cold War's importance, they often treat China's foreign relations as merely an element in a broader backdrop that is left unexamined. Conversely, historians of China's Cold War scrutinize key strategic events, such as the Korean War and the Sino–Soviet rivalry, in painstaking detail using multilingual sources from archives worldwide.[9] Nonetheless, with a few exceptions,[10] the influence of transnational relations has seldom occupied a major place in recent studies of Mao-era China's society, economy, and culture. This stands in contrast to the historiography on pre-1949 China, which underlines the global dimensions of Chinese politics, economy, and culture.[11] By combining sensitivity to local history with a multilingual approach, I aim to bring international relations back into our understanding of Maoist China at the ground level.[12] This holistic approach provides a more comprehensive understanding of the evolution of Angang and Mao-era China.

The broader significance of this work lies in the argument that the evolution of socialism and capitalism in the twentieth century involved a symbiotic process of mutual learning.[13] The extended history of Angang

[9] For example, Lüthi, *The Sino–Soviet Split*; Radchenko, *Two Suns in the Heavens*; Shen and Xia, *Mao and the Sino–Soviet Partnership*.

[10] For instance, Altehenger, "Industrial and Chinese"; Kaple, *Dream of a Red Factory*; Shen, *Sulian zhuanjia zai Zhongguo*; Meyskens, *Mao's Third Front*; Smith, "Toward a Global History of Communism"; Yu, *Xingsu "xinren."*

[11] Among others, see Chang, *Government, Imperialism and Nationalism in China*; Cochran, *Encountering Chinese Networks*; Kubo, *Senkanki Chūgoku jiritsu e no mosaku*; van de Ven, *Breaking with the Past*; Thai, *China's War on Smuggling*.

[12] While this study primarily focuses on how transnational forces shaped socialism in Maoist China, some recent studies have revealed Maoism's influence on global revolutionary movements. See Galway, *The Emergence of Global Maoism*; Lovell, *Maoism*; Zhou, *Migration in the Time of Revolution*.

[13] Scholars have defined capitalism in a variety of ways. For Marx, the "capitalist mode of production" was characterized primarily by the tension between capitalists who owned the means of production and workers who did not. Max Weber focused on rationality

under politically diverse regimes suggests that, despite their ideological differences, significant commonalities and connections existed among late industrializing regimes of the twentieth century in both capitalist and socialist countries. Ideas, technology, and practical knowledge traveled across political boundaries, and many socialist and capitalist countries pursued similar strategies of developing heavy industry SOEs through economic planning and imported technology, driven primarily by national security concerns. By emphasizing the interconnectedness of the two systems, this work situates Maoist China within the global history of late industrialization – a specific form of industrialization in certain capitalist and socialist regimes aimed at overcoming real or perceived economic backwardness through state planning and international technology transfers.

A Global History of Late Industrialization

The engine of socialist industrialization was SOEs rather than privately owned companies. Upon the founding of the PRC in 1949, a mere 27.8 percent of the nation's industrial output was produced by SOEs. Throughout the 1950s, the PRC government gradually restructured the nation's industry under state ownership. By 1956, SOEs accounted for over 80 percent of China's industrial output, and retained dominance in the industrial economy throughout the Mao era.[14]

Another hallmark of socialist industrialization was the prevalence of heavy industries: capital-intensive sectors that typically make producers' goods such as steel, locomotives, or machine tools. In 1949, the vast majority of Chinese industry comprised light industries: relatively labor-intensive sectors producing consumer goods, such as textiles. However, the proportion of heavy industries grew rapidly, and from the 1960s onwards, heavy industries constituted over half of the industrial output most of the time until Mao's death.[15]

represented in the "spirit of capitalism." Joseph Schumpeter believed the essence of capitalism was innovation, or "creative destruction," driven by entrepreneurs. For the purpose of historical analysis, I follow Jurgen Kocha's working definition and understand capitalism as having three defining characteristics: first, the decentralization of economic decision-making, typically through a system of property rights; second, the commodification of goods and services through the market; and third, the accumulation of capital via investment and profit making. Kocka, *Capitalism*, 21.

[14] Guojia tongji ju gongye jiaotong wuzi tongji si, *Zhongguo gongye jingji tongji ziliao*, 31. The share of "state ownership" until 1957 also includes "public private cooperative (公私合營)" enterprises.

[15] Guojia tongjiju, *Quanguo gesheng, zizhiqu, zhixiashi lishi tongji ziliao huibian*, 10.

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For the CCP, steel production served as the ultimate metric for comparing the wealth and power of nations.[16] Under the "classical" socialist system developed in the Soviet Union during Stalin's rule (1924–1953), mechanization was the primary means of fostering economic development, which in turn required steel and other metals. Consequently, preference was given chiefly to heavy industries, especially machinery and steelmaking.[17] This diverged from early industrialized countries such as England, where the Industrial Revolution was driven by private enterprises in light industries.[18]

Contrary to the widely held notion that socialist industrialization fundamentally differed from capitalist industrialization, socialist industrialization in China and elsewhere was, in fact, part of a larger global history of late industrialization that encompassed both the capitalist and socialist worlds. While early industrializers such as Great Britain heralded the role of private entrepreneurs and free markets, even their industrialization received a certain degree of state protection in its early stages, as exemplified by the tariff against Dutch textile products on the eve of the English Industrial Revolution. In later industrializers such as the United States and Prussia, the state played a more interventionist role, implementing measures such as import tariffs to protect their infant industries from domination by British industrial goods.[19] The government's role was even more interventionist in one of Europe's least developed parts: Russia. In Tsarist Russia, often driven by military interests, the state became the primary agent of economic progress, providing tariff and credit support, especially in the railway sector.[20]

The state's involvement was even more direct in modern Japan. A series of "unequal treaties" with the United States and European powers in the 1850s stripped Japan of its ability to alter tariff rates unilaterally, rendering it impossible for the Japanese government to develop domestic industries through protectionist tariffs on imported goods.[21] Facing geopolitical threats and lacking protective tariffs, the

[16] For an overview of China's industrialization during the twentieth century, see Brandt, Ma, and Rawski, "Industrialization in China."

[17] Kornai, *The Socialist System*, 173. Also see Ellman, *Socialist Planning*, especially chapters 2 and 5.

[18] For a recent reassessment of the process, see Allen, *The British Industrial Revolution in Global Perspective*.

[19] Allen, *Global Economic History*, 40–43 and 79–81; Link and Maggor, "The United States as a Developing Nation," 296–304.

[20] Markevich and Nafziger, "State and Market in Russian industrialization," 35–41. Russia's industrial projects also relied on borrowing from foreign banks, especially French ones. Malik, *Bankers and Bolsheviks*.

[21] Sawai and Tanimoto, *Nihon keizai shi*, 94–95.

Japanese government, post the 1868 Meiji Restoration, opted for direct involvement in the economy to foster modern industries. Government-owned enterprises played pivotal roles in key sectors such as railways, while major private businesses received various forms of financial support through government connections.[22] By the late nineteenth century, private enterprises dominated many industrial sectors, but the state still played a direct role in certain areas, such as steelmaking.[23]

The global history of late industrialization entered a new phase in the twentieth century, particularly after World War I. Between 1914 and 1918, major European governments mobilized industry and other economic sectors to support their war efforts. This shared experience of total war inspired the Bolsheviks, who seized power in Russia in 1917. Despite their revolutionary ideology, the Soviet Union's industrialization policy was deeply influenced by wartime economic mobilization in Western Europe and Tsarist Russia. Drawing inspiration from German and other war economies, the Soviet authority nationalized existing industrial enterprises, established new ones, and oversaw these SOEs through economic planning. Acutely aware of their relative "backwardness," the Soviets imported cutting-edge technology from leading industrial powers such as the United States and Germany.[24]

The Soviet Union's rapid catch-up industrialization during the interwar period impressed many in East Asia. Japanese economic policies in Manchukuo, particularly their Five-Year Plan for heavy industrialization, somewhat emulated Soviet economic mobilization. However, Manchukuo preserved private ownership in the hands of a limited number of major companies that conformed to state guidance in exchange for assistance. These experiences in Manchukuo were later brought back to Japan, where economic mobilization escalated during the Second Sino–Japanese War of 1937–1945.[25] Simultaneously, Nationalist China's wartime economy also drew partial inspiration from the Soviet Union. To prepare for and resist Japanese invasion, the Nationalists developed SOEs in heavy and military industries in China's inland hinterland.[26] Moreover, the state's presence in the

[22] Sawai and Tanimoto, *Nihon keizai shi*, 152–153.
[23] Francks, *Japanese Economic Development*, 93. For the development of the iron and steel industry in Japan before World War II, see Okazaki, *Nihon no kōgyōka to tekkō sangyō*.
[24] Allen, *Global Economic History*, chapter 9; Ellman, *Socialist Planning*, chapter 1; Harrison, "Foundations of the Soviet Command Economy."
[25] Okazaki, "Development and Management of the Manchurian Economy under Japan's Empire"; Hara, *Manshū keizai tōsei kenkyū*: Hirata, "Manshūkoku no seiji to keizai."
[26] Bian, *The Making of the State Enterprise System in Modern China*; Kubo, *Gendai Chūgoku no genkei no shutsugen*.

economy surged dramatically in nearly all World War II belligerents, including the United States.[27]

In the postwar world, the Soviet Union's state-directed industrialization served as a model for many late industrializing countries, both socialist and capitalist. Consequently, the Soviet-inspired economic policies by the Japanese and Nationalist regimes in Manchuria set a precedent for the PRC's learning from the Soviet Union.

Meanwhile, postwar Japan underwent rapid economic growth, particularly during the "High-speed Growth" period from around 1955 to 1970. Despite political reforms during the US occupation (1945–1951), Japan's wartime economic mobilization endowed postwar bureaucrats with significant power to intervene in the economy. Political scientist Chalmers Johnson coined the term "developmental state" to highlight the characteristics of post–World War II Japanese capitalism, in which the state bureaucracy played a strong role in guiding industrialization through various means, such as protectionist tariffs and low-interest loans. The concept was later adopted by scholars studying post–World War II development in East Asian countries, especially Taiwan and South Korea.[28]

The trend of state-directed industrialization began to decline around the 1980s. The Soviet Union's economic stagnation became glaringly apparent, prompting efforts to reform its economic system. Consequently, the global appeal of the Soviet model of state-directed industrialization diminished. Simultaneously, advanced capitalist countries in Western Europe and North America pursued the privatization of public enterprises and market deregulation – a trend often labeled "neoliberalism" by critics. China also initiated its own economic reforms against this global backdrop. By the end of the 2000s, the developmental state model attracted less attention as East Asian states gradually liberalized their economies, which was also related to the neoliberal triumphalism of the post–Cold War period.[29]

Recently, however, scholars have begun to apply the developmental state concept to China. Historians have examined the developmental state in Nationalist China and its legacy in the early PRC.[30] Meanwhile, social scientists have applied the term to post-Mao China

[27] Tooze and Martin, "The Economics of the War with Nazi Germany."
[28] Johnson, *MITI and the Japanese Miracle*. For more recent development of the "developmental state" concept since Johnson's work, see Woo-Cumings, ed., *The Developmental State*; Haggard, *Developmental States*.
[29] Haggard, *Developmental States*, 52–53.
[30] Bian, *The Making of the State Enterprise System in Modern China*.

under the market-oriented economic reform from the late 1970s, emphasizing the legacies of the Mao-era planned economy system.[31] Essentially, the Nationalist developmental state laid the groundwork for the Maoist socialist economy, which, in turn, established the foundations for the post-Mao developmental state.

The use of the "developmental state" concept among scholars of China suggests connections and similarities between some capitalist and state socialist regimes in their developmental visions, despite significant differences. Alexander Gerschenkron, the founding father of the study of late industrialization, discussed the issue of change and continuity between late Tsarist Russia and the Soviet Union.[32] However, subsequent generations of scholars did not further develop this aspect of the earlier literature, and the discussion on the link between capitalism and socialism was eclipsed by a more binary view of the two systems. Literature on late industrialization focused on comparisons among different capitalist countries in the Global South, excluding the socialist countries from the discussion.[33] Recently, though, there has been a resurgence of academic interest in the Soviet Union as a late industrializer and in the connections and comparisons between the Soviet Union and Western market powers.[34] While this literature primarily concentrates on the influence of advanced Western economies on the Soviet Union, the story of Angang and Manchuria demonstrates that Soviet achievements also inspired other late industrializing regimes in the Global South, particularly in East Asia. In the twentieth century, capitalism and socialism developed as two sides of the same coin, both profoundly influenced by the global proliferation of state-directed developmental visions during the interwar years.

To situate twentieth-century China and Manchuria within the global history of late industrialization, I address three interconnected questions: What role did Manchuria assume in China's state-directed industrialization; how did international relations shape policy options regarding state-led industrialization; and how did state-directed industrialization transform state–society relations?

[31] Haggard, *Developmental States*, 52–53.
[32] Gerschenkron, *Economic Backwardness in Historical Perspective*, especially chapter 6.
[33] Among others, Johnson, *MITI and the Japanese Miracle*; Amsden, *Asia's Next Giant*; Kohli, *State-Directed Development*.
[34] Kotkin, "Modern Times"; Allen, *Farm to Factory*; Link, *Forging Global Fordism*; Patel, *The New Deal*; Sanchez-Sibony, *Red Globalization*. For the influence of Soviet industrialization in the West, see Feuer, "American Travelers to the Soviet Union"; Flewers, "The Lure of the Plan."

Transnational Manchuria and China's Socialist Industrialization

The history of late industrialization in transnational Manchuria provides a fresh perspective on change and continuity in modern China, incorporating both regional and global layers into the discussion. By "thinking about twentieth-century China in terms of a steady process of state-building and modernization,"[35] recent scholars have uncovered previously overlooked continuities and similarities across distinct time periods. On the one hand, many recent historical works on the early PRC contest the conventional understanding of the 1949 Revolution as a historical watershed.[36] In the sphere of industry, scholars have identified various connections and legacies between the early PRC's planned economy and Nationalist China's economic policy.[37] On the other hand, several scholars challenge the idea that Deng Xiaoping's economic reforms post-1978 represented a radical departure. They assert that China's transition to a market economy unfolded gradually, utilizing policies and institutions inherited from the Mao era.[38] Building on these insights, I argue that a comprehensive study of change and continuity in twentieth-century China necessitates considering both the diverse regional historical trajectories within the nation and their interactions with global influences.

In Manchuria, state-directed heavy industrialization commenced well before the Communist Revolution. Japan gained ownership of an extensive railway network in the region following the Russo–Japanese War (1904–1905). After 1915, the Japanese further established numerous industrial enterprises in Manchuria, including Anshan Ironworks (鞍山製鐵所). From 1931 to 1945, the Japanese occupation regime developed Shōwa Steelworks (昭和製鋼所) in Anshan and other heavy industry enterprises, making the Northeast the largest heavy industry region on Chinese soil. The significance of Manchurian industry persisted following the Japanese surrender in 1945, despite the severe damage

[35] Brown and Pickowicz, "The Early Years of the People's Republic of China," 6.
[36] Cohen, "Reflections on a Watershed Date"; Esherick, "War and Revolution"; Kubo, ed., *1949-nen zengo no Chūgoku*; Brown and Pickowicz, eds., *Dilemmas of Victory*.
[37] Among others, see Bian, *The Making of the State Enterprise System in Modern China*; Howard, *Workers at War*; Kinzley, *Natural Resources and the New Frontier*; Kirby, "Continuity and Change in Modern China"; Köll, *Railroads and the Transformation of China*; Kubo, *Gendai Chūgoku no genkei no shutsugen*; Thai, *China's War on Smuggling*; Yan, *Zhanzheng yu gongye*.
[38] Among others, see Heilmann and Perry, eds., *Mao's Invisible Hand*; Nakagane, ed., *Studies on the Chinese Economy during the Mao Era*; Naughton, *Growing out of the Plan*; Oi, *Rural China Takes off*.

incurred during the Soviet occupation (1945–1946). Between 1946 and 1948, the Nationalist government partly rebuilt Angang and other enterprises, introducing their SOE system to the region. After seizing Manchuria in 1948, the CCP mobilized the remaining Japanese and Nationalist engineers, managers, and skilled workers for the reconstruction of Angang and other heavy industry SOEs in the region. It was also in Manchuria that the CCP initiated Soviet-style industrial planning.

State-directed industrialization in Manchuria under successive regimes – both colonial and national – contrasted sharply with coastal cities in China proper such as Shanghai and Tianjin, where industrial capitalism thrived in the first half of the twentieth century. Private entrepreneurs owned most industries in these regions, focusing predominantly on consumer industries such as textiles.[39] Meanwhile, the Nationalist-controlled Southwest and Northwest regions witnessed a similar pattern of state-directed industrialization to Manchuria, particularly during the Second Sino–Japanese War, although their economic scales were markedly smaller.[40]

Such regional differences persisted after the PRC's founding in 1949, evident in the administrative system of government. Between 1949 and 1954, the CCP divided the entire country into six regionally defined "Greater Administrative Regions (大行政區)": North China (華北區), the Northwest (西北區), the Northeast (東北區, Manchuria), East China (華東區), the Central and South (中南區), and the Southwest (西南區), as shown in Figure I.5.[41] Even after these larger administrative regions were officially abolished in 1954, government statistics and other documents often continued to use them for convenience.[42] This book also employs these administrative regions as units of analysis.

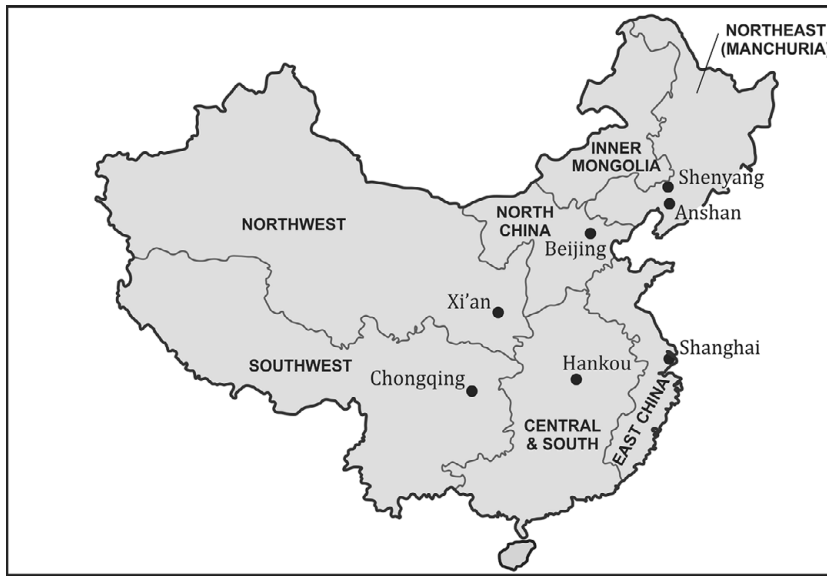
The key region in the formation of the SOE system in the PRC was Manchuria. In the first decade of the PRC, Manchuria boasted the

[39] Ma, "Economic Growth in the Lower Yangzi Region of China in 1911–1937"; Ma, "Financial Revolution in Republican China during 1900–1937."

[40] Giersch, *Corporate Conquests*; Kinzley, *Natural Resources and the New Frontier*.

[41] The demarcation of provinces in China has evolved over time. If we use the provincial borders of today, the North included Beijing, Tianjin, Hebei, and Shanxi; the Northwest comprised Shaanxi, Gansu, Ningxia, Qinghai, and Xinjiang; Manchuria (the Northeast) encompassed Liaoning, Jilin, and Heilongjiang; the East was made up of Shandong, Zhejiang, Fujian, Jiangsu, Anhui, and Shanghai; the Central and South included Henan, Hubei, Hunan, Jiangxi, Guangdong, Guangxi, and Hainan; the Southwest included Sichuan, Yunnan, Guizhou, Chongqing, and Tibet. Inner Mongolia didn't fall under any of these regional categories. However, for the sake of simplicity, this book includes it in the North.

[42] From 1961 until 1966, the CCP set up six "greater regional bureaus (中共中央大區局)."



I.5 Greater Administrative Regions of the PRC, 1950
Map by Debbie Newell.

highest concentration of SOEs, contributing around 30 percent of the industrial output across all Chinese SOEs, as shown in Figure I.6.

The dominance of SOEs in Manchuria's industrial economy originated in the Japanese and Nationalist eras. After the CCP's 1948 victory, they largely maintained the ownership and organizational structure of the Nationalist-period SOEs in Manchuria, as exemplified by Angang. In contrast, SOEs did not dominate in the other major industrial region of the Shanghai-centered East China, whose overall economy was somewhat larger than Manchuria's: many Chinese private businesses in and around Shanghai continued operating until the late 1950s.[43] Only in 1958 did East China surpass Manchuria as the region with the highest SOE industrial output. Even after that year, Manchuria maintained the second-largest cluster of SOEs in China throughout the Mao era. Manchurian SOEs such as Angang thus served as national models during the formative years of the PRC's SOE system.

As exemplified by Angang, SOEs in Manchuria focused primarily on steel and other heavy industries, whereas enterprises in the other industrial center – East China – concentrated on light industry. Consequently,

[43] Cliver, *Red Silk*, 30–78.

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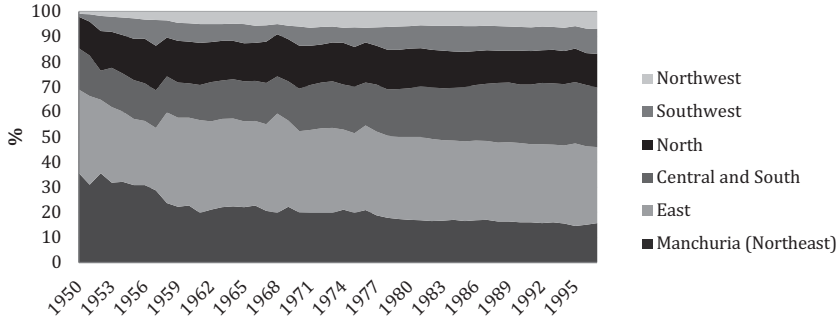

I.6 Regional shares of China's SOE industrial output by year (%)
Source: Guojia tongjiju, *Xin Zhongguo liushinian tongji ziliao huibian*, tables 3.16, 4.16, 5.16, 6.16, 7.16, 8.16, 9.16, 10.16, 11.16, 12.16, 13.16, 14.16, 15.16, 16.16, 17.16, 18.16, 19.16, 20.16, 21.16, 22.16, 23.16, 24.16, 25.16, 26.16, 27.16, 28.16, 29.16, 30.16, 31.16, and 32.16; Guojia tongjiju, *Quanguo gesheng, zizhiqu, zhixiashi lishi tongji ziliao huibian*, 75, 197, 227, 388, 447, 569, 629, and 703.

Manchuria's share in China's heavy industry was particularly high. The Northeast became China's largest heavy industry region during the Japanese occupation, and in the early PRC, Mao and his colleagues chose to build upon the Japanese-period physical infrastructure to develop the nation's industrial center. In 1952, Manchuria produced 41 percent of China's electric power, 33 percent of coal, 39 percent of cement, and 70 percent of steel.[44] Manchuria also became the national center of the oil industry from the 1960s thanks to the discovery of the Daqing oil field.[45] Although Manchuria's shares gradually decreased over the years as heavy industry developed in other regions, the region's significance in China's heavy industry remained evident even in the 1980s.

Manchuria also served as a significant conduit for China's introduction of Soviet policy ideas and industrial technology. As discussed earlier, the Soviet model of state-directed industrialization significantly influenced both Manchukuo and Nationalist China, with Angang being among the most crucial industrial projects under these regimes. The CCP's economic Stalinization also began in Manchuria, where regional Communist leaders started collaborating with Soviet advisors to

[44] Guojia tongji ju gongye jiaotong wuzi tongji si, *Zhongguo gongye jingji tongji ziliao*, 166, 168, 170, and 172.
[45] Hou, *Building for Oil*.

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reconstruct industry during the Chinese Civil War, especially after the CCP's 1948 victory in the region. After the PRC's founding, Manchuria continued to be the main site for Sino–Soviet economic cooperation, as evidenced by Angang's expansion with Soviet technologies during the 1950s.

The significance of industrial Manchuria extended beyond the region itself, as Angang and other SOEs there bolstered industrialization across China. From the early years, cadres and engineers from other regions trained and interned at Angang and other major SOEs in the Northeast. The PRC government also relocated staff, facilities, and occasionally entire factories from Manchuria to other regions. This trend intensified during the mid-1960s Third Front Construction (三線建設), which established new industrial bases in the inland west by relocating a significant number of factories and their staff primarily from Shanghai and Manchuria.[46] Industrial Manchuria served as the engine of socialist industrialization for the entire nation, as machinery, knowledge, and expertise spread from Angang and other SOEs to other parts of China.

However, these conditions also contributed to the region's "backwardness" in the post-Mao era, when China gradually introduced market mechanisms and developed export-oriented light industry under Deng Xiaoping's leadership. In the 1980s and 1990s, the coastal regions in the South and East took off due to their robust private and local entrepreneurship in light industries, as exemplified by cities such as Shanghai, Shenzhen, and Guangzhou.[47] Meanwhile, longstanding heavy industry SOEs such as Angang, which had made the Northeast a model socialist region during Mao's era, now rendered the region a socialist rustbelt in a country that valued its burgeoning market economy.

This transnational history of Angang in the Manchurian borderland was made possible by primary sources in Chinese, Japanese, English, and Russian. With Chinese archives relatively closed, this book employs transnational archival sources. The examination of Nationalist Chinese policy until 1948 is mainly based on documents from archives in Taiwan, where the Nationalists transported a vast amount of government documents before their defeat to the CCP in mainland China. Sources from Japanese archives form the basis of the discussion of Angang under Japanese rule before 1945. Even after 1945, a number of Japanese engineers and their families remained in Angang to work under the Nationalists and the CCP until the early 1950s. Secret interview records, recently declassified in Japanese archives, and oral history interviews with

[46] Meyskens, *Mao's Third Front*.
[47] Oi, *Rural China Takes off*; Oi, ed., *Going Private in China*.

their children offer a rare perspective on Angang during the Nationalist and early Communist periods. The discussion of the Soviet occupation of Manchuria from 1945 to 1946 and the Sino–Soviet economic cooperation during the 1950s was made possible by documents from Russian archives.[48]

The history of Angang reveals that Manchuria as a transnational borderland played a crucial role in shaping China's socialist industrialization. The large cluster of heavy industry SOEs, which typified Manchuria, originated under the Japanese and Nationalist regimes before the Communist Revolution. The region also maintained a strong connection with the Soviet Union, becoming the primary site of Sino–Soviet collaboration during the 1950s. Manchurian SOEs such as Angang played a significant role in constructing heavy industry SOEs in other regions. Despite its colonial origins, industrial Manchuria *was* Chinese socialism.

Geopolitics of Technology Transfers

Angang's transnational development over the twentieth century illustrates how technology transfers and geopolitics were interwoven with each other. As Alice Amsden and Stefan Link demonstrate, technology transfers constituted a vital aspect of late industrialization. To achieve economic independence, late industrializers of the twentieth century needed to import cutting-edge technologies from more advanced industrial powers, at least during the initial stages of industrialization. Late industrializing regimes ranging from the Soviet Union in the 1920s to South Korea in the 1960s attempted to build up their industrial capacities by importing technologies rather than products. These transfers of advanced technologies enabled them to develop their own industrial sectors instead of specializing in producing agricultural goods and raw materials and continuing to import industrial goods from abroad. In other words, importing technologies from advanced industrial powers represented a challenge to the global division of labor in which North America and Western Europe specialized in industry and the rest of the world in agriculture.[49]

Late industrialization in Manchuria and China over the twentieth century highlights the complex connections between technology transfers and geopolitics. The CCP and other policymakers believed that

[48] For more details, see the Appendix.
[49] Amsden, *Asia's Next Giant*; Link, *Forging Global Fordism*.

developing heavy industry would not only support the autonomous industrialization of the economy but also enhance China's national defense capacity. Considering China's resource endowments as an underdeveloped, agricultural economy, a more economically rational choice might have been to first focus on developing agriculture and light industry before shifting focus to heavy industry, as economists suggest.[50] However, economic rationality took a back seat. The main goal of state-directed industrialization in Japanese-dominated Manchuria, Nationalist China, and Maoist China was to support national defense and create a relatively autonomous economy that did not rely on international trade. This prioritization of national security was not uncommon even in advanced industrialized economies during wartime, as evidenced by European countries during the two world wars.[51] The case of Angang and industrial Manchuria shows that the primacy of geopolitics in economic policymaking was even more persistent in some late industrializers such as Maoist China, whose security anxiety was more permanent.

As this book reveals, the primacy of geopolitics in Manchuria and China was evident even before the Communist Revolution. In Japanese-occupied Manchuria, significant investment decisions were made by the Japanese Army stationed in Manchuria, which was also one of the major consumers of the iron and steel goods produced in Anshan. The Japanese-owned steel industry in Anshan in the 1930s relied on the steelmaking technology imported from Nazi Germany, then allied with Imperial Japan. Meanwhile, the Nationalist government pursued state-directed industrialization in the inland region to sustain resistance against the Japanese invaders. Nationalist China's wartime industrialization efforts relied on technology transfers from its major wartime ally, the United States. The experience of war with the Japanese and Nationalist forces similarly convinced CCP leaders of the importance of industry in modern warfare.

Geopolitical concerns continued to influence Chinese policymaking on technology transfers after the founding of the PRC. The Korean War of 1950–1953 shaped early Cold War geopolitics, in which the Soviet Union was China's primary ally against the United States, making it inevitable for the PRC to seek cooperation with the Soviet Union for heavy industrialization. Soviet development aid projects to China in the 1950s comprised a comprehensive heavy industrialization program and

[50] Naughton, *The Chinese Economy*, 91.
[51] Broadberry and Harrison, "The Economics of World War I"; Tooze and Martin, "The Economics of the War with Nazi Germany."

aimed at making China a complete industrial economy modeled after the Soviet Union – not an economic satellite under Soviet dominance.[52]

The significance of geopolitical contingencies manifested itself during the late Mao era, when the PRC pursued industrialization without extensive technology transfers from abroad. Hindered by the Sino–Soviet Split around 1960, China's integration into the Soviet-led socialist international economy was limited, and the PRC emphasized the importance of China's indigenous technology during the Great Leap Forward (GLF) of 1958–1961. In the late 1960s, China's increasing international isolation led the PRC to seek economic autonomy more intensely through the Third Front Construction from 1964, aiming to relocate China's industrial centers to mountainous inland hinterlands to protect them from the geopolitical threats of the United States and the Soviet Union.[53]

Nevertheless, even during this period, China gradually began to import technology from a group of industrialized nations, particularly capitalist countries in the Asia-Pacific region. By 1965, Japan had become the PRC's largest trading partner, and by 1971, imports from Japan constituted around a third of the PRC's total imports.[54] However, the overall volume of technology transfers and trade from abroad remained limited during this time. A turning point arrived in 1972, when Richard Nixon's visit dramatically altered China's geopolitical position, allowing the country to begin to reintegrate fully into the US-led capitalist global economy. This process accelerated after Mao's death in 1976, particularly when Deng Xiaoping took power in 1978 and initiated economic reforms.[55]

The history of Angang and Manchuria shows that national security concerns can strongly dictate the forms of technology transfers that late industrializers choose. Both the Japanese and Nationalists embarked on Soviet-inspired, state-directed industrialization due to their wartime needs and imported technology from their wartime allies: Nazi Germany and the United States respectively. Similarly, in the Mao period, many crucial policy changes resulted, at least in part, from China's shifting geopolitical landscape. Unforeseen external changes in Cold War geopolitics transitioned China's primary source of technology transfers from the Soviet Union to Japan and the West.

[52] Mamaeva, Sotnikova, and Verchenko, *Uchastie SSSR v Rekonstruktsii i Stroitel'stve "156 Proizvodstvennykh Ob'ektov" v KNR v 1950-e Gody*; Shen, *Sulian zhuanjia zai Zhongguo*.
[53] Hou, *Building for Oil*; Meyskens, *Mao's Third Front*.
[54] King, *China–Japan Relations after World War Two*, 2.
[55] Leutert, "Sino-Japanese Engagement in the Making of China's National Champions"; Li, *Nitchū kankei to Nihon keizaikai*.

State-Owned Enterprises in Local Politics

In Maoist China, as in other late industrializing regimes, the state orchestrated the allocation of products and labor forces via notable SOEs such as Angang. Yet the boots-on-the-ground execution of bureaucratic control involved a variety of agents whose actions often ran counter to one another. Local factory managers, city officials, engineers, and even ordinary workers reinterpreted state policies to accommodate their interests. Despite stringent state control, SOEs such as Angang were not mere pawns manipulated by state bureaucracy.[56] Far from the monolithic system portrayed by both socialist regime propagandists and their critics, the process of late industrialization under socialism and beyond involved ongoing contestation between forces both inside and outside state authority.

SOEs in Maoist China, similar to their counterparts in other socialist regimes, were deeply ingrained within the state bureaucracy as core components of the socialist planned economy.[57] Primarily funded by the state budget, the SOEs conducted transactions largely through state-approved economic plans rather than markets. The state appointed the managers of these SOEs, often transferring them between various enterprises or pertinent government offices. SOE workers were guaranteed lifetime employment and access to various social welfare services provided by their workplaces.[58]

Some social scientists have noted that the actual operations of SOEs under state socialism were characterized by vertical bargaining within bureaucracy. These vertical negotiations between socialist SOEs and their superiors in government offices often involved underreporting capacity or overreporting achievements. This vertical bargaining contrasted sharply with the horizontal bargaining between sellers and buyers in market economies.[59]

This case study of Angang illuminates an even more complex nature of economic bureaucracy in Maoist China, where local governments played a considerable role, leading Chinese SOEs to grapple with both vertical

[56] Moreover, major industrial projects were also challenged by the natural environment of the site. For the case of the Japanese Empire, see Moore, *Constructing East Asia*; Moore, "The Yalu River Era of Developing Asia."

[57] Social scientists have often regarded the dominant presence of SOEs as a characteristic feature of the socialist system. For example, see Kornai, *The Socialist System*, 67–75.

[58] For the history of SOEs in modern China, see Bian, "Explaining the Dynamics of Change"; Wu et al., *Zhongguo guojia ziben de lishi fenxi*; Leutert, "State-Owned Enterprises in Contemporary China."

[59] Kornai, *The Socialist System*, 121–124.

and horizontal bureaucratic bargaining. While major SOEs such as Angang were subject to the vertical command of national-level industrial ministries, such as the Ministry of Metallurgical Industry, they were also under the horizontal sway of local authorities such as CCP provincial and city committees. This created an environment in which factory directors within SOEs primarily adhered to the vertical line of command from Beijing, while party secretaries acted as agents facilitating horizontal control from local CCP committees. Although the dual structure of state and party originated in the Soviet Union, transplanting this framework to China resulted in a more localized SOE system. In the Soviet Union, local party organizations' control over SOEs was subordinate to state ministries' control.[60] In contrast, Maoist China saw frequent clashes between vertical and horizontal lines of control, with the balance between them fluctuating over time.

In the early 1950s, some PRC leaders tried to promote a Soviet-style "one-chief system (一長制)" of management, with SOEs falling under a vertical command line running from industrial ministries in Beijing down to factory directors. However, this system was abandoned in 1956 after a political scandal in Beijing, affording local CCP committees the chance to interfere in SOE affairs.[61] Local officials further expanded their influence over SOEs during the GLF and the Cultural Revolution, leading to a decentralization of SOEs as exemplified by Angang's organizational merger with the Anshan City Government. Contrary to the notion of a top-down command system, the day-to-day implementation of economic planning involved complex local-level negotiations, particularly between SOEs and local governments.[62]

The fragmentation within the state bureaucracy overseeing SOEs, particularly the dual control lines, profoundly influenced political relationships *within* the SOEs. Many scholars have focused on the relationship between party authority and workers within workplaces. Andrew Walder's seminal work contended that workers were dependent on their bosses.[63] More recently, Joel Andreas posited that SOE workers in Maoist China challenged authority for their autonomy and political power within factories.[64] Although these views significantly diverge, they

[60] Berliner, *Factory and Manager in the USSR*, 268–271; Gregory, *The Political Economy of Stalinism*, 129–133.
[61] Kawai, *Chūgoku kigyō to Soren moderu*.
[62] In the PRC, vertical and horizontal modes of control are often called "lines (*tiaotiao*)" and "blocks (*kuaikuai*)." The co-existence of these two modes of control is largely confined to urban areas, and in the countryside political power resides mostly with local CCP committees. See Eyferth, *Eating Rice from Bamboo Roots*, 10–11.
[63] Walder, *Communist Neo-traditionalism*. [64] Andreas, *Disenfranchised*.

converge in portraying factory authority as a monolithic entity. Yet this case study of Angang shows that the political authority controlling SOEs was divided, with different factions within the authority fostering distinct relationships with workers. Over time, alliances and rivalries emerged between particular factions of the authority and specific parts of the labor force, rather than between the authority as a monolith and the entire labor force.

The divisions within the party-state authority over SOE control significantly affected the relationship between SOEs and their workers. Notably, local party committee officials often ideologically mobilized workers to politically challenge SOE managers, reinforcing the city government's horizontal control and undermining the industrial ministry's vertical influence over the SOE. The CCP's central leadership provided ideological and organizational guidelines for propaganda and social engineering, purposed to cultivate a new generation of socialist workers devoted to their motherland's industrialization.[65] Through daily study sessions, mass mobilization campaigns, and other forms of political propaganda, local CCP cadres aimed to mold SOE workers into a workforce dedicated to the party and their labor. Local CCP officials, given their primary role in educating SOE workers ideologically, often used mass mobilization campaigns to strengthen their influence over SOEs, bolstering their horizontal control against industrial ministries' vertical command line. The most notable example was the so-called Angang Constitution (鞍鋼憲法) – a 1960 document created by the CCP Anshan City Committee to consolidate control over Angang using a mass mobilization campaign rooted in Maoist ideology.

However, the CCP's attempt to mold an SOE workforce through ideology and organization occasionally resulted in unforeseen outcomes, as it empowered them to reinterpret the official political discourse to challenge the CCP authority itself. For example, during the Hundred Flowers Campaign of 1957, Angang engineers repurposed the political language of socialism to criticize Angang authorities for perceived injustice. The social identity and political culture of SOE workers persisted even after Mao's death. In the post-Mao reform era, workers staged protests against SOEs and local governments, demanding job security and social welfare benefits by co-opting the socialist state's discourse.[66]

The pursuit of the voices of cadres, engineers, and workers was made possible by a range of primary sources from China. I have gathered

[65] Hou, *Building for Oil*, chapter 5; Meyskens, *Mao's third Front*, chapter 4; Perry, *Patrolling the Revolution*; Perry, *Anyuan*; Yu, *Xingsu "xinren."*

[66] Perry, "Popular Protest." Also see O'Brien, "Rightful resistance."

internal documents from Angang and the Anshan City authority through "Sinological garbology" – the practice of buying discarded documents from used book dealers in China. This book also draws on *Neibu cankao* (内部參考), a confidential periodical intended solely for internal use by high-ranking CCP officials, to access politically sensitive information on Angang during the 1950s and 1960s.[67]

A crucial distinction often made between socialism and capitalism is the centralization of economic decision-making in the former and its decentralization in the latter. However, the case study of Angang uncovers the multiplicity of ground-level economic decision-making under the socialist system. Various organizations, groups, and individuals both within and outside the CCP party-state expressed their own interests and demands by leveraging the official ideological and organizational rules set by the CCP party-state itself. At the grassroots level, socialist industrialization cultivated a system where different actors competed within the state-defined rules of the game.

Chapter Organization

This book unfolds both chronologically and thematically. While encompassing the entire twentieth century, it provides a more detailed account for the years 1948–1957 – the first decade of CCP rule in Manchuria. This structure allows me to focus on the innovations, achievements, and failures of the Chinese Communists in the formative decade of their socialist industrialization, while embedding that pivotal decade within a longer history of late industrialization in China and beyond.

Part I comprises two chronological chapters on the pre-CCP period. Chapter 1, "Blood, Iron, and the Japanese Empire," explores the Japanese colonial origins of Angang between 1915 and 1945. World War I precipitated a geopolitical reconfiguration in East Asia, facilitating Japan's foray into ironmaking in Anshan. Concurrently, World War I heralded the ascent of the Soviet Union, engendering interest in economic planning globally. These developments in the interwar years crystallized in state-directed industrialization in Northeast China under Japanese occupation from 1931 to 1945. Through Soviet-inspired economic policies, the Japanese-sponsored puppet state of Manchukuo developed Shōwa Steelworks in Anshan to buttress Japan's imperialist ambitions. Reflecting the colonial nature of Manchukuo, Chinese workers were subjected to myriad forms of violence and discrimination,

[67] For more details, see the Appendix.

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including the forced labor mobilization of Chinese prisoners of war (POWs). Through planning and violence, the Japanese occupation regime turned Manchuria into the largest heavy industrial region on Chinese soil.

Chapter 2, "The Soviets and Nationalists Are Coming," focuses on the years 1945–1948, examining the Soviet occupation of Manchuria and Nationalist China's industrial reconstruction efforts. During the Second Sino–Japanese War (1937–1945), China's Nationalist government cultivated heavy industry SOEs in the inland region. Following Japan's surrender, the Soviets initially occupied Manchuria, extracting copious industrial equipment from Angang and other Japanese enterprises. Despite this, Manchuria retained superior industrial facilities compared to other parts of China. After the Soviet retreat in the spring of 1946, the Nationalist government consolidated and restructured formerly Japanese enterprises into large-scale Chinese SOEs, including Angang. The Nationalists partly reconstructed these SOEs by employing resident Japanese engineers while building on their experience running SOEs in the inland region and sending for Chinese managers and engineers from inland. The Japanese and Nationalists thus unintentionally provided the foundations for the CCP's socialist industrialization after 1948.

Part II's four thematic chapters examine the early PRC's socialist industrialization from the CCP's triumph in Manchuria in 1948 to the conclusion of the First Five-Year Plan (1953–1957). Chapter 3, "Making Manchuria Red," delves into the CCP takeover and reconstruction of SOEs in Manchuria between 1948 and 1952. Here, during the Civil War, the CCP began to experiment with Soviet-style centralized economic planning for the first time. Manchuria became a linchpin of socialist industrialization in the nascent PRC, with its Japanese-built heavy industry facilities and Nationalist-introduced SOE system. In the reconstruction of major SOEs such as Angang, the CCP relied heavily on the expertise of remaining Japanese and Nationalist engineers, managers, and skilled workers. The party co-opted these knowledge workers by carefully incorporating former Nationalist Chinese as members of the new regime and segregating the Japanese from the Chinese. The CCP's reliance on Japanese and Nationalist experts ended with the escalation of Cold War tensions during the Korean War.

Chapter 4, "The Soviet Big Brother Is Watching You," explores Sino–Soviet cooperation in the early to mid-1950s. The PRC's First Five-Year Plan sought to develop heavy industry by importing advanced Soviet technology. One-third of the Sino–Soviet collaboration projects were located in Manchuria, building upon physical infrastructure inherited from the pre-CCP era. Soviet experts in China and Chinese students and

trainees in the Soviet Union played key roles in transferring Soviet technology. Manchurian SOEs such as Angang, learning from Soviet expertise and adapting it to Chinese conditions, gradually diminished China's technological dependence on the Soviet Union.

Chapter 5, "Who Owns the State-Owned Enterprise?," examines bureaucratic politics surrounding Angang in the early PRC. Major SOEs such as Angang were subjected to both vertical control from Beijing and horizontal control from local CCP organizations. This dual control created tension, seen in debates over a Soviet-style top-down management structure called the "one-chief system" and other operational aspects of Angang. Despite the ostensibly centralized system, the PRC's planned economy functioned as a field of grassroots-level negotiations among various government offices and SOEs, each interpreting state policies in their own way.

Chapter 6, "Speaking Maoist," explores the CCP's efforts to politically mobilize the workforce of Angang. Under the *danwei* system, employees depended on their SOEs for social welfare benefits. Workers were educated in Maoist ideology via study programs and propaganda campaigns. To advance their status within the system engineered by the CCP, laborers and engineers appropriated the discourse and institutional rules propagated by the party, as illustrated by Angang engineers during the Hundred Flowers Campaign of 1957. SOE workers navigated their interests within the CCP-defined rules of the game.

Part III reverts to a chronological structure, spanning two chapters covering the period from 1957 to 2000. Chapter 7, "The Three Lives of the Angang Constitution," delves into Mao's attempts to reconfigure socialist industrialization from the late 1950s to the mid-1970s. As Sino–Soviet relations deteriorated, Mao rebuked the Soviet-style centralized SOE system, advocating for decentralization during the GLF (1958–1961). This granted local officials increased horizontal control over major SOEs, including Angang. After the GLF's failure, the CCP constructed new industrial SOEs in the inland "Third Front" regions as a bulwark against potential American and Soviet threats, thereby reducing resource allocation to Angang and Manchuria. From 1966 onwards, the Cultural Revolution transferred power from national SOEs such as Angang to local CCP cadres and military forces. In Mao's final years, the Sino–US rapprochement of 1972 presented China with the prospect of integration into the US-led global capitalist economy.

Chapter 8, "The Socialist Rust Belt in the Market Economy," explores the legacies of socialist industrialization in Angang and Northeast China during the economic reforms following Mao's death in 1976. As the

PRC's developmental strategy pivoted toward export-oriented light industry, heavy industry regions such as Northeast China lagged behind the southern light industry regions. Despite a gradual privatization of China's industrial sector, larger SOEs such as Angang were further integrated into the party-state bureaucracy. The final echo of the Maoist era resonated in the form of SOE workers protesting for job security and social welfare benefits, appropriating the Mao-era socialist discourse. As China moved away from socialist industrialization, the Maoist legacies turned Northeast China into a rust belt, replete with aging, unprofitable heavy industry SOEs.

This book traces the genesis, evolution, and legacy of socialist industrialization at Eurasia's geopolitical crossroads. By chronicling the history of a single industrial site from the bottom all the way to the top, it illustrates how national policies and international relations intersected with enterprise behaviors, local politics, and people's everyday lives.[68] This emergence is most aptly represented in the stories of Chinese, Japanese, and Soviet people in the offices, factories, mines, and streets of Anshan. We now turn to their stories.

[68] My holistic approach has been inspired by recent works on the "history of capitalism." This new field combines various methods of historical inquiry, including economic history, business history, labor history, and social history, to explore the confluence of political, social, and cultural forces that have shaped the economy. See Beckert et al., "Interchange."