

National Resources Commission

Guójiā Zīyuán Wěiyuánhui
国家资源委员会

The National Resources Commission was the leading Nationalist government economic bureaucracy in charge of heavy industrial reconstruction during the 1930s and 1940s. NRC activities brought about a tremendous expansion of state-owned heavy industries, laid the material foundation for the War of Resistance against Japan, and contributed to the formation of China's state enterprise system.

The National Resources Commission (NRC) grew out of the National Defense Planning Commission (NDPC) that the Nationalist government created in November 1932. NRC activities brought about a tremendous expansion of state-owned heavy industries, laid the material foundation for the War of Resistance against Japan (1937–1945, known outside China as the Second Sino-Japanese War), and contributed to the formation of China's state enterprise system.

Japan's invasion of Manchuria in 1931 and its attack on Shanghai in January 1932 motivated the creation of the NDPC. Recognizing the necessity of preparing China for further Japanese aggression, Qian Changzhao, then deputy minister of the Ministry of Education, suggested to Generalissimo Chiang Kai-shek in late 1931 that a national defense planning commission be created. Chiang accepted Qian's suggestion and asked Qian to draw up a list of would-be members of the proposed commission. After lengthy preparation the NDPC was formally

established on 1 November 1932. Although the commission was placed under the General Staff of the Military Affairs Commission, it reported directly to Chiang, who served as president of both commissions. Weng Wenhao was appointed secretary-general, and Qian Changzhao deputy secretary-general.

The NDPC was staffed by technocrats of various professions. It had thirty-nine members at the time of its establishment. In 1934 the commission recruited many new members, raising the original thirty-nine to well over one hundred. Among the commission members were humanists and social scientists, economists, industrial and financial leaders, electrical engineers, and mining, chemical, and weaponry experts. Until 1934 the commission consisted of a secretariat and seven sections: military affairs; international affairs; economics and finance; raw materials and manufacturing; transportation and communications; land, population, and foodstuffs; and cultural affairs. The commission conducted investigations and gathered statistics in areas of raw materials and manufacturing, transportation and communications, and economics and finance in preparation for defense planning.

New Name, New Duties

In April 1935 the NDPC was renamed the National Resources Commission (NRC) and placed under the jurisdiction of the Military Affairs Commission. Although Chiang continued to serve as president, and Weng Wenhao and Qian Changzhao remained secretary-general and deputy secretary-general, respectively, changes



Generalissimo Chiang Kai-shek, president of the National Defense Planning Commission (NDPC) and its successor, the National Resources Commission (NRC), mid-1930s. Japan's invasion of Manchuria in 1931, its attack on Shanghai in January 1932, and the threat of Japan's further aggression prompted the government to create the NDPC. Among the commission members were humanists and social scientists, economists, industrial and financial leaders, electrical engineers, and mining, chemical, and weaponry experts who conducted investigations and gathered statistics in areas of raw materials and manufacturing, transportation and communications, and economics and finance in preparation for defense planning.

were clearly discernible in the commission's organizational structure and definition of functions. In addition to the original investigation and statistics divisions, the NRC created three new offices and two divisions: offices of electrical engineering, metallurgy, and mining, a secretariat, and a planning division. At the same time, the NRC's mission was redefined as investigation, statistical survey, and study of human and material resources;

planning and reconstruction of resources; and planning of resource mobilization.

The 1935 reorganization marked an important change in purpose and direction. The original three departments in military affairs, international affairs, and education and culture ceased to exist. During the next three years the NRC changed its orientation from resource investigation and planning to heavy industrial reconstruction. In effect, the organization was transformed from Chiang's brain trust to an organization in charge of industrial development, a change that manifested itself in the Three-Year Plan for Heavy Industrial Reconstruction completed in 1936. Compared with earlier government plans, it had several distinct characteristics: It was based on a large amount of data that experts gathered through systematic investigation. Heavy industry would receive the lion's share of investment capital. Geographically most planned factories were to be built in interior provinces such as Hunan and Jiangxi for fear of further Japanese aggression. Finally, unlike in previous plans, most projects went according to the plan. Among some thirty planned factories and collieries, twenty-one had begun to be constructed by the time the war of resistance broke out in July 1937.

The outbreak of war and the relocation of the Nationalist government to Chongqing led to further changes in the NRC's organization and activities. In March 1938 the Nationalist government placed the NRC under the jurisdiction of the newly created Ministry of Economic Affairs. Although Weng Wenhao and Qian Changzhao continued to lead the commission, their official titles were changed from secretary-general and deputy secretary-general to director and deputy director, respectively. More important, the function of the NRC was redefined to include the creation and management of basic industries, the development of mining resources and management of important collieries, and the creation and management of power plants.

The change of function gave rise to corresponding changes in the NRC's organizational structure. Under the director and deputy director were four new divisions, four sections, and one committee: the secretariat, divisions of industry, mining, and electric power; sections of technology, economic research, accounting, and material purchase; and a committee of finance. Four years later the NRC further modified its organizational structure to reflect its expansion of activities. By now it had under its

jurisdiction seven divisions and two sections: the secretariat, divisions of industry, mining, electric power, material purchase, finance, and accounting; and sections of technology and economic research. The NRC had by 1938 become a bona fide technocracy in charge of directing heavy industrial development as well as managing enterprises under its jurisdiction.

National Defense

During the War of Resistance against Japan (1937–1945) the NRC drafted several plans designed to foster the development of heavy industries and related national defense industries. Overall the NRC established in China's interior roughly 130 state-owned enterprises in energy, petroleum, iron and steel, machinery, alcohol, and electric industries, drawing investment capital primarily from the annual budget appropriation from the state treasury. In 1940 the share of the NRC in the state budget reached its highest point during the war, accounting for 2.8 percent. After the war ended the NRC expanded its operations as it took over or confiscated enterprises controlled or managed by the Japanese and their Chinese collaborators. In June 1946 the Nationalist government removed the NRC from the Ministry of Economic Affairs and placed it under the jurisdiction of the Executive Yuan. In 1949 the NRC was again placed under the jurisdiction of the Ministry of Economic Affairs. By then the NRC had

thirty thousand staff members and more than six hundred thousand workers. After 1949 some NRC personnel followed the Nationalist regime to Taiwan, but many stayed in mainland China and joined the Communist government, including key NRC leaders Weng Wenhao and Qian Changzhao. Virtually all NRC enterprises and corporations remained state-owned enterprises or were reorganized as state-owned enterprises after the Communist takeover.

In short, the NRC was the leading Nationalist economic bureaucracy in charge of heavy industrial reconstruction during the 1930s and 1940s. NRC activities brought about a tremendous expansion of state-owned heavy industries, laid the material foundation for the War of Resistance against Japan, and contributed to the formation of China's state enterprise system.

Morris L. BIAN

Further Reading

- Bian, M. L. (2005). *The making of the state enterprise system in modern China: The dynamics of institutional change*. Cambridge, MA: Harvard University Press.
- Kirby, W. (1984). *Germany and republican China*. Stanford, CA: Stanford University Press.
- Zheng, Y., Cheng, L., & Zhang, C. (1991). *Jiuzhongguo de ziyuan weiyuanhui, 1932–1949: shishi yu pingjia* [The National Resources Commission, 1932–1949: Historical facts and assessment]. Shanghai: Shanghai shehui kexueyuan chubanshe.

Begin to dig a well only
when one feels thirsty.

临渴掘井

Lín kě jué jǐng