

## **Why Does A Complete-range Industrial System Matter?**

The United States may be the top advocate for globalization and internationalization. But Commanding General Ulysses S. Grant of the Union Armies in the American Civil War called, as the 18<sup>th</sup> U.S. President elected in 1868, to close the door to Europe, aiming to protect the United States from economic invasion by industrialized European countries. President Grant believed in the safe opening of a fully industrialized United States with the industrial system of complete categories. Thus, the US government pursued a closed-door policy for its industrial development over roughly 30 years from 1868 during the period of which industrial capitals in the North gained a power of reconstruction over the land and labor in the South. (Despite the closed-door policy for industries, the US capital market kept open. In the period following the American Civil War, European investments poured into the United States, that the Panic of 1873 off the rail was considered a best deal Americans got from Europeans.) In the 1890s, the United States, with its powerful industrial base and capital, opened up and secured the position as a super power.

Opening-up is a feasible alternative only when a country has built up a complete-in-range industrial system; otherwise, a premature opening-up would invites nothing but catastrophe to domestic industries. Neither the United States nor China or any other countries can be exception.

Going global is the logical and uncircumventable consequence once the complete domestic industrial system has taken shape, as is seen in China's reform and opening-up in the past 25 years and the trend of globalization at the dawn of the 21<sup>st</sup> century.

China forged a complete-in-range industrial system on the eve of its Fifth Five-Year Plan (1976–1980), and resumed diplomatic exchanges with the United States, Japan, and European countries in 1972, to build a favorable external environment and attract foreign investments. In China, opening-up went ahead of economic restructuring.

China has, led by the Communist Party of China and with decades' effort, built

extensively industrial bases and forged a complete range of industrial categories before opening up to foreign investments. It's been a clear fact that China opened up to the outside world in the 1970s and launched the reform in the 1980s.