

JPRS-CAR-91-035  
19 JUNE 1991



# ***JPRS Report***

# **China**

## ***Government Work Reports: Shandong, Shanghai, Xinjiang***

19980203 123

**DISTRIBUTION STATEMENT A**  
Approved for public release;  
Distribution Unlimited

**DTIC QUALITY INSPECTED 2**

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

# China

## Government Work Reports: Shandong, Shanghai, Xinjiang

JPRS-CAR-91-035

### CONTENTS

19 June 1991

#### SHANDONG

CPPCC Standing Committee Work Report [DAZHONG RIBAO 15 Apr] .....	1
People's Court Work Report [DAZHONG RIBAO 26 Apr] .....	4
People's Procuratorate Work Report [DAZHONG RIBAO 26 Apr] .....	5

#### SHANGHAI

1990-91 Economic, Social Development Report [JIEFANG RIBAO 3 May] .....	7
Outline of 10-Year Development Program [JIEFANG RIBAO 2 May] .....	15
1990-91 Budget Report [JIEFANG RIBAO 3 May] .....	29
Higher People's Court Work Report [JIEFANG RIBAO 5 May] .....	32
Municipal Procuratorate Work Report [JIEFANG RIBAO 5 May] .....	36

#### XINJIANG

Regional Economic, Social Development Plan [XINJIANG RIBAO 26 May] .....	41
--	----

### CPPCC Standing Committee Work Report

SK0506071191 Jinan DAZHONG RIBAO in Chinese  
15 Apr 91 p 2

[Text] On the morning of 14 April, Xu Wenyuan, vice chairman of the provincial Committee of the Chinese People's Political Consultative Conference [CPPCC], delivered a report on the work of the Standing Committee at the fourth session of the sixth provincial CPPCC Committee.

In his report, Xu Wenyuan reviewed the work of 1990. He said: During the past year, the provincial CPPCC Committee acted in line with the guiding ideology set by the third session of the sixth provincial CPPCC Committee, extensively united with various democratic parties, mass organizations and nonparty patriotic personages, unswervingly implemented the principle of the CPC Central Committee on "stability first and then development," carried out work in close connection with the central tasks of the provincial party committee and the provincial government, actively exercised the functions of political consultation and democratic supervision, and made due contributions to our province's political, economic and social stability and the development of all undertakings.

We strived to consolidate and develop the stable and united political situation. Last year, the provincial CPPCC Committee stressed the promotion of the CPPCC's fine tradition of paying attention to self-study, helped the committee members and persons from all circles further understand that upholding the four cardinal principles is the foundation for building up the country and reforms and opening up are a road to prosperity and that yielding to the pressure from imperialist countries will only reduce us to their dependency, became firmer in confidence and determination in standing together through thick and thin with the CPC and in building socialism with Chinese characteristics. In order to strengthen unity and cooperation on the common political basis with people from all circles, we acted in line with the unified plan of the central authorities and the provincial party committee, organized and urged committee members to strengthen their study on the Marxist basic theories, the party's basic line, and adherence to the principle on the four cardinal principles, opposing bourgeois liberalization and the current political situation, and conscientiously studied the "decision on strengthening ties between the party and the masses of people" adopted at the sixth plenary session of the 13th CPC Central Committee, and the important speech of Comrade Jiang Zemin at a report meeting to commemorate the "May 4th" movement. The provincial CPPCC Committee also took advantage of the occasions to mark the 27th anniversary of the inscription on "learning from Lei Feng," and the 150th anniversary of the Opium War to hold forums of people from various circles to praise Comrade Lei Feng's political stand of clearly distinguishing between what to love and what to hate and his lofty spirit of wholeheartedly

serving the people, to promote the glorious tradition of the historical heroes who opposed imperialism and to express their lofty ideals of regenerating China. While making continued efforts to strengthen the ideological and political construction of the united front, the CPPCC committee also persisted in displaying its own superiority, actively helped the provincial party committee and the provincial governor to safeguard political, economic and social stability and did much effective work.

We participated in the consultation of political affairs in close connection with national economic and social development. Last year, the provincial CPPCC Committee held five Standing Committee meetings and 19 chairmanship meetings. All the discussion topics of these meetings were basically aimed at economic improvement and rectification, the in-depth reforms and economic construction. During the 14th Standing Committee meeting in particular, the Standing Committee members took the guidelines of the seventh plenary session of the 13th party Central Committee as guidance, and conscientiously discussed the draft outlines of the Shandong Provincial 10-Year Program on national economic and social development and the Eighth Five-Year Plan. On the basis of fully affirming the draft outlines, the committee members offered many constructive suggestions on how to correctly formulate and implement our province's 10-Year program and the Eighth Five-Year Plan, most of which were accepted. In light of some major issues concerning economic construction and economic structural reforms, the special committees of the provincial CPPCC committee also fully displayed their characteristics and superiority of having an extensive scope of social connections and members from various specialized fields, and conducted many investigation and study activities in a planned and purposeful manner. Over the past year, the CPPCC committee organized 39 special investigations and observations one after another, held 28 discussion and appraisal meetings, made 25 investigation reports, organized committee members to carry out inspection activities in a planned and well-organized way, and offered many valuable views and suggestions for the party and government leading organs. Great achievements were made in the motions work. Last year, the motions committee accepted 456 motions, a great number of which concerned politics, economics, science, technology, education, and the major issues which the masses were much concerned about. The quality of the motions improved noticeably. In the work on cultural and historical data, we conscientiously upheld the orientation of serving the consolidation and development of the patriotic united front and the building of the two civilizations. Last year, we collected a total of 330-odd cultural and historical data of various descriptions with 2.15 million characters, compiled and published a book on the selected works of cultural and historical data, and five special books on this, and distributed for sales more than 50,000 copies of literature and history textbooks, all of them were greatly welcomed by the social sectors. The "LIANHE

ZHOUBAO" achieved good results in publicizing the united front principles and policies, exchanging the situations and experiences of the CPPCC committees at all levels across the province, and publicizing the advanced deeds of the people from various circles.

We extensively carried out overseas contacts. The provincial CPPCC committee based on the provincial conditions, adapted itself to the demands of Taiwan, Hong Kong, Macao and foreign countries, and more actively and voluntarily conducted overseas contacts. By holding Spring Festival and Mid-Autumn festival tea parties and report meetings on current situations, playing video films on the Taiwan situation, organizing visits and inspections, and visiting family members of "compatriots from Hong Kong, Macao and Taiwan," the provincial CPPCC committee actively publicized the principle of the CPC Central Committee on "peaceful reunification and one country two systems," and mobilized the enthusiasm of the people of various circles to do a good job in developing overseas contacts. By leaving the country to visit relatives and friends, giving lectures and holding painting exhibitions, many committee members enthusiastically publicized the political and economic situations, the tremendous achievements in reforms, opening up, and the modernization construction of mainland China and the party and country's principles and policies towards Taiwan. In this aspect, Committee members from Hong Kong did much effective work by taking advantage of their favorable conditions. Last year, in its own capacity or by cooperating with departments concerned, the provincial CPPCC Committee received more than 80 persons of various circles from Taiwan, Hong Kong, Macao and foreign countries and four important Taiwan visiting groups.

We continued to strengthen the self-cultivation of the provincial CPPCC committee. Last year, the provincial CPPCC committee by-elected from the non-communist committee members four vice chairmen and 10 members of various special committees and elected three additional deputy secretaries general, thus making the total number of non-communist deputy secretaries general 6, and paid attention to guaranteeing their duties, rights, and responsibilities in the provincial CPPCC Committee work. In line with the spirit of the sixth plenary session of the 13th party Central Committee on strengthening ties with the people, the chairman and vice chairmen of the provincial CPPCC Committee persisted in improving work style, regularly went to various localities to conduct investigations and study, to visit committee members, and to give guidance to the work of the city and county CPPCC Committees, conscientiously listened to the opinions from various democratic parties and tried to help them solve some practical problems within its capability. In accordance with the unified plans of the Shandong Provincial party committee, the provincial CPPCC Committee also devoted a certain period of time to rectifying the ideology, work style and discipline of office personnel and strengthening their study and training, further revised and perfected all

regulations and systems, and enabled the quality of work and the working efficiency to take a new step forward.

Xu Wenyuan said: While reviewing the work and summarizing achievements, we should also sober-mindedly recognize that our work still fall far short of the demands of the party Central Committee and the needs of the development of the new situation and new tasks. He said: This year marks the first year for implementing the 10-Year Program and the Eighth Five-Year Plan as well as an important year for economic improvement and rectification and the deepening of reforms. Successfully carrying out this year's work is very important to realizing the fighting objectives for the next five and 10 years. During this year, we should take the spirit of the seventh plenary session of the 13th CPC Central Committee as our guide, be more conscious in upholding the central task of economic construction, the four cardinal principles and the basic line of reforms and opening up, continue to deeply implement the "proposals" and "circular" of the CPC Central Committee and the guidelines of the provincial CPPCC work conference, act in close connection with the central task on implementing our province's 10-Year Program for the national economic and social development and the Eighth Five-Year Plan, conscientiously exercise the functions of political consultation and democratic supervision, and make new contributions to maintaining social stability, striving for a sustained, steady, and coordinated national economic development, strengthening the building of the socialist spiritual civilization, democracy and the legal system, and promoting the peaceful reunification of the motherland.

We should continue to deeply study and implement the spirit of the seventh plenary session of the 13th CPC Central Committee. This plenary session was an important meeting for inheriting the past and ushering in the future, carrying forward the revolutionary cause, and forging ahead into the future. The "proposals" of the CPC Central Committee adopted by the plenary session are a program of action for mobilizing the whole party and the people of various nationalities across the country to realize the second-step strategic objectives. The fourth session of the seventh National People's Congress [NPC] and the fourth session of the seventh National CPPCC Committee which concluded just now deliberated and defined a blueprint for our country's national economic and social development for the next 10 years and for the Eighth Five-Year Plan period. We should attach prime importance to organizing the committee members to deeply study and implement the guidelines of the seventh plenary session of the 13th CPC Central Committee, the fourth session of the seventh NPC, the fourth session of the seventh National CPPCC Committee, and the sixth enlarged plenary session of the fifth provincial party committee while carrying out our province's CPPCC work. Actively safeguarding and developing a stable and united political situation is a basic guarantee for realizing the 10-Year Program and the Eighth Five-Year Plan. We should consider maintaining state and social

stability as a regular important task. By extensively and deeply conducting education on patriotism, socialism, the party's basic line, revolutionary traditions, national defense, and the legal system and holding commemorative activities such as activities to mark the 70th party building anniversary of the CPC and the 80th anniversary of the Revolution of 1911, we should organize the committee members consult and discuss the draft laws and regulations submitted for discussion by departments concerned and help the provincial party committee and the provincial government actively strengthen the building of socialist spiritual civilization, democracy, the legal system, and a clean government.

We should actively offer advice and exert efforts to implement the 10-Year Program and the Eighth Five-Year Plan. During this year, when holding Standing Committee meetings of the provincial CPPCC committee, chairmanship meetings and the special discussion meetings of the Standing Committee, we should adhere to the principle of grasping and discussing major affairs, and continue to consult and discuss the in-depth problems on economic improvement and rectification, reforms and opening up in line with the demands of the tasks set by the 10-Year Program and the Eighth Five-Year Plan, and provide more valuable views and suggestions for the provincial party committee and the provincial government to make scientific policy decisions. The provincial CPPCC committee and its special committees should make overall arrangements and organize their members to carry out investigations and inspections centering on such major tasks as carrying out the "quality, variety, efficiency year" activities and on how to strengthen agriculture to consolidate the economic foundation, invigorate large and medium-sized enterprises, develop tertiary industry, open up domestic and international markets, fulfill the measures of combining the eastern part with the western part of the province, implement the principle of invigorating Shandong through science and education, control population growth, do a good job in comprehensively improving public security, and successfully carry out nationality, religious, and overseas Chinese affairs work. We should make continued efforts to successfully carry out motions work as well as cultural and historical data work.

We should conscientiously uphold and perfect the system of political consultation and democratic supervision. Continued efforts should be made to comprehensively and deeply implement the "proposals" and "circular" of the CPC Central Committee, the "provisional stipulations" of the National CPPCC Committee, and the proposals of the Shandong Provincial CPC Committee on "further displaying the functional role of the CPPCC committees in political consultation and democratic supervision, and the spirit of the provincial conference on CPPCC work held by the provincial party committee and unceasingly regularize and institutionalize the system of political consultation and democratic supervision. It is necessary to conscientiously improve the CPPCC routine meetings, maintain closer ties with

various democratic parties, the Federation of Industry and Commerce, and mass organizations, and fully display their integrated role. We should give socialist democracy full play, provide essential conditions for and support the committee members and persons from various circles to actively and effectively participate in managing important state and local affairs and to exercise the power of democratic supervision. We should further strengthen the democratic supervision function of the CPPCC, actively probe into ways and forms of combining democratic supervision with inner party supervision, legal supervision, administrative supervision and media supervision, and help the provincial party committee and government to implement the party and state principles, policies, laws, and regulations in places where needed.

We should strive to do a good job in carrying out overseas contacts centering on Taiwan work. It is necessary to continuously implement the guidelines of the national and provincial conferences on work towards Taiwan, adhere to the general principle of "peaceful reunification, and one country two systems," and the principle of "pinning hopes on the Taiwan authorities and the Taiwan people," give full play to the superiority of the CPPCC in having extensive social contacts, conduct multilayered and multichanneled economic, scientific, technological, educational, cultural, sports, and cultural exchanges and friendship activities with "compatriots from Hong Kong, Macao, and Taiwan" and with the world, strive to publicize policies, win popular support, exchange views, enhance common understanding, and expand bilateral exchanges in an effort to realize the exchange of mail, trade, and air and shipping services at an earlier date, promote consultation on an equal basis between the Kuomintang Party and the Communist Party and make unremitting efforts to realize the peaceful reunification of the motherland.

We should further strengthen the self-cultivation of the provincial CPPCC Committee. Efforts should be made to closely combine the integrated functions of the CPPCC with the efforts to do well one's work, actively help the provincial party committee select and recommend democratic party members and nonparty patriotic persons to assume leading posts in the government and judicial organs and continue to do a good job in selecting non-communist personages to work in CPPCC organs. We should persist in encouraging leaders to take the lead in improving work style, regularly go deeply to the grass roots to conduct investigation and study, establish further ties with the city and county CPPCC committees and give them guidance. We should continue to run the "LIANHE ZHOUBAO" well and unceasingly raise the quality of newspapers. It is necessary to maintain regular contacts with committee members, uphold the system of fixing a date for chairman or vice chairmen to receive committee members and for committee members to join certain activities, and unite with people from various circles to successfully carry out CPPCC work with joint efforts.

Xu Wenyuan said: The 1990's is a crucial historical period in the process of our country's socialist modernization construction. In doing 10 years of work, we must pay attention to the achievements in the first five years, and in doing five years of work, we must pay attention to the achievements of the first year. Successfully carrying out this year's work has a vital bearing on making a good start for realizing the second-step strategic objectives. Under the leadership of the Shandong Provincial CPC Committee, we should follow the guidelines of the seventh plenary session of the 13th CPC Central Committee, extensively unite with persons from various circles, hold aloft the banners of patriotism and socialism, work with one heart and one mind, work diligently, do a better job in various work of the provincial CPPCC Committee, exert utmost efforts and make due contributions to winning a victory in the first battle in the implementation of our province's 10-Year Program and the Eighth Five-Year Plan.

### People's Court Work Report

SK0306104091 Jinan DAZHONG RIBAO in Chinese  
26 Apr 91 p 2

[Text] On the morning of 22 April, Yu Peigao, president of the provincial higher people's court, delivered the "work report" of the Shandong Provincial Higher People's Court at the third plenum of the fourth session of the seventh provincial People's Congress.

Yu Peigao stated in his report that the people's courts at all levels across the province earnestly implemented in 1990 the spirit of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee and the resolutions adopted at the third session of the seventh provincial People's Congress under the leadership and supervision of the provincial party committee, the provincial People's Congress, the Supreme People's Court, and of the party committees and the People's Congresses of various localities as well as under the vigorous support and cooperation provided by the governments and the departments concerned of various localities. By closely following the central tasks of the party and the state, they conducted in an overall way the administration of justice, scored new achievements in their work, brought into better play the functional role of judicial organs, and made active contributions to the province's social stability and economic development.

Yu Peigao stated in his report that over the past year, the people's courts at all levels across the province had further enhanced the people's sense in conducting the people's democratic dictatorship, vigorously strengthened the administration of justice among criminal cases, and punished in a timely manner the criminals of various categories in line with the law. They received 19,638 criminal cases for the first trial in the year, a 9.2 percent increase over 1989. They concluded 19,570 cases, a 10.2 percent increase over 1989, which involved in 31,543 convicts. They sentenced 25,178 criminal defendants to various punishments. These people's

courts at all levels continued to uphold the principle of strictly punishing the criminals in line with the law and of dealing strict blows at criminals who had damaged the economy. During the year they received 3,284 cases of economic crimes and concluded 3,283 economic cases which involved in 4,527 convicts.

Through the measures of investigating illegal gains, imposing fines properly, and confiscating property, these people's courts recovered 23.94 million yuan of economic losses for the state and collectives in the year, adequately dealt with more than 180,000 disputes, and effectively prevented the occurrence [as received] of more than 2,200 vicious cases of murder, fights with weapons, and explosions.

Yu Peigao stated in his report that judging from the cases tried in 1990, the province's social order, generally speaking, was stable and continued to develop toward favorable direction. Although the criminal cases accepted by the people's courts at all levels in 1990 showed an increase over 1989, the increased scale showed an obvious decline and decreased from 30.5 percent in 1989 to 9.2 percent. However, the situation in public security was still relatively severe and the increased scale of serious criminal cases was still larger. In particular, the criminal activities of murder, hold-up, robbery, and rape were relatively prominent; the "six vices", including human trafficking, in some localities were still serious; and the manufacturing and trafficking in narcotics occurred in the province frequently.

Yu Peigao stated in his report that over the past year, the people's courts at all levels across the province had vigorously enhanced the administration of justice in economic cases by upholding the guiding ideology of rendering service to the programs of improving the economic environment, rectifying the economic order, conducting reform, opening to the outside world, and carrying out economic construction; accurately and legally tried or handled in a timely manner a large number of economic disputes; and had actively coordinated with the departments concerned to conduct the work of clearing up the debts in line with the law, handling the debts in line with the law, withdrawing the loans in line with the law, and of helping the departments straighten out the relationship between the economy and the law. In 1990 these people's courts across the province accepted 60,462 new economic cases for the first trial, a 4.8 percent increase over 1989. They concluded 60,553 cases, a 5.2 percent increase over 1989. The volume of money involved in these economic cases reached 1.02 billion yuan, a 12.9 percent increase over 1989.

Yu Peigao stated in his report that the people's courts at all levels across the province further enhanced the administration of justice among civil cases, vigorously upgraded the quality and efficiency of handling cases, and accurately and adequately dealt with a large number of civil cases in line with the law and in a timely manner. In 1990 these people's courts across the province accepted 125,546 civil cases for the first trial, a 2.8

percent increase over 1989. They concluded 125,722 civil cases and handled 60,338 petition letters from the masses. They also received 145,767 people who had lodged 2,701 complaints. They concluded 2,796 cases of complaints. The number of letters from the masses showed a 23.3 percent decrease over 1989, that of people who had paid a visit to these courts showed a 12.6 percent decrease over 1989, and that of complaint cases showed a 23.3 percent decrease over 1989.

Yu Peigao stated in his report that although these people's courts across the province had scored certain achievements and achieved new developments in their work over the past year, they also had a lot of problems and weak links. The year of 1991 is the first stage in which we begin to enforce the Eighth Five-Year Plan and the 10-year program and tasks faced by the people's courts are quite heavy. These people's courts at all levels should earnestly study and implement the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and of the sixth (enlarged) plenum of the fifth provincial party committee as well as the spirit of the fourth session of the Seventh National People's Congress and of the fourth session of the Seventh Provincial People's Congress. By regarding the party's basic line as guidance and closely following the center of economic construction, they should further carry out the administration of justice in various fields, vigorously upgrade the work standard of enforcing the law, enhance the building of court personnel's contingent and of basic facilities at grassroots levels, and should render services for safeguarding national and social stability and for the smooth progress in enforcing the 10-year program of the national economy and social development and the "Eighth Five-Year Plan."

### People's Procuratorate Work Report

SK0306095991 Jinan DAZHONG RIBAO in Chinese  
26 Apr 91 p 2

[Text] On the morning of 22 April, Zang Kun, chief procurator of the provincial people's procuratorate, gave a "report on the work of the Shandong Provincial People's Procuratorate" at the third plenary meeting of the fourth session of the seventh provincial People's Congress.

Zhang Kun said: In 1990, under the leadership of the Supreme People's Procuratorate and party committees at all levels, under the supervision of People's Congresses at all levels and their Standing Committees, and with the great support of government at all levels, procuratorial organs at all levels throughout the province resolutely implemented the guiding principle of "putting stability above everything else," conscientiously carried out the work arrangements of the provincial party committee and the Supreme People's Procuratorate, actively performed their function of supervision over law enforcement, and played their due role in safeguarding the social stability of the province and promoting administrative honesty and economic development.

Zang Kun said: In 1990, focusing on the endeavor to develop the economy and maintain administrative honesty, which met the public interests, procuratorial organs at all levels throughout the province regarded the anti-embezzlement and antibribery struggles as the priorities of the procuratorial work, further strengthened leadership to intensify the investigation measures and deeply unearth crimes, and investigated and handled a number of embezzlement, bribery and other economic crimes according to law. A total of 5,238 economic cases were put on files for investigations in the year. Through handling the cases, an economic loss totaling 71.41 million yuan was recovered for the state and the collective.

Zang Kun said: Working actively in coordination with public security departments, courts and judicial and administrative departments, procuratorial organs at all levels throughout the province launched the struggles to "deal strict blows to crimes" and other special struggles in the past year, thus making positive efforts to safeguard the stability in the social order of the province, and to ensure and facilitate the smooth progress of economic development, reform and opening up. In the year, they approved public security organs' arrests of 24,943 persons who had committed criminal offenses of various types, showing an increase of 3.4 percent over the preceding year. From this total, 9,962 persons were arrested for serious offenses, showing an increase of 6.5 percent over the preceding year, and 24,276 persons were prosecuted according to law, an increase of 7.9 percent.

Zang Kun said: In the past year, procuratorial organs at all levels throughout the province regarded the efforts to inspect law- and discipline-enforcement and to conscientiously investigate and handle crimes on "infringements on rights" and "dereliction of duty" as important aspects of the endeavor of punishing corruption, ensuring socialist democracy and improving the socialist legal system, placed them in an important position in their work, and continuously strengthened leadership and adjusted and replenished their personnel to attend to the work to handle cases. As a result, they achieved new progress in the inspection of law and discipline-enforcement. They put 1,056 law and discipline breaches on files for investigation in the year, of which 205 cases concerned dereliction of duty, 207 concerned serious irresponsibility which led to incidents, 226 concerned illegal detention, and 18 concerned extortion of confessions by torture, showing an increase of 1.49, 11.89, 60.28 and 100 percent, respectively, over the preceding year.

While carrying out the work to be done on a priority basis, procuratorial organs at all levels paid attention to the normal procedures of their procuratorial work in various aspects, thus achieving fairly good results in all their work. In the procuratorial work related to detention houses and jails, they conscientiously exercised supervision over law-enforcement in the process of making judgments on criminal offenses and execution of the

judgments, and assisted supervisory departments and reformatories to conscientiously implement the party's principles and policies on reform and reeducation through labor. In the procuratorial work related to railway transportation, they investigated and handled embezzlement and bribery cases designed to gain selfish gains committed by railway departments themselves while making efforts to correct unhealthy trends in these departments. They coordinated with pertinent departments to deal strict blows to train marauding and way-laying and other criminal activities that endangered the safety of passengers and railway transportation. In the procuratorial work related to accusations and appeals, they strengthened the work to report offenses, with the focus on the anti-embezzlement and antibribery struggles. In carrying out this work, they persistently helped the people resolve their misgivings and difficulties, and conducted more education to persuade people and resolve contradictions, thus defending the stable and united situation, ensuring citizens' rights of accusation and appeal, maintaining close ties with the masses, and promoting social stability.

Zang Kun said: Many problems still existed in last year's work. Major ones were some localities' one-sided understanding of the relationship between the anti-embezzlement and antibribery struggles and economic

development, which affected the deepening of the struggles; and procuratorial organs' failure to make their personnel, materials and equipment, and funds for handling cases compatible with the needs of the situation and tasks.

In 1991, the procuratorial work of the province should be focused on the guidelines of the seventh plenary session of the 13th party Central Committee and the sixth (enlarged) plenary session of the fifth provincial party committee. Procuratorial organs should comprehensively perform their function of supervision over law-enforcement, and continue the in-depth struggles against embezzlement and bribery. They should persistently deal strict blows to serious criminal activities, and conscientiously strengthen inspection of law and discipline-enforcement. They should greatly strengthen ideological and political work, and improve their contingents. They should take the initiative in serving the implementation of the Eighth Five-Year Plan and the 10-year program, serving reform and opening up, and serving the endeavors to achieve sustained, stable and coordinated economic development, and to maintain administrative honesty and social stability.

## 1990-91 Economic, Social Development Report

OW2205023991 Shanghai JIEFANG RIBAO in Chinese  
3 May 91 pp 2-3

["Excerpts" of report by Shanghai Vice Mayor Gu Chuanxun at the Fourth Session of the Ninth Shanghai Municipal People's Congress on 22 April 1991 on the implementation of Shanghai's plan for economic and social development in 1990 and a draft plan for 1991]

### [Text] I. Implementation of the Plan in 1990

In 1990, under the correct leadership of the party Central Committee, the State Council, and the Shanghai Municipal Party Committee, various departments of the municipality further implemented the policy of improving the economic environment and rectifying the economic order and of deepening reform, and did a lot of hard work to overcome all kinds of difficulties and promote the recovery of economy by following the principle of "ensuring stability and working hard" and laying stress on "readjustment, rectification, management, and reform." With the hard work of the people of the whole municipality, industrial production gradually went up, market situation became brisk, foreign trade and exports continued to grow, the extent of price increase was significantly reduced, good progress was achieved in building key construction projects, and the development of Pudong advanced rapidly. The implementation of the plan in the whole year was in the main satisfactory. Despite the fact that there are still many contradictions and problems in Shanghai's economic development, the general trend is developing in a good direction.

#### 1. The Economy Kept Growing to a Certain Extent

The gross national product of the municipality reached 73.7 billion yuan in 1990, representing an increase of 3.1 percent over the previous year. An all-round bumper harvest was reaped in agricultural production with total output of grain reaching 2.4 million tons, increasing by 0.9 percent as compared with the previous year's figure. The total output of cotton reached 12,200 tons, an increase of 58.2 percent over that of the previous year. The total output of rapeseed was 182,000 tons, an increase of 21.3 percent over that of the previous year. The "shopping basket" project further developed its role with production and contracted procurement plans for principal supplementary food products fully accomplished. The total industrial output value came to 173.1 billion yuan (based on the constant price of 1990), an increase of 4 percent over that of 1989. Of the total, the output value of state-owned industry increased by 0.6 percent over the previous year, collectively owned industry grew by 0.4 percent, and industry of other kinds of ownership expanded its output value by 28.2 percent (of which the output value of joint ventures, cooperated ventures, and wholly foreign-owned enterprises increased by 61 percent). Relatively big development was made in the production of export commodities. The output of energy sources and raw materials increased

somewhat, while the output of light industry and textile products, durable consumer goods, and investment type electric machinery products decreased due to changes in supply and demand. In 1990, various industrial and commercial departments did a lot of work to expand the market. The total retail sales reached 35.311 billion yuan last year, basically the same as the figure for the previous year. The work of eliminating fake and inferior commodities achieved certain results. Order in the circulation of goods was further improved. The communications and transport departments actively expanded services. The volume of cargo handled at Shanghai Port was 140 million tons, reaching the planned target. Postal and telecommunications work also developed relatively at a fast rate. In the wake of recovery of the economy, the total state revenue of the municipality reached 16.274 billion yuan, increasing by 2.5 percent over the previous year's figure.

#### 2. Structural Reform Achieved Certain Positive Results

A lot of work was done in readjusting the industrial structure. Priority was given to developing the production of 232 kinds of products, whose combined output value rose by 15.2 percent as compared with the total value of these products in the previous year. The output of most of the 100 kinds of major export commodities went up last year. In 1990, more than 10,000 new products were developed. The output value of fine quality products accounted for 30 percent of the total output value of industrial products. As to the adjustment of organizational structure of various enterprises, Shanghai formed or improved 18 enterprise groups last year and "closed, suspended, or merged" 69 enterprises which were economically inefficient and produced items not in great demand. The investment structure was further adjusted. In 1990, the total local investment in fixed assets came to 13.35 billion yuan, increasing by 12.4 percent as compared with that in the previous year. The speed of construction of 41 major municipal projects basically reached the planned schedule. Of these, 18 projects were completed or basically completed, including the 300,000-tonne cold-rolled steel plate project, the 300,000-ton ethylene project in Wujing, the Yungxin color picture tube project, the building of Guangang and Baoshan Operational Districts, and the Dazhong Motor Vehicle Plant's 30,000 automobiles and 100,000 engine units per annum project. The tempo of construction of Nanpu Bridge, Wusong Road Bridge, subway, the control of water pollution at the confluence of two rivers, and other major capital construction projects was also quickened.

#### 3. Economic Relations With Foreign Countries Expanded

Exports for the entire year amounted to \$5.32 billion, setting an all-time high and representing an increase of 5.7 percent over the previous year's figure. A further change took place in the export mix, with exports of machinery and electronic products amounting to \$982 million, an increase of 15 percent over the previous year's figure. Utilization of foreign capital remained

satisfactory. In the entire year 201 projects with direct investments by foreign businessmen were approved. The amount of investments totaled \$375 million, up 4.5 percent over that of the previous year. With the tourist sector having returned to normal, 893,000 foreign tourists visited Shanghai in 1990, up 36.2 percent over the previous year. Income from tourism amounted to 1.98 billion yuan (foreign exchange equivalent of renminbi), an increase of 32.5 percent.

#### 4. People's Standard of Living Improved to Some Extent

Last year we made a planned readjustment of the prices of some industrial consumer goods and some public charges, and because the market as a whole was relatively stable, there were increases as well as decreases in the prices of commodities. In 1990 the retail price index of commodities rose by 4.8 percent, a rate of increase which was a drop of 11.9 percentage points compared with that of the previous year, representing the lowest rate in the Seventh Five-Year Plan period. The municipal gross payroll amounted to 14.439 billion yuan and the workers' average wages were 2,885 yuan, representing an increase of 10.1 percent and 10.6 percent, respectively, over the previous year's figures. After costs of living rises are factored in, the workers' wages actually increased by 4.1 percent. According to a sample survey, the peasants' average real income in the suburban counties amounted to 1,665 yuan, up 9.5 percent, or 6 percent in real terms after adjustment for price rises. The municipal government's 10 projects closely related to people's living standards were completed on schedule. In 1990, 114,000 gas stoves for civilian use were installed, a figure far exceeding that of the previous year. Some 4.11 million square meters of housing were built. This figure, plus the 1.05 million square meters completed in the first quarter of this year, exceeded the target of completing 5 million square meters by the first quarter of this year, put forward by the People's Congress last year.

#### 5. Progress Was Made in Developing Science, Technology, Education, and Other Social Undertakings

Last year the municipality completed 2,092 major scientific and technological projects, most of which were popularized for application. We succeeded in solving 132 difficult problems for the municipality's 14 key industrial projects. The target of enrolling college students and of assigning jobs to college graduates in the municipality was completed according to plan. Proper adjustment was made to rationalize the educational structure. As a result, the task of enrolling 53,000 new elementary pupils a year was properly accomplished. The third Shanghai international film festival was a complete success. Our press and publishing work and other cultural facilities were further improved. Various departments and particularly various districts throughout the municipality strengthened urban administration and worked hard to improve city appearance. As a result, Shanghai ranked among the top 10 sanitary cities in the country. Great attention was paid to family

planning, and Shanghai successfully carried out the work related to the fourth national census.

#### 6. Preparations for the Development of Pudong Under Way

We set up the municipal government's Office in Charge of the Development of Pudong; formulated and promulgated nine related policies, laws, and statutes; compiled and improved the overall program for the New Pudong District; made early preparations for the construction of municipal infrastructural projects; worked out a detailed program for the three key development zones—the Waigaoqiao Bounded District, the Jinqiao Export Processing District, and the Lujiazui Banking and Trading District; and set up three relevant development companies. We invited many businessmen to Shanghai for trade negotiations, and vigorous efforts were made to publicize our Pudong development program overseas. All the work we have done has enabled the development of Pudong to begin with a good start. While fully affirming the achievements, we must also soberly see the many difficulties and problems in Shanghai's economic development. The conspicuous ones were as follows:

One problem was that the economic circulation was sluggish. Affected by a weak market, the outgoing shipment of Shanghai's industrial products in 1990 dropped 11.7 percent as compared with the previous year; sales in Shanghai market were down 4.5 percent after adjustment for fluctuation in prices; and the finished products in stock at year-end of industrial enterprises covered in the state budget rose 23.8 percent. At the same time, the capital turnover was blocked, and new "triangular debts" were created soon after old ones were cleared. Those problems seriously impeded the development of production. Next problem was that economic efficiency of enterprises declined drastically. In last year, the tax payments and profit deliveries made by enterprises covered in the state budget decreased by 19.2 percent, with the profit deliveries down 34.4 percent. There were 184 enterprises that operated at a loss, and they accounted for 13.4 percent of the total. The costs of comparable products rose 6.8 percent, while the profits retained by enterprises decreased by 970 million yuan as compared with the previous year's figure. The labor productivity of state-owned industrial enterprises which keep separate accounts was down 0.6 percent, and the economic returns of commercial enterprises also declined very seriously. The third problem was that the competitive power superiority of Shanghai's products continued to weaken. Because of lack of sufficient investment in technological transformation, some enterprises slackened their management, and many Shanghai products had weakened their competitive power in terms of quality, variety, and design.

#### II. Major Tasks Planned for This Year

This year is the first year of the Eighth Five-Year Plan, and it is also an important year in which we will continue

to promote the task of improving the economic environment, rectifying the economic order, and deepen reforms. A comprehensive analysis of the situation in all fields shows that the overall economic situation this year will be better than last year. There are several favorable conditions. One is that the overall national economic situation is continuing to become better after two years of improving the economic environment and rectifying the economic order. Next is that while striving to accomplish the task of improving the economic environment and rectifying the economic order, the state has decided to continue adopting measures to promote a proper economic growth and strive to enhance the vigor of enterprises, particularly state-owned large and medium enterprises, this year. The state will also actively support Shanghai in accelerating the technological transformation of its industries. The third favorable condition is that with the further progress in Pudong's development and with the reform of the housing system, Shanghai will accelerate its reform and opening to the outside world. The fourth favorable condition is that the formulation of the 10-year Programs and the Eighth Five-Year Plans of China and Shanghai for economic and social development has pointed out the direction and provided a basis for this year's work.

We must not overlook the contradictions and difficulties in this year's economic work either. In particular, the market recovery and development are still unstable, enterprises still have many difficulties, export trade has a number of uncertain factors, the imbalance between Shanghai's revenues and its expenditures is very conspicuous. In order to make a good start in the first year of the Eighth Five-Year Plan, we should adhere to the guidelines of the 11th plenary session of the fifth municipal party committee; firmly regard economic construction as the central task; and seriously fulfill the demand for "stability, exertion, and progress." In the guiding principle for planning, we should pay attention to dovetailing annual plans with the 10-year Program and the Eighth Five-Year Plans. Keeping in mind the strategic objective of "revitalizing Shanghai, developing Pudong, serving the whole country, and meet the needs of the world," we should consider both the future and the present, and guide the present work with future needs. We should handle well the relationship between the efforts to continue the task of improving the economic environment and rectifying the economic order, and the efforts to promote reform and opening to the outside world. We should seek development in the course of improving the economic environment and rectifying the economic order. In particular, we should use the development of Pudong as a motive force to deepen reforms, expand openness, and promote all work. We should handle well the relationship between achieving an overall balance and ensuring the completion of major projects. We should make overall plans and take all factors into consideration, and persistently work for a coordinated and stable development. At the same time, we should also adhere to the principle of concentrating our strength to fight a battle of annihilation, and make efforts to raise

Shanghai's overall economic efficiency. In planning Shanghai's economic work for this year, we should pay great attention to the following five major tasks:

First, to open up further and stimulate the market, strengthen industry-commerce and industry-trade cooperation, step up marketing efforts, accelerate the economic cycle, and maintain moderate economic growth.

Second, while focusing on improving the vitality of public-owned large and medium-sized enterprises, to truly unfold activities related to the "year of quality, variety, and efficiency", accelerate the pace of industrial restructuring and technical renewal in key areas, and halt the slide in the economic returns of enterprises.

Third, to accumulate funds and materials to tackle the construction of infrastructure, such as housing, transport, and gas works, press ahead with the development of the Pudong District, and inspire the people.

Fourth, to painstakingly prepare and introduce the plans for reforming the housing system, the prices of staple and nonstaple foodstuff, and the social security system. At the same time, to deepen and improve the measures for reforming enterprises, foreign trade, and banking.

Fifth, to devote further efforts to building spiritual civilization, truly correct the unhealthy tendencies in trade and in professions, show concern for the people's livelihood, and maintain the state of social stability.

Based on the demands mentioned above, the principal goals in the 1991 plan are as follows:

1. To raise the GNP by 4 percent over the previous year.
2. To increase gross agricultural output value by 1.5 percent.
3. To raise the gross industrial output value by 4 percent over the previous year.
4. To increase the total value of retail sales by 10 percent over the previous year.
5. To export \$5 billion worth of goods, while trying to maintain or better last year's level.
6. To collect a total of 16.5 billion yuan in local revenue, up 1.4 percent from last year.
7. To ensure that profits and taxes realized from industrial enterprises within the local budget are not lower last year, and to improve the productivity of public-owned industrial enterprises that maintain their accounts independently by 1 to 2 percent.
8. To outlay 14.25 billion yuan for local fixed asset investment initially planned by the state, up 6.7 percent from last year.
9. To control the rise in the retail price index of consumer goods at around 8 percent.

10. To keep the increase in the total wage of workers at about 10 percent, and the increase in real average income of workers at about 2 percent.

11. To control the natural rate of population growth at 2.91 percent.

### III. Plans and Arrangements for 1991

In accordance with the overall task of Shanghai's economic and social development plan this year, the following are the plans, arrangements, and demands for various sectors:

#### 1. To increase agricultural input, stabilize the rural policy, and strive to reap a bumper harvest in agricultural and sideline production.

We are planning for a total grain output of 2.152 million tons, 10,000 tons of cotton, and 150,000 tons of rapeseed. In actual practice, we should tap the potential of the land, and try to grow more cotton. We plan to raise 3.5 million hogs; and produce 110 million kg of fresh eggs, of which 54 million kg will be chicken eggs; 221,000 tons of milk; 250,000 tons of aquatic products; and 900,000 tons of vegetable for the market.

In order to accomplish the targets in the abovementioned plan, and reap a bumper harvest in agriculture, we must make serious efforts to implement the guidelines in the circulars on agricultural and rural work issued by the CPC Central Committee and the State Council at the end of last year. All localities must continue to provide strong support to agriculture. The 1991 outlay for fixed asset investment in agriculture set aside by the municipality will remain at the same level as last year. Conventional expenditure to support agriculture will increase by 7 percent over last year. We will continue to raise funds for agriculture from all channels, review past experience, and further improve the returns from capital. We will continue to stabilize the supply of chemical fertilizers, pesticides, plastic sheetings and other farm materials, and appropriately increase the production and supply of quality chemical and compound fertilizers as well as pesticides in short supply. While upholding and improving the household contract responsibility system with remuneration linked to output, we will actively press for the development of an agricultural social service system before, during and after production. Together with continued efforts to complete the "food basket project", we must focus on tackling management, cutting costs, and improving returns. We must suitably reduce the acreage of vegetable cultivation, and maintain a balanced supply to the market by improving the system of crop rotation. We must rely on science and technology to boost agriculture, vigorously promote applicable techniques for agriculture and sideline production, and help the peasantry modernize their cultivation techniques. We must vigorously carry out the construction of infrastructure for farmland and water conservancy, and dredge the irrigation system. We must fulfill the target of dredging 30 million cubic meters of soil this year, and lay the groundwork for

reclaiming some 60,000 mu of land at Dongwansha this winter and next spring. We must continue to tighten control over land planning, truly protect the farmland, and pay close attention to economy in land usage.

#### 2. We should accelerate structural readjustment; expand product sales; and maintain appropriate growth of industrial production.

The central task for the industrial production of the municipality in 1991 is to raise economic effects, further readjust product mix, stress product quality, make efforts to expand product sales, and on that basis, strive to reach total industrial output value of 180 billion yuan (at 1990 constant price), or a 4 percent increase over the figure for 1990. Output plan for major products is arranged according to market conditions: 8.8 million tons of steel; 6.7 million tons of rolled steel; 29.9 billion kwh of electricity; 252,000 tons of ethylene; 322,000 tons of chemical fertilizer; 30,000 Santana brand sedans; 8,000 Shanghai brand sedans and vans; 925,000 color television sets; 690,000 refrigerators; and 850,000 cartons of cigarettes.

To ensure an appropriate growth of industrial production in 1991, we must first of all constantly readjust product mix according to domestic and foreign market demands. All professions and trades, and enterprises should increase their knowledge in marketing, reduce and phase out the production of products that suffer sluggish sales for a long time, and increase the production of marketable products that yield high economic effects. We should make earnest efforts in the production of chemical fertilizer, pesticides, plastic sheeting, and parts and accessories for farm machinery; and continuously implement the production and sales coordination system, so as to ensure that farm work will not be effected. The measures on monitoring and control of production and marketing of daily necessities for the masses should be continuously implemented. A balanced and monthly delivery of such manufactured goods for daily use in accordance with specified quality and quantity should be ensured to satisfy market demands. Second, the policy of "quality is the lifeblood of Shanghai" should be further implemented. With a view to raising product quality, we should enhance quality management on key products, export products, equipment and accessories for key projects. The comprehensive campaign to raise management quality should be continuously promoted. Activities of the "critical work procedure for reducing reject and substandard product rate and raising product's first-time passing rate" should be extensively carried out. The adoption of international standards on production should be vigorously promoted and the task of purchasing 400 products through bidding should be completed within this year. Work on supervision and spotchecks of product quality during production and on the market should be further stepped up. We should strictly investigate cases of counterfeit and inferior commodities, and remove them from the market, so as to protect the reputation of Shanghai products. Third, we should make efforts to improve the marketing of

products and give priority to the work of market exploration when arranging production.

**3. We should readjust the investment structure; pool financial means and materials to accelerate such infrastructural construction as housing, communications, and gas supply in the municipality.**

The state has provided 14.25 billion yuan in a fixed assets investment plan for various localities in municipality in 1991. We should, surrounding the tasks of the Pudong development, and ensuring such key infrastructural construction in municipality as housing, gas supply, and other key industrial projects, and formulate plans for 39 major projects. 1. For major municipal infrastructural construction, localities will arrange 11 projects with an annual investment of 1.84 billion yuan; they include: Nanpu bridge, Yangpu bridge, elevated inner ring roads, metro, treatment of waste water at confluence, the sluice bridge on Wusong Road and road expansion, Yanggao road in Pudong, Pudong gas plant, Yuepu water plant; nanpu bridge is Shanghai's number one project this year, it is scheduled to open to traffic at the end of this year. 2. Plans call for starting 5 million square meters and completing 4.5 million square meters of new housing construction. Low-interest loans will be given to some enterprises which temporarily encounter financial difficulties in housing construction. To ensure the task of completing 25 million square meters of housing construction during the Eighth Five-Year Plan Period, arrangements have been made to secure 15,000 mu of reserve land for building of residences. 3. This year, we plan to newly install gas pipelines for 150,000 households and liquefied gas for 20,000 households, so as to raise the rate of gas use among urban citizens. To achieve that goal, we should strive to complete the second stage project at Pudong Gas Plant in the first half of this year and continuously do a good job in building Wusong gas plant, Pudong and Minhang liquefied gas tank stations, liquefied gas supply stations in various districts, and accelerate the preliminary work of gas projects at the Shanghai Coke Works. 4. We plan to arrange 15 items of key industrial projects with an annual investment scale of 1.58 billion yuan; they include the transformation of the machine-tool industry, and the transformation at the Phillips Semi-Conductor Company and the 3.3-meter medium thick steel plate at the number three plant of the Shanghai Steel Plant, the 300,000-ton alloy steel and cold-rolled steel plates at the number five plant of the Shanghai Steel Plant, the 100-ton highly efficient pesticide at Dupont Farm Chemical Company, CT and large X-ray machines at medical equipment plants; and the cephalosporin at number three Pharmaceutical Plant.

**4. We should strive to expand exports, actively utilize foreign capital, and further strengthen foreign economic relations.**

Foreign trade and export will face a relatively different environment in 1991. Besides the various complicated factors of the international environment, the structure of foreign trade will be further reformed. Taking various

factors into consideration, the target of total exports from Shanghai is set at US\$5 billion. In fulfilling the target, we should strive to reach or surpass last year's actual accomplishments. First, in order to insure the steady development of foreign trade and exports, we should actively adjust the structure of export commodities, strive to promote the production of items that are in great demand in the international market, and continue to encourage and support the export of machinery and electrical products. Second, taking the overall situation of Shanghai into consideration, we should implement a new foreign trade system properly. We should lay stress on planning and coordination at various levels and pay attention to economic benefits as well as the volume of exports. Third, we should actively expand the international market, explore new trade methods, expand sales, and raise the selling prices of some commodities. Fourth, we should further strengthen the integration of industry and trade, delegate foreign trade operational right to some large enterprises and companies with good conditions, and explore ways to form a number of enterprise groups which integrate production with trade.

According to the state plan, Shanghai should utilize foreign capital with a total of US\$840 million in 1991. We should continue to rationalize the procedures for examining and approving foreign firms' investment and construction. We should improve services for foreign firms and simplify procedures to "one window, one organization, and one stamp." In light of the direction of industrial development in the municipality, we should firmly grasp some large development projects. We should actively seek long-term preferential loans from foreign governments and international financial organizations, do a good job in the accommodation of funds, and speed up the building of "94 special" key projects.

We should continue to actively develop tourism. This year, we should attract more than 1 million people to visit Shanghai from places outside China mainland and gain a total income of 1.3 billion yuan from tourism (foreign exchanges equivalent to RMB).

**5. We should strive to increase revenue and income, strictly control expenditures, and do our best to reduce budget imbalance.**

In accordance with the goal of Shanghai's economic development in 1991 and need to balance the budget, the financial revenue is set at 16.5 billion yuan, increasing by 1.4 percent over that of the previous year. The local financial expenditures are set at 7.29 billion yuan, increasing by 3.8 percent if charging off the central authorities' additional expenditures in 1990, mainly the 200 million yuan allocated by the central authorities for the development of Pudong. Expenditures for education, science and technology, and agriculture will be increased in an appropriate manner, while other expenditures will generally remain at last year's level. Some expenditures should be reduced. We should strictly curb the rapid increase of the cost of public medical care, administrative fees, and institutional procurement. Even after such

tight arrangements, the municipality will still have a deficit of 360 million yuan. Therefore, in the course of implementing the plan, we should find ways and means to increase revenue and strictly control various expenditures in order to reduce budget imbalance to a minimum.

**6. We should ensure market supply, price stability, and wage increases; and continue to do practical things to improve the people's living conditions.**

According to plan, the total retail of consumer goods will increase 10 percent to reach 38.8 billion yuan in 1991. In the commercial sector, while we will continue to broaden and enliven the market this year, we will also work hard to expand sales and pay attention to maintaining market stability. We will tighten control over the commercial sector, and exercise strict supervision over commercial affairs, focusing on consolidating the vegetable market, cracking down on production and sales of counterfeit and shoddy goods, and making earnest efforts to improve commercial services. We will also ensure the supply of small-size commodities and popular snack foods, increase the supply of small packages of pork and aquatic goods, actively support the establishment of inexpensive public bath and hair-cutting services, which the masses need.

This year, we will continue to implement the guideline of "stabilizing prices and enlivening the economy at the same time," and intensify our work of tightening price supervision, placing the overall price level under control, and readjusting prices that have been incorrectly set so as to maintain proper price order. Under the principle of strictly controlling prices, we have planned to increase commodity prices by approximately 8 percent this year—this includes the 3 percent increase rolling over from last year's price readjustments.

On the basis of developing production and increasing efficiency, we will take proper care of workers' living conditions. According to plan, workers' total payroll will increase 10 percent, but their actual average pay increase will be about 2 percent. We will continue to handle job problems and employ more personnel through developing tertiary industry. This year the municipal government will continue to provide ten types of practical services essential to the people. On the basis of what has been accomplished over the past several years, this year we will emphasize actual results so that the services can really benefit the masses. We must be prepared to provide all households with practical services and heighten our awareness of serving the people, and we must continue to give priority to improving the downtown traffic conditions.

**7. We must attach great importance to science, technology, and education, and continue to develop cultural, public health, sports, and other public services.**

We will persist in integrating science and technology with economic development, and give priority to major scientific and technological projects which can facilitate Shanghai's social and economic development. We will

continue to keep track of the development of high technologies in the world, attach importance to new industries, and give priority to the development of microelectronic industry, computers and computer software, optical fiber telecommunications, and new materials.

We will continue to make proper arrangements for brainstorming key scientific and technological problems, and will start building several laboratories and bases for intermediate experimental development [zhong shi kai fa ji di 0022 6107 7030 4099 1015 0966]. In education, the general requirement is to fully implement the party's educational policy, give top priority to moral education in school, deepen reform, and strive to improve the quality and efficiency of education. According to plan, this year, ordinary schools of higher education in Shanghai will enroll 17,000 students, including 12,000 by local colleges; secondary vocational and technical schools will enroll 50,000 students, and ordinary middle schools will enroll 35,000 students. Efforts will be made to deal with the net increase of 42,000 primary school pupils in urban districts. In the area of public health, we will continue to implement the principle of emphasizing prevention. Efforts will be made to streamline management of disease prevention, and intensify law enforcement and supervision, giving special attention to food hygiene in urban areas, night soil management in rural areas, and sanitation in schools. Great efforts will be made to promote primary health services in rural areas and consolidate and develop their cooperative medical system. We will intensify hospital management, improve out-patient and emergency services, educate medical personnel on medical ethics, and improve medical services. In 1991, Shanghai will have an additional 800 hospital beds and 2,600 additional health technicians. In 1991, Shanghai will continue to tighten its natural and mechanical population growth. The city will continue to intensify the control over its population plan, stabilize the planned parenthood policy, and firmly implement the "Shanghai Planned Parenthood Regulations." The natural population growth rate will be controlled at 2.91 per one thousand. As for cultural, sports, social security, and other services, we will make special efforts to tighten control and restructure these services, especially those which have to be handled on a priority basis, and attach special importance to improving their social efficiency and achieving new success.

**IV. Projects That Must Be Accomplished To Achieve the 1991 Plan**

The tasks prescribed in Shanghai's 1991 economic and social development plan are formidable tasks. To ensure the achievement of this plan, special efforts must be made to accomplish the following projects.

**1. Enterprises must revitalize their operation and stop the decline of their economic efficiency by firmly improving product quality, increasing varieties, and achieving higher efficiency.**

In conjunction with Shanghai's actual situation, enterprises in Shanghai must firmly improve their product quality, increase product varieties, and achieve higher economic efficiency this year which the State Council has designated for these purposes. This endeavor must be regarded as essential for revitalizing the large and medium-size enterprises, and an essential measure for stopping the decline of enterprises' economic efficiency. The general requirement is to attain these seven targets: 1) increasing the output of 200 major, popular goods, which enjoy priority treatment, by 15 percent over that of last year, making sure that at least 15 percent of our goods are new products. 2) Doing everything possible to increase economic efficiency and stop it from declining, making sure that the local industrial enterprises' budgetary profits and taxes will not be lower than those of last year. 3) Making sure that the value of industrial goods allocated for export will not be lower than that of last year. This includes a 5 percent increase of 100 major goods for export and an 8 percent increase in foreign exchange earnings made from export of machinery and electronics goods. 4) Speeding up the circulation of working funds by 4 percent by promoting sales of unsold goods. 5) Accelerating the process of upgrading major technologies, and making plans to fulfil 120 major renovation and technology purchasing projects. 6) Steadily improving the quality of major industrial goods so that the quality of 99 percent of major goods will be improved and 30 percent of output value will be created by quality goods. 7) Reducing the comprehensive energy consumption for the production of each 10,000 yuan of goods by 2-3 percent, and striving to conserve, substitute, or recycle 650,000 tonnes of 14 types of major raw and semi-finished materials.

There are seven measures we will adopt. While implementing the State Council's relevant policies, Shanghai will take the following seven measures to create a better external environment for enterprises and revitalize its enterprises, especially the large and medium-size ones. 1) We will encourage enterprises to develop new products. All industrial enterprises in Shanghai may retain 1 percent of their sales for technological development, and new products will be exempted from taxes according to state regulations. 2) We will support enterprises in speeding up their technological development. A foundation will be established so that low-interest loans will be available for renovating industrial technology. This year, the municipal treasury will allocate 100 million yuan for this purpose, and enterprises will be encouraged to use foreign capital to renovate their technology or purchase advance technology. 3) Enterprises will receive support for merger in order to create a rational flow of important production ingredients. 4) Enterprises will be guaranteed of autonomy in terms of their production management, internal distribution, setting product prices, and establishment of internal organs. 5) To lessen the enterprises' financial burdens, all unwarranted levies, prorations, and fines will be eliminated; and the number of meetings held for appraising, comparing, and inspecting products will be reduced. 6) Experiments will be actively and

reliably conducted at selected enterprises to reform their wage system, and stock and share system. 7) Enterprise groups will be further consolidated, perfected, and developed.

Five clear-cut requirements will be set. In addition to doing all we can to create a better external environment for enterprises, we will make efforts to improve enterprises' efficiency because this is fundamental for revitalizing their operation and stopping their efficiency from declining. Enterprises will be required to do these five things: First, they must make great efforts to improve product quality, have a clear understanding that quality is the life of Shanghai, draw up specific plans for improving quality and increasing varieties and efficiency, and mobilizing all workers to implement them. Second, they must have operating strategies, attach great importance to development of new products, and renovate their technology selectively. Third, they must intensify improving their internal management and exercise strong supervision. Factory directors must strive to learn scientific management and pay attention to basic management within their enterprises. Fourth, enterprise groups must give full scope to their advantages in raising the efficiency of large-scale operation. Fifth, party and administrative departments of enterprises must heighten their morale, strengthen their unity and cooperation, and tap internal potential. They must press forward, perform their duties diligently and honestly, and lead the masses to combat difficulties in improving the operation of their enterprises.

**2. Industrial, commercial, and trade departments should strengthen their cooperation, and continue to broaden and enliven the market in order to create a sound economic cycle.**

Industrial, commercial, and trade departments in Shanghai should strengthen their ties and cooperation and do everything possible to broaden their sales. They should handle the relationship between being the main commercial channels on the one hand and marketing industrial goods at home on the other. For commodities under their control, industrial and commercial departments must produce, deliver, and purchase them strictly in accordance with plans; and for other commodities, they should, displaying the spirit of understanding the needs of each other, work together to broaden their market through cosponsoring exhibitions and promoting sales. During the process of consolidating the market, they should continue to give scope to the active part played by collective and independent commercial operators in commodity distribution. The restructuring of the foreign trade system may affect exports, and thus industrial departments must speed up restructuring their product mix, and foreign trade departments must pay attention to increasing their exports' economic efficiency, and to supporting industrial production. Banking departments should support industrial and commercial enterprises and continue to settle delinquent payments so as to promote capital flow. For the perennially unsold inventories, enterprises should, with the approval of

financial, taxation, and price departments, take prompt action to cut their prices in order to promote sales and reduce stockpiles.

### **3. Deepen and perfect reform, promote the development of Pudong, and open wider to the outside world.**

Priority efforts will be made to restructure enterprises. This is the central requirement. The priority of enterprise reform in 1991 is to perfect the contract system. Since the majority of contracts awarded to enterprises in Shanghai have not come to term, contractual policies must be maintained basically stable, and enterprises having experienced significant changes may be permitted to make minor adjustments with regard to contractual terms so that they can retain the capacity for future development while Shanghai's revenues can be ensured. Efforts will be made to improve measures governing the ties between enterprises' total payrolls and their economic performance. Strict auditing measures will be taken to make sure that remunerations are based on the amount of work done. Beginning this year, the indexes governing the appreciation in the values of state-owned property and technological advancement will be audited. Enterprises selected to experiment with separating taxes from profits, and the stocks and shares system should continue to carry out the experiments actively and sum up their experiences.

Shanghai will conduct housing reform this year. In accordance with the state's unified plan, it will also restructure the prices of some staple and nonstaple foods, and will intensify making preparations for reforming the social security system. These three major reforms will have an important bearing on Shanghai's economic development and institutional changes, and they also involve the vital interests of the vast number of people. We will, in accordance with the principle of making positive and reliable efforts, adhere closely to the mass line, perfect reform plans, and accomplish all projects meticulously so as to ensure their success.

This year is the second year for Pudong's development and opening, and the first year for the beginning of all development projects. The work this year will proceed primarily in three areas: First, we will continue formulating development plans and continue improving various policies and laws. This year, we will finish the formulation of Pudong's development plan, and then we will submit it to higher authorities for approval. At the same time, we will also finish drawing up the detailed planning of all major district. Efforts will be made so that the general layout will be compatible with the social and economic plans. Continual efforts will also be made to specify and implement development details and study the new zone's operating mechanisms and management. Second, we will speed up the construction of major infrastructures. Main projects include the link-up of Nanpu Bridge in June so that it can be used by the end of the year. Preparations for the construction of Yangpu Bridge will be intensified so that its construction can begin during the third quarter. Construction of the

Waigaoqiao New Port Zone will begin on 1 July. Efforts will be made so that other projects, such as the Pudong section of the round-the-city highway and the first-stage construction of Yanggao Road can also begin this year. Preliminary preparations for the construction of a water plant and a power plant will also be intensified. We also plan to complete the formalities concerning the approval of land lease needed for the construction of three development companies, and expedite the construction of standardized workshops, warehouses for bonded goods, and other infrastructure. Third, we will intensify our efforts so that certain relevant production projects can begin. In conjunction with the requirement that priority should be given to the construction of technologically advanced export-oriented industries in Pudong, we will intensify the technological upgrading of industrial enterprises already set up in Pudong with the 300 million yuan available to Pudong annually for this purpose. We will make active efforts to use foreign capital and strive to seek the approval for the construction of several large commercial, travel, financial, trade, and industrial centers this year.

### **4. Conscientiously do a good job in maintaining the balance of capital funds, foreign exchange, and material supplies to ensure the key production and construction projects of the city.**

All banking facilities in the city should attach primary importance to optimizing the loan structure and invigorating capital funds. Newly created loans should be provided mainly for the following purposes: Agricultural production and purchase of agricultural and sideline products; production of state-appointed "double-guarantee" enterprises and enterprises with good economic performance; state-run business, materials supply, and marketing cooperatives and enterprises to increase stocks of commodities and special materials; key construction and technological renovation projects in the city; expand export and import which included in budgetary plans. We should continue to promote the reform of the banking system, develop and improve financial markets, expand issuance, circulation, and negotiation of securities. We should actively and properly establish more banking facilities for foreign capital funds in line with the unified planning of the central government.

In 1991, we should try to control foreign exchange in accordance with the following principles: Ensure to pay back capital and interest on foreign debts; reasonably curtail the import of raw, semi-finished materials, general electromechanical equipment and their parts; upgrade the level of technologies and equipments to be imported; control the balance of foreign debts; make good use of foreign exchange loans provided by domestic banks and foreign exchanges legally detained by enterprises; strive to maintain the balance of foreign exchange and the necessary surplus.

The general trend of materials supply will be relatively stable this year, with the main exception being refined

oil, cotton, nonferrous metals, timbers, and others. With the postponed completion of the first phase project of the second power plant in Shidongkou, it is possible that we will have a shortage of power supply. The relevant departments of the municipal government are actively studying measures to resolve these problems. We should continue to carry out the preferential policy concerning the supply of raw and semi-finished materials. In the aspect of the distribution of materials, we should continue to implement the preferential policy towards key construction projects, agricultural and sideline production, commodities closely related to the life of the people, and commodities for export.

**5. Strengthen political and ideological work and bring every positive factor into play so as to ensure the completion of all tasks.**

The present social and political situation in Shanghai is very good and the great masses of people are deeply concerned about the reform, opening to the outside world, and development of Shanghai. We should further consolidate and develop this situation by working hard. This is an important guarantee for accomplishing economic construction and various arduous tasks of reform in 1991.

Enterprises are cells of the economy. While facing difficulties, it is even more necessary for enterprises, and party and government leaders to help each other, and to be united and cooperative. We should conscientiously carry out the guiding spirit of relevant documents issued by the CPC Central Committee and the State Council, fully play the role of political leadership of enterprise party organs, strengthen ideological and political work, improve the unified command of factory directors over production and management affairs, protect the democratic rights of workers and staff members, and do a good job of democratic management by closely relying on the broad masses of workers and staff members. Leading organs at all levels should further change their work style and reduce the number of meetings, documents, and various kinds of appraisal and inspection. They should go to grassroots units and pay attention to investigation and study. They should, by proceeding from reality, be more considerate towards enterprises, provide more real service to them, and help them solve practical problems. In this year, the municipal government intends to continue the work of promoting clean government and correcting the ill practices of trade, accelerate the capital construction of housing, household-use natural gas pipelines, and transportation projects, and provide 10 real services to the people, so as to give them real service and encourage them. So long as we firmly believe in and rely on the people of the city, fully mobilize them, and bring every positive factor into play, it is possible to realize the various tasks of the 1991 municipal plan for national economy and social development.

**Outline of 10-Year Development Program**

*OW1605142391 Shanghai JIEFANG RIBAO in Chinese 2 May 91 pp 1-3*

["Outline of the 10-Year Program and the Five-Year Plan for the Economic and Social Development of Shanghai Municipality" adopted at the Fourth Session of the Ninth Shanghai Municipal People's Congress on 29 April 1991]

[Text] The "Proposals of the CPC Central Committee for the Drawing-up of the 10-Year Program and the Five-Year Plan for National Economic and Social Development" approved by the Seventh Plenary Session of the party's 13th Central Committee and the "Outline of the People's Republic of China's 10-Year Program and Five-Year Plan for National Economic and Social Development" adopted at the Fourth Session of the Seventh National People's Congress have set for the entire party and the people across the country the strategic objectives and guiding principles for economic and social development during the next decade and the Eighth Five-Year Plan period. This is a major event in the political and economic life of our country, marking the beginning of a new period of development in socialist modernization.

Shanghai, China's largest key economic city, holds a very important position in the four modernizations of our country. The party Central Committee and the State Council are always very much concerned about the development of Shanghai. In the early 1980's, the party Central Committee and the State Council successively approved the "Outline of a Report on the Strategy for the Economic Development of Shanghai," the "Overall Urban Planning of Shanghai," and a "Report on Deepening Reforms. Opening Wider to the Outside World, and Accelerating the Transformation of Shanghai's Economy into an Export-Oriented One," thus pointing out the direction for the development of Shanghai. In April 1990, the party Central Committee and the State Council decided on the development and opening of the New Pudong District, which was a tremendous encouragement for the Shanghai people. In the 1990's, we should consolidate and develop the significant achievements of the 1980's, accelerate the pace of reform and reinvigoration, and take a new posture in bringing about a new situation in the socialist modernization of Shanghai.

**I. Significant Achievements Made in the 1980's**

The 1980's were a decade during which Shanghai experienced rigorous tests in carrying out reforms and opening to the outside world, a decade during which we explored ways to transform and invigorate the municipality. Under the leadership of the party Central Committee, the State Council, and the Shanghai Municipal CPC Committee, we acted according to the party's basic line of carrying out economic construction as the central task, upholding the four cardinal principles, and persisting in reform and opening to the outside world over these 10 years; relying on the concerted efforts of

people throughout the municipality, we made significant achievements in various sectors of economic and social development, thus laying a foundation for development in the 1990's.

**1. Economic Strength noticeably increased.** The total annual output value of goods and services for the municipality in 1990 reached 73.7 billion yuan, an increase of 103 percent over 1980 in terms of constant prices. The average annual growth rate was 7.3 percent. Thus, the objective of doubling the 1980 total output value of goods and services in the 1980's was achieved. The municipality's total industrial output value in 1990 increased by 93.3 percent over 1980, and the average annual growth rate was 6.8 percent. Over these 10 years, the municipality invested 141.95 billion yuan in fixed assets, and the average annual investment in this regard was 14.2 billion yuan. Of this amount, 91.2 billion yuan were invested by various localities of the municipality [including counties under its jurisdiction], and their average annual investment was 9.12 billion yuan. During the 1980's, we successively completed a number of big and medium-sized key projects, such as the first- and second-stage projects of the Baoshan Iron and Steel Complex, the second- and third-stage projects of the Jinshan Petrochemical Company, the Santana sedan project, the Yongxing color kinescope project, and the Yichang cold-rolled steel plate project, adding strength to the sustained development of the municipality's economy. At the same time, Shanghai continued to make contributions to other parts of the country. Over these 10 years, Shanghai's total revenues were 243.1 billion yuan, and it turned over 173.7 billion yuan to the state; the total revenues of Shanghai's various localities were 168.5 billion yuan, and they turned over 134.5 billion yuan to the state.

**2. The restructuring of the economy unfolded in a steady and all-around way.** We developed the collective economy, the individual economy, Chinese-foreign joint ventures, the cooperative economy, and other forms of economy while keeping public ownership as the main form of economy. We thus created a new situation in which various economic sectors coexist and develop together. At the same time, we made active explorations with respect to expanding the decision-making power of enterprises, giving play to the regulatory role of the market, reforming the rural operational system, improving the government's administrative functions, and developing lateral economic cooperation. These reforms helped invigorate the economy and enliven the market.

**3. New progress was made in opening to the outside world.** In economic and technological exchanges and cooperation with foreign countries, we changed the pattern of mainly relying on export trade, and developed other forms of cooperation, such as use of foreign capital, import of foreign technology, export of labor service, and contracting to build foreign construction projects. We successively built Minhang, Hongqiao, and Caohejing Economic and Technological Development Zones and

achieved pretty good results. In foreign trade, we put an end to the decline of the early stage of the 1980's and brought about a good trend of steady growth. We made a bold exploration of using foreign loans in building urban infrastructure projects and in industrial transformation. In the 10 years, our total export trade volume was \$40.7 and we imported 1,848 advanced foreign technologies, used \$3.11 billion of foreign loans, and approved 910 direct foreign investment projects to the amount of \$2.88 billion.

**4. A new strike was made in readjusting the structure of production.** The tertiary industries which remained in a slump for a long time have shown a trend of faster growth, with an average annual growth rate of 10 percent. Their proportion in the gross municipal product increased from 21 percent in 1980 to 30 percent in 1990. Of the tertiary industries, banking and insurance, tourism and service, real estate, and information and consultancy enjoyed faster development. The proportion of the secondary industries in the gross municipal product decreased from 76 percent to 66 percent in the same period. Of the secondary industries, the outputs of such major products as electronic computers, sedan cars, household electric appliances, chemicals, electric power-generating equipment doubled and redoubled. The proportion of the primary industries generally remained around 4 percent, with sharp increases in the proportions of cash crops and nonstaple food production.

**5. Great progress was made in the municipality's construction of foundation facilities.** In the past 10 years, the total amount of investment in electric power, transport, posts and telecommunications, municipal public works, and other foundation facilities was 22.5 billion yuan, which is equivalent to 700 percent of the total amount of investment for the construction of foundation facilities in the previous 30 years. A number of key construction projects were completed, including the new Shanghai Railway Passengers Station, Hujia Expressway, Xinsong [5450 2646] Expressway, the first phase diversion works for the Upper Reaches of Huangpu Jiang, Yanan East Road Cross-River Tunnel, and the Main Passenger Station for Shanghai Port. In the past 10 years, 600,000 telephones were installed in the municipality and the system of seven-digit dialing was completed. In the mean time, the construction of Subway No. 1 Line, the building of Nanpu Bridge, the first phase project to reduce water pollution at the confluence of two rivers, the expansion project of Hongqiao Airport, and other major projects using foreign funds are being stepped up. Shanghai has had a good beginning in fundamentally improving its serious backward situation in foundation facilities.

**6. Profound changes have taken place in Shanghai's rural areas.** Agricultural production has been developing in a stable manner. In 1990, the total value of agricultural output increased by 51.4 percent as compared with that in 1980, showing an average annual increase of 4.2 percent. The capital construction of water conservancy works was strengthened, efforts to prosper agricultural

with science and technology were intensified, the "shopping basket" project achieved initial results, village and town industrial enterprises developed in the course of readjustment, rural markets became more and more prosperous, contract responsibility system was further improved and consolidated, the pace of construction work in towns was quickened, and a new situation of prosperity emerged in the entire rural areas.

**7. Science and technology, education, cultural work, and public health all vigorously developed.** In the past 10 years, some 15,600 major scientific and technological results were achieved, of which one-fifth reached world standards. Many important scientific and technological achievements were made, including the successful designing and manufacturing of Changzheng No. 4 Rocket, highly efficient laser device, high temperature ceramic engine for motor vehicle, an [alfa] interference factor [gan rao su 1626 2371 4790] and y interference factor, robot for spraying and welding jobs, amorphous [fei jing tai 7236 2533 1966] new material, and new contraceptive. Educational work developed further. Shanghai trained and provided a large number of professional people for the state. Basic education was strengthened. The 9-year compulsory education system was implemented in urban areas. Higher education was adjusted in the course of development and its structure became more rational. Various schools of higher learning also achieved significant results in scientific research work. Secondary vocational and technical training was promptly restored and developed. Adult education was adjusted and on-the-job training emphasized. Cultural, news, publication, radio, television and film work all made new achievements. Public health work was strengthened and medical care condition was further improved. Achievements in sports were even more eye-catching.

**8. The living standard of people in urban and rural areas were raised significantly.** In 1990, the average annual wage for staff members and workers in the municipality was 2,885 yuan, increasing by 230 percent as compared with that in 1980. The actual annual increase of wages was 5.1 percent after allowing for price rises. The average per capita annual consumption of people in urban and rural areas reached 1,934 yuan in 1990, increasing by 260 percent as compared with that in 1980. The actual annual increase of consumption was 5.7 percent after allowing for price rises. Of which the average per capita annual consumption of people in rural areas was 1,421 yuan. The actual annual increase was 6.1 percent after allowing for price rises. The average per capita annual consumption of people in urban areas was 2,184 yuan. The actual annual increase was 5.2 percent after allowing for price rises. In the past 10 years, houses with a total area of 42.59 million square meters were built for people in the city and various towns, which was 180 percent more than the total area of houses built during the previous 30 years. The average housing area per person in urban areas expanded from 4.4 square meters in 1980 to 6.6 square meters in 1990. Natural gas for families was

further popularized. Family planning work registered new success. In 1990, the natural growth rate reduced to 3.51 per thousand. Social welfare further developed. The quality of drinking water for people in urban areas improved. The deterioration of environmental quality is being controlled.

To sum up, like the whole country, Shanghai vigorously developed various undertakings, the people's living condition has been significantly improved, and the economic and social outlook has undergone profound changes. However, while fully affirming the achievements, we should at the same time soberly see that there are still many problems and difficulties on our advancing road. The main problems and difficulties are as follows: Shanghai lacks energy sources and primary raw materials. Owing to the fact that the costs of those things have been increasing constantly, enterprises in Shanghai were overburdened and their economic results decreased by a great extent. In particular, large and medium-sized state enterprises seriously lack ability to transform themselves and make self-development. The increase of local state revenues has been in a slow pace, while price subsidies have been increasing each year. It has been very difficult in balancing the financial revenue and expenditure. The foundation facilities in the municipality are still backward. In particular, transportation, public works, environment, and housing conditions in the municipality have not been fundamentally improved. These problems seriously affect investment and living environment. The development of tertiary industry and social and cultural facilities still cannot meet the need of Shanghai as a central city. The development of foreign trade lacks sustained power. The work of utilizing foreign capital and importing advanced technology lags behind some coastal provinces and cities. In the 1990's, especially in the early part of the "Eighth Five-Year" Plan period, we must conscientiously study and find ways to solve these problems.

## II. Strategic Thinking and Objective in the 1990's

The 1990's will be a critical period for Shanghai's national economic and social development. We are faced with a stern challenge, but there are also many good opportunities. Judging from the international situation, the political situation in the world is rather changeable and competition in the economic field has become more fierce, but, owing to the fact that our country has an important strategic position and a vast market, we still can have an outside environment favorable to our objective of promoting modernization in the 1990's. Judging from the domestic situation, the fundamental contradiction of shortage of funds will exist for a long period, and inadequacy in the supply of energy sources and raw materials and shortage of funds will be the two main restricting factors in Shanghai's economic development.

However, in the wake of improving the economic environment and rectifying economic order, deepening reform, and further opening to the outside world, the

state will further strengthen the construction of foundation industries and facilities; further implement the strategy for developing economy in coastal areas; and in particular, include the development of the New Pudong District as a key project in the state's "Eighth Five-Year" Plan. These state plans create a very favorable conditions for Shanghai.

Taking the overall situation into consideration, in the next decade, the general strategic thinking and objective of Shanghai's national economic and social development are as follows: **We should revitalize Shanghai, develop Pudong, serve the whole country, and gear Shanghai's development to the needs of the world. According to the requirements set by the national 10-Year Program and the Eighth Five-Year Plan, we should concentrate our efforts to raise economic results, actively adjust economic structure, work hard to quadruple the gross national product of 1980, enable the people to lead a fairly comfortable life, strive to build Shanghai into an export-orientated and multifunctional modernized socialist international city with reasonable industrial structure, advanced science, and technology, and a high level of civilization.** In order to materialize this strategic thinking and objective, the basic requirements are as follows:

**First, we should further expand the scope of opening to the outside world and form a new pattern in developing an export-oriented economy.** Shanghai must give full play to its role in fanning out in two directions, namely invigorating the domestic economy and opening to the outside world. Shanghai must open in an all-around way, gear itself to the need of the whole country and the world, and become an important window for the Chang Jiang Valley and the whole country in opening to the outside world. It is necessary to further expand the scale of utilizing foreign capital and advanced technologies, integrate the production of import substitutes with the production of export commodities, promote technological progress, raise our ability to use foreign resources, strive to expand export to earn foreign exchange, and actively unfold various kinds of economic and technological exchanges and cooperation with foreign countries. We should establish in the main a new pattern for developing export-oriented economy by the end of this century.

**Second, as a central city, Shanghai will bring into play its comprehensive functions, and rationalize the production patterns.** The general guideline is: Shanghai will steadily upgrade its primary industry, actively restructure its secondary industry, and make great efforts to develop its tertiary industry. While steadily upgrading primary industry, Shanghai will appropriately restructure its farming operation by increasing the multiple crop index, increasing per-unit output, and developing economic crops so that output of agricultural goods will increase even further. As for the production of nonstaple food, we will increase variety and improve the quality of food to satisfy the rising needs of consumers in urban and rural areas. As for secondary industry, Shanghai will seek development during the course of readjustment. According to the requirement of rejuvenating itself and

by seeking support from technological advancement, Shanghai will replace its extensive operations with intensive operations so that industry as a whole will create even higher additional values on the basis of not increasing energy and raw material consumption, or increasing consumption as little as possible. Meanwhile, in accordance with the needs of domestic and foreign markets, Shanghai will take economic and administrative measures to select and develop a number of profitable and technologically intensive strategic pillar industries and highly competitive goods for export; limit or eliminate output of some outmoded products and enterprises; and transfer personnel replaced by the readjustments to the tertiary and construction industries. The construction industry will make every effort to upgrade its technology and management, actively assimilate advanced and applicable technology, improve construction designs, improve construction workers' competence, train professional construction workers, and rationally organize construction projects to ensure the quality of construction projects, increase investment efficiency, and produce greater social benefits. While developing tertiary industry, attention will be directed to the needs of opening Shanghai to the outside world and augmenting its comprehensive functions. Tertiary businesses will actively explore new areas of development and maintain relatively quick growth so that they will gradually become an important source of revenue and construction capital. In 1990, tertiary industry accounted for 30 percent of Shanghai's GNP; by the year 2000, it will account for 40 percent.

**Third, Shanghai will pool its resources on solving its three practical issues and speeding up its infrastructural construction.** Urban communications, housing construction and gas supply, and the "food basket" project have long been the three most formidable problems that people in Shanghai are most eager to see resolved. They are also three practical issues that have the greatest impact on enlivening the overall situation. Resolving these three practical issues properly and expediting urban areas' infrastructural construction will significantly improve Shanghai's investment environment and living environment and will boost the morale of people in Shanghai to rebuild and revitalize Shanghai. The improvement of Shanghai's communications system will go hand in hand with Pudong's development and construction. The preliminary communications system will include subways and elevated highways as well as ordinary roads. As for housing construction and gas supply, new housing units with a total floor space of 50 million square meters [sq m] will be built during the 10-year period. By the end of the decade, the per capita share of floor space will be larger than eight sq m, and coal gas will be available in all urban areas. As for the "food basket" project, Shanghai will make efforts to increase the efficiency of large-scale production of nonstaple food; speed up construction of supporting projects; reform distribution of nonstaple food; and strive to modernize production, standardize supply, and integrate production with supply and marketing. In short, Shanghai will go all out in the next

decade to resolve the three practical issues and speed up urban areas' infrastructural construction, and take all forms of practical measures to achieve preliminary results in three years, ensuring that these problems will be basically resolved in five years and totally resolved by the end of the decade.

**Fourth, we will make sure that Pudong and Puxi will enjoy coprosperity, and that the New Pudong Zone will begin to take shape.** Development of the New Pudong Zone is a long-term task that will continue in the next century. Our plan is divided into these three stages: The Eighth Five-Year Plan is the initial stage, the Ninth Five-Year Plan will be the period for priority construction projects, and the early period of the next century will be the period of all-out construction. Shanghai will make efforts so that, by the end of 2000, the size of the newly developed areas in Pudong will have reached 37 sq km, the construction of the three minor development zones—Waigaoqiao, Jinqiao, and Lujiazui—will have been basically completed, the preparations for the construction of the large Beicai Science Park will have begun, and the GNP will have quadrupled that of the 1990 figure. The development of Pudong aims at revitalizing Shanghai, and the reconstruction of Puxi is essential for Shanghai's revitalization. During the next decade, opportunities and policies for Pudong's development will be fully utilized to speed up reconstruction of Puxi and construction and improvement of Minhang, Hongqiao, and Caohejing—three economic and technological development zones. Efforts will also be made to organically integrate Pudong and Puxi in terms of their infrastructures and to restructure and redistribute their industries to alleviate the problems in Puxi and speed up the improvement of Puxi's economic and social efficiencies. Efforts will be made to ease urban congestion, reconstruct old districts, and speed up development of new districts. To this end, all trades and professions must consider the construction of New Pudong Zone as the driving force of their development and a new starting point for improving their efficiency.

**Fifth, Shanghai will attach great importance to the advancement of science and technology and to training proficient personnel and will closely integrate science and technology with production.** Shanghai's strong scientific and technological strength is one great advantage facilitating Shanghai's economic development. Shanghai will continue to maintain this strength and increase it during the 1990's so that it will become a powerful force facilitating Shanghai's revitalization. The guideline for Shanghai's scientific and technological development during the next decade is: Shanghai will continue to closely integrate science and technology with production, speed up the widespread use of science and technology in production, speed up the use of advanced technology in major industries, develop high-technology products on a selective basis, promote the establishment and development of new industries, and accelerate the process of improving the urban environment and quality of life. Shanghai will also intensify basic research,

increase technical personnel reserves, intensify construction of intermediate experimental bases [zhong shi ji di 0022 6107 1015 0966], and make every effort to narrow the scientific and technological gap between Shanghai and developed countries. Meanwhile, in accordance with the needs in economic and social development, Shanghai will cultivate a large number of useful personnel, make great efforts to heighten their political and ideological awareness and upgrade their professional expertise, take positive measures to improve their working and living conditions, continue to carry out policies for intellectuals, and gradually establish a system under which people can give full scope to their capabilities, the public will respect knowledge and talents, and capable people of all descriptions can play positive roles in revitalizing Shanghai and developing Pudong.

**Sixth, Shanghai will speed up the pace of economic reform and establish an initial system of socialist planned commodity economy.** Establishing a new operating system that integrates planned economy and market regulation in accordance with the requirement of developing a socialist planned commodity economy is urgently needed for settling all types of complex economic issues. It is also essential for achieving the strategic goals set for economic and social development during the 1990's. The basic guideline for Shanghai's economic reform during the next decade is: Guided by the basic principles and policies set by the CPC Central Committee and the State Council for reform and opening up, Shanghai will adhere to the socialist course and, taking advantage of the opportunities offered in developing and opening up Pudong, focusing on reviving its enterprises—especially large and medium-size state-operated enterprises—and aiming at improving its international competitive capability, seize all opportunities to intensify reforms, actively and steadily experiment with comprehensive reforms, work hard to devise new mechanisms, and courageously explore new ways to integrate development, reform, and openness so that Shanghai will become the frontrunner in the nation's reform and opening up efforts.

**Seventh, people in Shanghai will be able to enjoy a comparatively comfortable life when production has developed.** Being able to lead a comparatively comfortable life means improvement in both material life and spiritual life. It also means that people will have greater power as consumers and that there will be better social services and better living and working environments. During the process of achieving a comparatively comfortable life, Shanghai will make every effort to organize the production of consumer goods, actively develop social services, take gradual steps to improve social welfare services and insurance systems, speed up housing and public construction projects, intensify control over environmental pollution, improve environmental sanitation, expand wooded areas in urban areas, strictly control population growth, and take proper measures to create jobs for people in urban and rural areas. At the same time Shanghai will build more social and cultural facilities needed to enrich the people's spiritual and cultural life.

**Eighth, Shanghai will attach great importance to both material and spiritual construction, and elevate socialist spiritual construction to a new level.** Intensifying spiritual construction is one basic task in building a Chinese-style socialist society and an important guarantee for material construction. In confronting the complex world situation during the 1990's and the formidable tasks of revitalizing Shanghai and developing Pudong, we must make every effort to intensify socialist spiritual construction, strengthen the socialist democratic and legal system, intensify political and ideological work, make firm and unremitting efforts in repudiating bourgeois liberalization, foster patriotism, reaffirm our socialist conviction, cultivate a collectivist viewpoint, heighten our national spirit, and improve the conduct of our society so that spiritual construction and material construction can proceed in a coordinated manner.

### III. The Basic Principle and Principal Tasks of the Eighth Five-Year Plan

In accordance with the state's centralized plan and Shanghai's actual situation, Shanghai's economic and social development during the next 10 years will proceed in two five-year stages. The entire Eighth Five-Year Plan will establish its footing on economic and social stability. While efforts will be made to rectify the economic order and deepen reforms, speed up structural readjustments, and achieve better economic efficiency, efforts will also be made to speed up Shanghai's major infrastructural construction projects and the development of Pudong, seek development during economic readjustments and reforms, and build a strong foundation for economic and social development during the Ninth Five-Year Plan.

In view of this, the major targets for Shanghai's economic and social development during the Eighth Five-Year Plan are as follows:

The average annual GNP growth will be 5 percent, and the average annual growth of tertiary industry will be 8 percent;

The average annual gross industrial growth will be 5 percent;

The average annual gross agricultural growth will be 1.5 percent;

The average annual growth of foreign exports will be 5.6 percent;

The average annual growth in the total retail of consumer goods will be more than 10 percent;

The average annual increase in the total social retail price index will be controlled to approximately 8 percent;

Owing to the adoption of reform measures, local revenues will grow by about 2 percent annually on the average;

After adjusting for price increases, workers' salaries will increase an average of 3 percent annually;

The comprehensive consumption of energy for the production of each 10,000 yuan of goods will decline an average of 2 percent annually;

The all-personnel labor productivity in the industrial sector will increase an average of 3 percent annually; and

The natural population growth rate will be controlled to within an average of 0.2 percent annually. In accordance with these projections, the basic principles and major tasks for Shanghai's national economic and social development plans during the Eighth Five-Year Plan will be:

**First, Shanghai will concentrate its resources on speeding up infrastructural construction within the New Pudong Zone and other parts of urban Shanghai and strive to accomplish the 10 principal projects.**

**The development of New Pudong Zone.** The development of Pudong will start during the Eighth Five-Year Plan. To attract foreign investment and provide Pudong with the necessities to develop, Shanghai will, during the next five years, complete a number of principal infrastructural projects in the new zone, including connecting electricity, running water, gas, roads, subways, railways, and telecommunications facilities, as well as leveling sites for construction [qi tong yi ping 0003 6639 0001 1627] in minor development zones. Meanwhile, we will step up drawing up general and other detailed plans for all subdistricts, continue to specify and implement details of various policies, and streamline administrative and operating ties within the new zone to establish normal development there. During the next five years, efforts will be made to complete a number of large foreign-funded projects and the initial development of minor development zones—Waigaoqiao, Jinqiao, and Lujiazui—and see to it that investment there will begin to yield results gradually. Within the Waigaoqiao bonded zone, a large, modern port will be built for development of transit trade, storage of bonded goods, and processing of goods for export. Taking one step ahead in other areas, the Jinqiao Export Processing Zone will be developed into a small, highly efficient, and pollution-free export-oriented industrial zone in conjunction with restructuring Shanghai's traditional industries. The Lujiazui financial and trade zone will start building modern banks, office buildings, and emporiums. A number of cultural and recreational facilities will be constructed there to support the development of tertiary industry.

**Ten principal projects.** Speeding up Shanghai's infrastructural construction is a pressing demand for people in Shanghai. It is also an objective necessity for revitalizing Shanghai and developing Pudong. Since downtown Shanghai is frequently troubled by traffic jams and construction of many municipal projects has not been carried out, Shanghai is now determined to pool necessary financial and material resources to build a number of crucial principal projects during the Eighth Five-Year

Plan. The first three years will be devoted to constructing Nanpu Bridge, Yangpu Bridge, Waigaoqiao Port and first-stage construction of its power plant, expanding Hongqiao Airport, the project of linking up some sewage conduits, and comprehensive reconstruction of traffic facilities built along the waterfront areas; the remaining two years will be devoted to constructing an elevated expressway, Subway No. One, and gas and water supply systems. In addition to these 10 principal projects, preliminary preparations will be made during the five-year period for constructing a second subway, the central harbor sewage conduit, and various other large projects.

**Downtown traffic.** In conjunction with the construction of Nanpu Bridge, Yangpu Bridge, and the elevated expressway, efforts will be made to intensify broadening such thoroughfares as Wusong Road, Jiangsu Road, Lujiabin Road, and Xujiahui Road; construction of the large overpasses on Xujiahui, Caoxi, and Guangxin roads; and construction of some simple overpasses. To improve downtown traffic control, lanes for nonmotor vehicles will be built along Zhongshan thoroughfare, and roads within a 15-sq km district in central Shanghai will be divided into lanes for motor and nonmotor vehicles. The New Pudong Zone will focus on rebuilding and broadening such thoroughfares as Yanggao Road, Jianghai Road, Haixu Road, and Zhangyang Road. Preparations will be intensified for constructing Shanghai-Nanjing and Shanghai-Hangzhou expressways. Meanwhile, construction in the suburbs will be intensified to upgrade highways.

**Urban Construction.** During the Eighth Five-Year Plan, we will further develop inner-city telecommunications by installing new telephone facilities in 600,000 households; starting second-phase work of the diversion project in the upper reaches of Huangpu Jiang; build tap water extension projects; lay underground pipelines in Pudong Zone; improve the city's water drainage capacity; perfect drainage systems of 35 residential centers in the urban area; complete the sewage cutoff project for plants located along Suzhou He; continue to build large power transmission and transformation projects in the urban area; improve the power supply facilities for old residences in Nanshi District and other districts; improve Shanghai's ability to dispose of garbage and night soil; revamp wharves exclusively for garbage disposal; demolish open-air garbage depots in downtown Shanghai; and further improve the city's healthful environment. We will afforest more land in the city, plant more trees in public places in the Wujihochang, plant trees on both sides of the main road in the New Pudong Zone, and build parks for new large residential areas. In 1995, average public green acreage per capita in urban area will increase from 1 sq m to 2 sq m.

**Housing Construction.** In the Eighth Five-Year Plan, we guarantee to construct new houses with a total of 25 million sq m in floor space, and each year housing projects with 5 million sq m in floor space will be completed. The new housing distribution will stress urban planning and guidance and guarantee that the

development of the new zone will be more important. Therefore, key areas in Pudong will be developed first to create conditions for easing congestion in urban area and raving the old district. New residential areas must be installed with good amenities and conveniences for daily life to show different architectural style. Large strides should be made in rebuilding old district shanties and shacks under the principle of "unified planning, exterior-line operations, sharing of responsibility by different districts, and completing projects within a set time limit." The space and ground evacuated in the old district will be used mainly for developing tertiary industry and increasing the number of trees and public facilities. During the next five years, we will strive hard to build the Pudong natural gas plant's second-phase project, the Wujing coking plant's triple supply [san lian gong 0005 5114 0180] project, and Shidongkou natural gas plant. We will finish revamping Wusong natural gas plant and start to study early development of the East China Sea oil and natural gas fields in order to install cooking gas in all households in downtown Shanghai that we can.

**Second, Shanghai will energetically develop its tertiary industry and gradually reinforce the comprehensive functions of a key city.**

To attach great importance and develop the tertiary industry is an effective way for bringing into play Shanghai's superiority as a port city, reinforcing its functions as a key city, and tapping new financial resources. In the next five years, the tertiary industry will grow at a rate of 8 percent annually to constitute 35 percent of the gross municipal product at the end of the Eighth Five-Year Plan. Focuses shall be placed on developing commerce, foreign trade, banking and insurance, tourism, information, and real estate.

**Commerce and Material Supply.** We should accelerate the construction of commercial facilities in accordance with the concept of building Shanghai into the largest trading center and the busiest shopping center in China during the Eighth Five-Year Plan. In line with the requirements of overall urban planning, we should construct new bases in a selective way, update the existing commercial districts, and build modern emporiums and commercial storage facilities in order to meet the needs of prosperous markets. Under a preliminary plan, and in conjunction with the development of the New Pudong District, a modern, large, comprehensive wholesale shopping center with complete commercial service outlets in various minor districts will be built in the Lujiazui area. An industrial wholesale trading building will be built in the Dabaishu area. A wholesale trading center for farm and subsidiary products will be built in the Shiliupu and Zhenru area. A multi functional emporium will be build in the New Station and Xujiahui area. To alleviate the congestion in the city proper, renovation of the Yuyuan Emporium area on Nanjing, Huaihai, Xizang Central, and Sichuan Northern Roads will be carried out in a planned manner. Meanwhile, we will deepen the reform of circulation system, bringing into further play

the role of state commercial enterprises, supply and marketing \*cooperatives, and state materials enterprises as the main circulation channels and reservoirs. We will develop and improve the commercial wholesale system and enable collective and individual commercial sectors to play a bigger role. We will continue to expand the role of market regulation under the premise of strengthening the overall control of material circulation. Commerce and material supply departments should develop inter-regional lateral cooperation and implement on a trial basis futures business and other trading methods, in order to enliven commodity circulation and foster a situation in which tens of thousands of businessmen converge in Shanghai. We will continue to develop the food catering trade, improving its service quality and opening up new service areas, so as to make life more convenient to the municipal residents.

**Foreign trade.** The work of foreign trade should be focused on improving the structure of export commodities and effecting a change from exporting mainly rough semi-finished goods to highly wrought goods. It will be necessary to vigorously assist the exportation of machinery and electrical products, raise the quality and prices of light and textile export commodities, and develop a number of competitive key products with a high potential in international markets. By 1995, the total volume of goods exported from Shanghai Port should reach \$7 billion, including \$5 billion of goods manufactured in Shanghai. Meanwhile, it will be necessary to further reform the foreign trade management system, successfully sponsor regional export commodity fairs, bring into full play the Hongqiao Economic and Technology Development Zone's special functions in foreign trade, improve foreign trade offices in the overseas, strive to consolidate and develop the existing international markets, and extensively explore new markets. It will also be necessary to make the best use of the Waigaoqiao Bonded Zone in vigorously developing export processing products and actively exploring entrepot trade so as to enhance Shanghai's position in the trade of Asian and Pacific Region.

**Banking and Insurance.** By setting up and improving a stock exchange, we shall expand the market for regulating foreign exchange, invigorate short-term financing, develop insurance services of various kinds, introduce in a planned way some foreign banks and monetary organizations, and improve and develop a socialist banking system that is led by the central bank, composed mainly of state banks, and that allows for the existence of various types of monetary organizations and stresses mutual cooperation. During the Eighth Five-Year Plan period, a new banking district will be built in the Lujiazui area along with the development of Pudong, in order to raise the status and role of the banking and insurance business.

**Tourism.** Our main tasks during the Eighth Five-Year Plan period will be to increase the number of tourists, raise the utilization rate of hotel rooms, and increase

income from tourism. Our initial plan is to take advantage of Shanghai's good geographical location, make good use of existing tourist facilities, strengthen cooperation with nearby provinces and cities and noted tourist spots in the hinterland, vigorously develop tourist commodities, concentrate on running one or two scenic spots, effectively improve the management system for tourism, and strive to increase the number of tourists by 10 percent a year and income from tourism by a substantial amount.

**Information and Consultation.** During the Eighth Five-Year Plan period we shall continue to strengthen the popularization and application of computers and the development of computer software, improve the information service networks of various departments, vigorously develop specialized consultation service organs, and form a wide variety of multi-level information consultation service organizations that are geared to the needs of Shanghai, the whole country, and the world. We shall try to turn these organizations into real enterprises step by step.

**Real Estate Business.** During the Eighth Five-Year Plan period, while focusing on the New Pudong District, we shall actively carry out reform of the land utilization system, optimize the distribution of land resources, expand the sale of land use rights in a planned way, stimulate the foreign real estate business, and invigorate the real estate market.

**Third, effectively readjust the industrial structure and carry out technical transformation in a planned way and on the basis of priority.**

Industry is the pillar of Shanghai's economy. During the Eighth Five-Year Plan period, in the course of promoting industrial modernization, we shall stress economic efficiency and effectively readjust the industrial structure in accordance with the market demands at home and abroad and with the requirements for low consumption of energy and raw materials, low transportation costs, low discharge of industrial wastes, high technology-intensive products, and high additional value. We shall vigorously develop advanced technology and equipment, high- and medium-priced consumer goods, and new basic materials of high quality; increase the ratio of new industrial enterprises to the industrial sector as a whole; reorganize and transform urban and rural collective industrial establishments; strictly keep taps on trades which consume a large amount of energy, discharge a lot of industrial wastes, and operate at low efficiency; and close down, suspend, merge a number of backward enterprises or order them to shift to the production of other types of products. We shall actively adopt advanced technology, provide guidance for export, encourage the manufacture of products that can substitute imports, make vigorous efforts to develop top-grade domestic products, promote the updating and upgrading of products, pay attention to expanding the scale of economic operations, firmly remember that "quality is the lifeline of Shanghai," effectively improve

management, increase foreign exchange earnings through export, raise economic performance, and upgrade the quality of our industrial enterprises to the international standards of the mid and later part of the 1980's.

**Light and Textile Consumer Goods Industry.** Light and textile industries will continue to be Shanghai's mainstay industries essential for expanding exports, supporting the domestic market, and increasing revenues. Shanghai will keep track of development in the world market and actively adopt new techniques and technology in developing new products and improving packaging and quality. This is what Shanghai must do in order to develop its light and textile industries. In terms of textile industry, Shanghai's principal plan during the Eighth Five-Year Plan period will be one of focusing on developing new fabrics and other final products represented by garments. This project will be carried out on the basis of the initial pattern of "putting both ends of the production process on the world market." We will, by adopting such effective comprehensive measures as reducing the number of spindles, intensifying reconstruction, organizing production groups, and improving the operating system, blaze a new trail to develop precision and intensive processing of goods that will yield high additional values. Our initial plans include compressing the current size of cotton textile production and replacing a large number of outmoded spindles, dyeing and printing equipment, and narrow looms. We will bravely adopt advance technology, encourage old enterprises to pool their resources to replace 500,000 spindles and a large number of looms and other crucial equipment with the aim of improving the grades and varieties of cotton and woolen textile products. Meanwhile, we will expand the capacity for chemical fiber production, develop new raw materials for chemical fiber production, and increase the consumption of chemical fibers from the present 34 percent to 40 percent. We will make earnest efforts to increase the depth of processing. By 1995, the export of final products represented by garments will have increased from the present 45 percent to 65 percent, and the foreign exchange earning capability of each tonne of chemical fiber will have increased from the present \$4,600 to \$6,500. In the area of light industry, Shanghai's light industrial manufacturers must strive to reinstate their leading role in the nation and continue to develop a new generation of household appliances, and expand the supportive production capacity and domestic output of parts so as to create a sizable product-based economy. By 1995, Shanghai will have developed the annual capacity of producing 2.5 million color TV's, 300,000 VCR's, and 1 million electronic cameras; it will also have expanded the capacity of producing microwave ovens and home air conditioners for export. Shanghai will, according to plan, build a number of plants to produce raw materials and develop the production of synthetic detergents, cosmetics, photosensitive materials, and other chemicals and plastics for daily use. We will make positive efforts to popularize new technologies, develop and upgrade our famous,

special, quality, and highly competitive goods which are in high demand at home and abroad, and continue to upgrade their quality. Under proper control, Shanghai will utilize agricultural and sideline products to develop the production of food products and paper, and leather goods. It will compress the production of timber goods and silicate-based goods and aluminum goods for daily use, and focus on restructuring the product mix of various trades.

**Machine-building and Electronics Industry.** In this area, priority will be given to promoting mergers and reorganization, restructuring major trades, organizing brainstorming on major technical problems, developing large-size production, promoting the integration of machine-building and electronics industries, increasing export, continuing to upgrade Shanghai's machine-building and electronics industries, and providing various parts of the country with advance technologies and equipment. During the Eighth Five-Year Plan period, special efforts will be made to develop the production of sedans and telecommunications equipment. Through reorganization, Shanghai's sedan industry will take over the Shanghai Motors in order to fully tap its production potential and, through restructuring, streamline the production of complete automobiles and parts. By 1995, the plant will be able to produce 150,000 Santana sedans and convertibles [bian xing che 6239 1748 6508] and 83 percent of the parts domestically. Meanwhile, Shanghai will intensify the development of new car models and build the foundation of the capacity for producing 300,000 sedans by the year 2000 so that automobile industry will become the largest pillar industry in Shanghai. In telecommunications, positive efforts will be made to promote the development of the microelectronics industry, and priority will be given to developing modern telecommunications equipment, especially advanced numerically programmable switchboards. By the year 1995, the capacity of manufacturing 2 million telecommunications circuits a year will have been developed, 64 percent of parts can be produced domestically from the current 29 percent, annual output of optical fibers will reach 100,000 km, supportive production of optical cables will have been developed, and output of photoelectric terminals will have been expanded. By 1995, the annual output of high-speed fax machines will have reached 100,000 sets, and production of 400-900 MHz mobile telecommunications equipment and modern satellite and microwave telecommunications equipment will have been developed. In terms of the industry of manufacturing integrated mechanical and electronics equipment, efforts will be made to produce numerically-controlled machine tools, modern weaving machinery, light machinery, printing equipment, medical equipment, automated office equipment, intellectual equipment, and other equipment like precision meters and gauges to increase the percentage of the output of integrated mechanical and electronics equipment. Continual efforts will be made to expand capacity for manufacturing complete sets of major equipment—like

power plant equipment—building large ships, and renovating manufacturers of basic parts in order to improve their quality. By making these positive efforts, we expect to expand export and gradually improve the grades and quality of machinery and electronics goods for export.

**Energy and Raw and Semifinished Materials Industries.** Shanghai will restructure, renovate, and develop its raw and semi-finished materials industry in accordance with the requirement of improving quality, increasing variety, conserving energy consumption, and reducing pollution. Under the state's overall plans, Shanghai will earnestly strengthen ties between the Baoshan Iron and Steel Complex, the Jinshan Power Plant, the Gaoqiao Petrochemical Plant, and other large mainstay enterprises. In a selective manner, it will develop intensive processing, develop and increase the output of materials that can replace imports and make up market shortages. During the Eighth Five-Year Plan period, the Baoshan Iron and Steel Complex will continue to develop metallurgical industry in accordance with the state's special plan. The Meishan Metallurgical Equipment Company will give priority to manufacturing hot-rolling mills. Basing on their current production capacity, enterprises under the Shanghai Bureau of Metallurgical Industry will make every effort to develop alloy steel, focusing on increasing intensive processing to increase the proportions of sheets, tubes, threads, and strips among all other rolled steel products, and continue to maintain the characteristics of producing small amounts of various kinds of steel products. To meet the supply of pig iron and semifinished materials needed by the Shanghai Iron and Steel Plant No. 1 and the Yichang Cold-Rolling Plant, overall plans will be drawn up while efforts are being made to develop the aforementioned working procedures. Then these plans will be assessed scientifically, production will proceed according to our capability, and readjustments will be made step by step. During the Eighth Five-Year Plan period, efforts will be directed first to accomplishing the hot-rolling mill projects. By 1995, Shanghai's steel output will have reached 11.7 million tonnes, including the 5 million tonnes produced by enterprises under the Shanghai Bureau of Metallurgical Industry; and the output of rolled steel will have reached 9.82 million tonnes, including the 5 million tonnes produced by the same enterprises. On the basis of controlling the total copper and aluminum output, enterprises of nonferrous industry will intensify their adjustment of product mix. Shanghai's chemical industry will continue to develop petrochemical goods, engineering plastic materials, refined chemical goods, new dyes and paints, and medical products; and it will build the second plant that has the capacity of producing 300,000 tonnes of ethylene annually and develop the relevant downstream products. By the year 1995, the output of ethylene will reach 460,000 tonnes from the current 220,000 tonnes annually. In the construction materials sector, positive efforts will be made to develop new, light, and energy-efficient materials, increase the depth of glass processing, and develop nonalkalized fiber glass and fiber glass products. We will control the production

of cement, glass plates, and other construction materials, and replace a number of outmoded kilns. During the Eighth Five-Year Plan period, power industry, which is a basic industry, will firmly adhere to the policy of developing and conserving energy resources. Priority will be given to building the Shidongkou Power Plant No. Two, the first-stage construction of the Waigaoqiao Power Plant, the expansion of the Wujing Thermo Power Plant, the second-stage construction of the Qinshan Nuclear Power Plant and the construction of a large transformer. By 1995, Shanghai's power generating capacity will have increased 2.7-3 million kilowatts to reach 7.5 million kilowatts.

**New industries.** The development of new industries will be the course which Shanghai will follow in developing its industrial production. During the Eighth Five-Year Plan period, Shanghai will, in addition to continuing to promote its aerospace and aviation industries, appropriately increase investment in the development of high-technology products in four areas—microelectronics, computers and computer software, bio-engineering, and telecommunications equipment—as well as their supporting industries. By the end of the five-year period, Shanghai will be able to produce 100,000 to 150,000 microcomputers and 120-150 million electronics circuit boards, including 25-30 million large integrated circuit boards. The output value of new industries will account for 5 percent of the total value of Shanghai's industrial production.

**Fourth, Shanghai will consolidate and perfect the "food basket" project by continuing to expedite the economic development in its suburbs.**

Attaching great importance to agricultural development is an important requirement for stabilizing and revitalizing Shanghai. During the Eighth Five-Year Plan period, Shanghai will continue to implement the principle of "integrating urban and rural areas, establishing footing on two areas, and promoting coordinated development of industry, agriculture, and township enterprises." In accordance with the requirement of "constructing four bases," Shanghai will, with support from science and technology, upgrade its agricultural mechanization even further, appropriately develop sizable agricultural production, stabilize and increase the output and supply of nonstaple food, restructure and reorganize township enterprises, further improve the operation of state farms, and speed up Shanghai's agricultural modernization drive.

**Farming production.** During the Eighth Five-Year Plan period, Shanghai will, on the premise of stabilizing its farming production, earnestly rearrange the production of farm crops in conjunction with the development of Pudong. According to our tentative plan, Shanghai's grain acreage will be 3.3 million mu in 1995, and it will ensure the total grain output of 2.15 million tonnes through raising the multiple crop index and increasing the per-unit output. While stabilizing its rapeseed acreage and output, Shanghai also plans to gradually

expand its cotton acreage through reclaiming coastal areas and increasing its total annual cotton output to 20,000-25,000 tonnes by 1995. To achieve these objectives, Shanghai will, during the Eighth Five-Year Plan period, continue to increase its investment in agricultural production and guide the peasants to accumulate more collective capital and increase their labor investment which are essential for farmland capital construction. Priority will be given to developing sizable tracts of high-yielding cropland, improving over 700,000 mu of medium and low-yielding cropland, and reclaiming 90,000 mu tidal land along the coast. To increase overall agricultural productivity, Shanghai will continue to implement the household contract system which links remuneration with output, streamline the system which combines unified and independent management, improve various kinds of agricultural services, and further mechanize agricultural production.

**"Food basket" project.** During the Eighth Five-Year Plan period, suburban Shanghai will strive to balance its nonstaple food production and supply in conjunction with urban Shanghai's population growth and rising needs. Shanghai will increase the output of such main nonstaple food as pork, poultry, eggs, fish, and daily products in order to be more self-sufficient in those categories. To increase nonstaple food supply, we will primarily count on consolidating and improving the existing production bases. In principle, Shanghai will not develop any more new bases. Attention will be directed to improving various supporting projects, and establishing and improving these four supporting sectors—cultivating good seed strains, preventing diseases, producing mixed feed, and processing and storing agricultural goods. Attention will also be directed to improving the management of the large and medium-size production bases and farms, tapping their potential, reducing their per-unit consumption, and giving play to the efficiencies of sizable economies; and to meeting urban areas' needs through exploring new ways to integrate production, supply and marketing, improving distribution in conjunction with the decontrol of nonstaple food prices, and streamlining operations.

**Township industry.** The development of township industry is essential for restructuring and revitalizing the rural economy. We will, in accordance with the principle of "providing them positive support and proper guidance, helping them draw up rational plans, and intensifying supervision," intensify planning in conjunction with readjusting Shanghai's production patterns and industrial layout. To expedite the urbanization of rural areas, small industrial zones with a relatively large number of enterprises will be developed wherever possible. Industrial, commercial, foreign trade, and science research departments will be encouraged to establish ties with township enterprises to help them improve their efficiency, streamline their organization, upgrade their product quality, improve their business management, and increase their economic efficiencies so that they can

continue to develop soundly and serve agricultural production and support the large enterprises in cities and their exports.

**Fifth, Shanghai will continue to promote scientific, educational, and cultural development and public health services in an effort to expedite overall economic and social development.**

**Science and technology.** Science and technology is the first productive force. During the next five years, Shanghai will, in accordance with the principle of "pooling the use of resources, attending to priority projects, and accelerating the process of their development," underscore the development of microelectronics technology, computers and computer software, biotechnology, modern telecommunications, laser technology, and other new technologies, and make great efforts to promote the industrialization of these new technologies in Shanghai. We will attach great importance to using new technologies to reconstruct the traditional industries. We will pool our resources together to tackle key technical problems, especially those relevant to surface treatment, matrixes, energy conservation, water treatment, modern product designs, and basic parts and equipment. Every effort will be made to achieve a substantial progress in these areas. Great efforts will also be made to modernize agricultural production through science and technology and achieve noticeable results with respect to the cultivation of good seed strains, farming and breeding techniques, and agro-biological technology—common technologies that can be shared by various sectors. We will also intensify basic research and technology reserve. Meanwhile, Shanghai will speed up the construction of the Caohejing New Technology Development Zone. With respect to social science research, Shanghai will proceed under the guidance of Marxism and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." Fostering the fine study spirit of integrating theory with practice, researchers should emphasize the study of major theoretical and practical issues relevant to building a Chinese-style socialist society, and especially major issues concerning Shanghai's economic and social development and its reform and opening endeavor during the 1990's so that they can serve socialist material and spiritual construction and speed up development in all areas of social science studies.

**Education.** Educational development is the basic requirement for improving the quality of people in Shanghai. Proficient personnel are essential for Shanghai's development and revitalization, and education is essential for the training of proficient personnel. We must firmly implement the party's educational policy, adhere to the socialist educational course, and make all-out efforts to heighten the political awareness and proficiency of educators and education recipients. The objectives of Shanghai's educational development during the Eighth Five-Year Plan period will be: Intensifying educational reform, striving to improve the quality and effectiveness of education, giving priority to improving secondary and

primary school education, upgrading educational facilities, alleviating problems caused by enrollment peaks in secondary and primary schools, and upgrading Shanghai's basic education; appropriately developing secondary vocational and technical education; readjusting the curricula of specialized courses and major courses in colleges and universities; improving the quality of adult education through intensifying on-the-job training; and intensifying the training of teachers, promoting good educational practices, and continuing to upgrade teachers' status and increase their pay.

**Cultural work.** We must implement the principle of serving the people and socialism and the principle of letting a hundred flowers blossom and a hundred of schools of thought contend so that people will work hard to produce large quantities of good literary works, movies, television programs, musical pieces, choreographic works, arts, and dramas that will reflect national traditions and characteristics of this era in order to satisfy the people's different cultural needs. To encourage theoretical research and creation of literature and art, we will continue to encourage discussion and exchange of views among those who hold different academic views and who belong to different schools of art. We will attach great importance to the management and training of writers and artists and heighten their political awareness as well as artistic proficiency. We will intensify the control of the cultural market and continue to wipe out pornography. We will continue to expand international cultural exchange and sponsor large-size international cultural events such as television, film, and art festivals. In view of the shortage of cultural facilities, we will speed up the construction of television towers, opera houses, libraries, and other large-size buildings, and construct more recreational areas.

**Public health and sports.** We will firmly implement the fundamental national policy of "controlling the population and improving population quality through promoting planned parenthood," and intensify the work of educating the people on the importance of bearing and raising healthy babies. Guided by the principle of serving for people's health by underscoring prevention, seeking support from advancements in science and technology, mobilizing the entire society to take part in prevention, and promoting coordinated development of Chinese and Western medicines, we will upgrade Shanghai's medical services and improve the major medical and health facilities, intensify the training of medical workers in rural areas, improve hospital services, intensify education on medical ethics, launch patriotic health campaigns among the masses, improve the city's environmental sanitation, and strive to make Shanghai a state-class healthy city. We will also intensify the protection of water resources, make positive efforts to control environmental pollution, intensify pollution monitoring and prevention, and draw up environmental protection plans so that there will be an environment facilitating economic and social development. We will also intensify labor protection, earnestly implement the policy of

"safety first, prevention predominant," intensify the supervision over labor protection, and strive to improve working conditions to reduce casualties among workers and the number of occupational illnesses. In sports, we will intensify the training of athletes, promote sportsmanship, improve athletes' competitive capabilities, and make great efforts to encourage people to take part in sports activities to build up their physical health.

**Intensifying spiritual construction is a fundamental task of building a Chinese-style socialist society and an important guarantee for achieving economic and social development.** Cadres at all levels must intensify the study and propagation of basic theories of Marxism-Leninism-Mao Zedong Thought, firmly implement the party's basic line characterized by "one center, two basic points," and firmly carry out the struggles of upholding the four cardinal principles and repudiating bourgeois liberalization. All cadres should heighten their awareness of the need of launching reforms and opening to the outside world, and combating all types of decadent ideologies. We will intensify the training of ideological, theoretical, and political workers; broadly educate the people on patriotism, collectivism, and socialism, as well as the situation of the country, the fine traditions of relying on our own efforts and on waging arduous struggles in order to heighten the people's national spirit. Leading cadres at all levels must set examples with personal deeds, perform their official duties honestly, care for the masses' living conditions, maintain close ties with the masses, and make their political and ideological work more persuasive. They should energetically promote among the masses activities of upholding socialist ethics, pay great attention to young people's moral education, and, focusing on economic construction, educate them about the importance of learning to love the motherland, the people, their work, science, and socialism; to become ethical and educated people with lofty ideals and a high sense of discipline; and to observe social, occupational, and family ethics, so that we can upgrade Shanghai people's socialist ethics to a higher level. To heighten the concept of law among leading cadres and people, we will also continue to strengthen socialist democracy and law and energetically popularize common knowledge about laws. To improve public conduct, we will continue to intensify public security and judicial affairs, call upon people in all social sectors to control crimes comprehensively, make continual efforts to crack down on felonies and serious economic crimes, and firmly stop all hideous phenomena which corrupt social morale. We expect that this hard work will help create a united, stable, and morale-boosting social and political environment in Shanghai as well as provide the spiritual force that can bring about a sustained, steady, and coordinated economic development and promote the reform and opening endeavor.

#### **IV. The Main Tasks of and Measures for Restructuring the Economic System**

In accordance with the general requirement of establishing a new system of socialist planned economy and

economic mechanisms which integrate planned economy and market regulation during the next decade, and in conjunction with the strategic tasks relevant to Shanghai's economic development, the principal reform projects during the 1990's will be:

**First, intensifying the establishment of a macroscopic economic regulatory system.**

Shanghai will gradually establish a macroscopic regulatory system based primarily on state plans, and supported by economic, administrative, and legal measures. Special efforts will be made to intensify the establishment of an indirect regulatory system. We will continue to streamline the ties among planning, financial, banking, and other economic departments. We will bring into play planning departments' economic leverage role in ensuring overall balance, executing the state's industrial policy, and maintaining overall coordination so that the three major departments will share their responsibilities rationally and coordinate their operation closely. We will gradually change the functions and methods of planned management, placing the emphasis of work on forecasting, planning, guiding, and regulating the economic activities of society as a whole, so that we will be able to set the correct course for economic operation, maintain overall economic balance, coordinate the operation of major sectors, and, as reforms and the market continue to develop, restrict the scope of mandatory plans, expand the scope of guidance plans, bring the role of market mechanisms into fuller play, and draw up specific measures for implementing mandatory and guidance plans. We will establish a system in which economic decisions are made scientifically, and intensify and improve the operation of departments in charge of auditing affairs, statistics, supervision, commodity prices, information, metrological affairs, and business management so that we can regulate economic operation even more effectively.

**Second, we will gradually establish a socialist market system.**

Establishing a rational price system is an important part of establishing a unified and open socialist market system under which competition can proceed on an equal footing. While promoting price reform, we will consider the tolerance of all sectors and, on the premise of ensuring social stability, proceed with price reform actively and reliably by stages so that we can gradually rationalize the price relations. To expand the role of the market in determining prices and create an environment in which enterprises can compete on an equal footing, we will pay special attention to reforming nonstaple food prices. In accordance with the state's reform plans, we will gradually settle the issue of purchasing prices for grain and other major agricultural goods being higher than selling prices, restructure the "two-tier pricing system" for production materials, and gradually decontrol the prices of most of the intermediate and final

products, with the exception of some commodities relevant to the national economy and the people's livelihood. The state will continue to control the prices of these commodities. On this basis, we will continue to improve the market of consumer goods, expand the market of production materials, actively develop all forms of exchange, and continue to enliven commodity and material distribution between regions and departments so that, under the state's guidance and supervision, an efficient and unimpeded commodity market system will be created. We will also make efforts to develop markets of important production ingredients, including the money market, technology market, information market, real estate market, labor service market, and so forth, and help them develop compatibly with the commodity market.

**Third, we will readjust and rationalize the basic economic relationship.**

We will gradually rationalize the economic relationship between the state and enterprises. To make the use of state-owned property more efficient economically, we will establish a rational system governing the management and use of state-owned property. On the basis of screening and checking the property, we will rationalize the ownership of state property, assess its values, and ascertain the responsibilities of the users. We will actively explore the feasibility of establishing intermediaries to handle the rights to use state-owned property and, to ensure constant appreciation of the value of state-owned property, develop a system governing cross shareholding and use of the property.

We will gradually rationalize the economic relationship between central and local authorities. On the basis of separating the local authorities' rights governing their fiscal affairs, taxation, foreign trade, foreign exchange, banking affairs, investment, price setting, and wages from those of central authorities, we will set limits for local incomes and expenditures and create the conditions needed for replacing the current fiscal contracts with tax-sharing contracts. Accordingly, we will also reform and improve the foreign trade system. At the same time, we will continue to define the administrative rights of cities, districts and counties; limit the receipts and expenditures of city, district and county authorities; and reform the current fiscal contracts for them.

We will gradually rationalize the economic relationship between the state, collectives, and individuals. We will restructure the distribution system within enterprises, readjust the wage scales, gradually incorporate part of subsidies and welfare funds into wages, lower the percentage of individuals' non-salary incomes, guide and broaden the consumption patterns of individuals, and gradually increase the percentage of rents and insurance premiums in individuals' spending. We will also improve and perfect tax management and strictly enforce the system of collecting regulatory taxes from individuals.

**Fourth, we will speed up reform experiments in the new Pudong District.** Affairs in the new Pudong District will be handled in a new way. On the premise of adhering to the socialist course, and doing what is in line with international conduct and the nation's actual situation, we will establish a new economic system that integrates economic planning and market regulation, and that is compatible with practices at home and abroad and with the old district. We will courageously bring forth new ideas with respect to enterprises' ownership, operation, marketing practices, and management. We will establish a modern system governing enterprises, organize sizable enterprise groups and chambers of commerce, develop all forms of markets, perfect all types of intermediary organizations, and improve marketing organizations, and we will experiment with reforming stock investment, social insurance, land lease, and wages so as to promote Shanghai's reform, openness, and economic development.

The main assignment of economic reform during the Eighth Five-Year Plan period will be one of carrying out supporting, but fundamental, reforms to facilitate the central task of revitalizing enterprises, especially the large and medium-size state enterprises. Efforts will be made to achieve a breakthrough in this area so as to expedite all types of macroscopic economic reforms and build a foundation for more overall reforms during the Ninth Five-Year Plan period. Shanghai's reform projects during the next 5 years will primarily be those concerning enterprise organization, the housing system, staple and nonstaple food prices, social insurance, and the banking system.

**Enterprise reform.** Making continual efforts to reinvigorate the operation of enterprises, especially the large and mid-size enterprises, constitutes the central link in deepening economic reform, and it is also essential for creating a beneficial economic cycle in Shanghai. In deepening enterprise reform, we must firmly uphold the principle of separating the government from enterprises, and separating the right to own from the right to operate so that, under the guidance of state plans and the state's production policy, enterprises can operate independently according to market needs and gradually establish vigorous modern mechanisms in line with the development of the commodity economy, and genuinely become independent socialist commodity producers and operators responsible for profits and losses. To achieve this objective, we will proceed from the current state of development. This means that we will begin with improving enterprises' internal management, take active measures to improve their external environment, and proceed with various reform projects step by step. First, we will continue to improve the contract system. For those enterprises whose contracts will soon expire, we will, in accordance with the principle of "retaining major policies but making minor adjustments," appropriately adjust the basic contractual figures and improve those measures that link work quotas with performance. Second, in order to promote rational flow of important

production materials and expedite the restructuring of enterprises, we will, in a planned manner, organize a number of transregional and transdepartmental enterprise groups that are able to compete at home and abroad. Third, we will deepen enterprises' internal reform and streamline their internal operation by establishing a supervisory system and improving their operations governing personnel affairs, wage scales, profit retention and distribution, accounting and auditing affairs. Fourth, we will, in a planned manner, conduct experiments at selected enterprises with regard to measures by which enterprises can separate their profits from taxes, repay loans after paying taxes, and contract production quotas after paying taxes, so that distribution of profits between the state and enterprises can be standardized and conditions for equal competition can be created. Fifth, in order to expand enterprises' capacity for future development, we will establish low-interest loans for upgrading industrial technology to support selective enterprises in upgrading their technology. Sixth, in an effort to explore new ways to use foreign capital, we will devise positive and reliable measures whereby more selected enterprises can experiment with selling stocks and shares. Meanwhile, we will take positive steps to provide enterprises with effective macroscopic control and an environment so that they can operate independently, be responsible for their profits and losses, expand their operation, and exercise self-control.

**Housing reform.** To speed up housing construction in Shanghai and improve the living conditions of people in Shanghai, reforming the housing system and accelerating the process of building more houses for sale are essential. The basic objective is to establish new mechanisms whereby the state, collectives (enterprises) and individuals can work together to raise the money needed for housing construction. The first step we will take is to draw up a plan under which "public funds will be accumulated, a portion of rent will be retained for subsidizing the housing construction funds, bonds will be sold to individuals who have been assigned living quarters, buyers of housing units will be able to enjoy preferential treatment, and committees will be formed to manage assignment of housing units." These reforms will be further improved in the future in accordance with the actual progress.

**Staple and nonstaple food price reform.** To promote production and create a thriving market, we will reform the prices of six types of staple and nonstaple foods, namely, grain, cooking oil, meat, eggs, vegetables, and products made from beans. With the exception of food grain, for which prices will continue to be set by the state, the prices of the remaining staple and nonstaple foods will be decontrolled one after another. During the process of achieving this objective, we will, based on the requirements of acting positively, taking cautious steps, and accomplishing the easy projects first and the difficult projects later, decontrol the prices of nonstaple foods first and the prices of staple foods later. This

process should be divided into several steps: The prices of nonstaple foods within the control of local authorities should be decontrolled ahead of the prices of staple and nonstaple foods within the control of central authorities, and prices of grain and cooking oil used by various professions and trades should be decontrolled ahead of the prices of grain and cooking oil consumed by residents. Measures for reforming the prices of food grain consumed by residents will be carried out according to the central government's unified plan.

**Social security system reform.** Emphasis should be put on establishing and improving two insurance systems according to the principle of rational burden on the state, collectives, and individuals. One is the unemployment insurance system. We should expand the scope of unemployment insurance and improve the measures for unemployment relief. In conjunction with the reform of the labor and personnel system, we should see to it that both employers and laborers can choose each other in hiring people and in taking jobs and that mechanisms will be set up step by step for competition in the job market and for providing security to the jobless people. The other is the old-age insurance system. The main task here is to establish an old-age insurance system in enterprises, government organizations and institutions and foreign-funded enterprises in the municipality with the premium paid by the insured individuals. An insurance system mainly for individuals should also be introduced on a trial basis for urban and rural households doing their own business and for owners of private enterprises. Meanwhile, step-by-step efforts should be made to establish and popularize old-age insurance for peasants in suburban areas. While earnestly strengthening the control of medical expenses, we should appropriately speed up the reform of the medical insurance system.

**Banking system reform.** Development of the financial market meets the objective requirements for boosting the vitality of enterprises, improving the urban functions, and expanding openness to the outside world. During the Eighth Five-Year Plan, we should establish a number of Sino-foreign joint banks, financial companies, and foreign-funded banks in connection with Pudong's development. We should develop and improve securities markets, foreign exchange regulation markets, and short-term loan markets, and open our stock markets to the outside world in a planned and step-by-step way. At the same time, arrangements should be made to have qualified enterprises issue stocks outside our territory and to perfect the credit responsibility system. Banks exclusively handling savings for local housing construction should also be established.

The 1990's is an extremely important historical period for Shanghai's prosperity. Our task is arduous but also glorious. Under the leadership of the party Central Committee, the State Council, and the Shanghai Municipal CPC Committee, we should rely closely upon all people in the municipality to work hard, march ahead, and strive to fulfill our municipality's 10-Year Program

and the Eighth-Five Year Plan. The next 10 years is a decade for the people of Shanghai to work hard for a splendid future. It is also a decade when they will conquer every difficulty and win a still greater victory. We firmly believe that Shanghai is bound to have a new look and make still greater contributions to the state by the year 2000.

#### 1990-91 Budget Report

*OW2005170791 Shanghai JIEFANG RIBAO in Chinese  
3 May 91 p 2*

["Excerpts" of report by Vice Mayor Zhang Xiaotian on Shanghai Municipality's 1990 final accounts and 1991 draft budget at the Fourth Session of the Ninth Shanghai Municipal People's Congress on 22 April]

#### [Text] I. Final 1990 Accounts

The year 1990 was one of improving the economic environment, rectifying the economic order, and deepening reform. For the past year, under the leadership of the municipal party committee, various departments throughout the municipality that handle the economy, in compliance with principles and demands set by the municipal government, namely "stability comes first, followed by all-out efforts" and "adjustment, rectification, management, and reform," have embarked successfully on a campaign designed to increase production, practice economy, raise revenues, and reduce expenditures. As a result of hard work, various difficulties have been surmounted. The economy has been able to register moderate growth amid low-level hesitation, resulting in overfulfillment of budgeted revenues and making possible guaranteed payments of 10.5 billion yuan, both in cash and in kind, and the contribution of 400 million yuan to the central treasury. In financial expenditures, aside from mandatory expenditures funding key construction and the development of various undertakings, expenditures supporting some production developments and promoting spiritual civilization development increased, creating a deficit in some cases.

Completed collections of major revenues in 1990 were as follows:

Revenues collected from industries and commerce amounted to 15.115 billion yuan, representing 100.7 percent of the budgeted amount and a 6.6 percent increase over 1989.

Revenues collected from income tax, regulatory business tax, profits to be submitted to the central government, and income from stores returned for contracts of state-run enterprises amounted to 3.094 billion yuan, representing 86.9 percent of budgeted figures and a 14.9 percent decrease over 1989.

Subsidies for losses incurred by state-run enterprises amounted to 2.874 billion yuan, representing 92.1 percent of budgeted figures and a 1.9 percent increase over 1989.

Major expenditures for 1990 were:

Spending on capital construction, upgrading, and transformation of enterprises amounted to 2.085 billion yuan, representing 104.7 percent of budgeted figures. Of these expenditures, 342 million yuan were used for major technical transformation of industrial enterprises and infrastructure for Spark Plan industrial zones; 453 million yuan were used to increase facilities for education, public health, public security organs, procuratorial organs, and people's courts; 320 million yuan were used in constructing agricultural irrigation works, commercial networks, and grain storage areas; and 916 million yuan were used for urban development.

In 1990, funds spent on Shanghai's urban maintenance and construction through various channels amounted to 2.767 billion yuan, of which 1.588 billion yuan was spending through arrangements of financial authorities at various levels (including 916 million yuan for capital construction, upgrading, and transformation measures; 556 million yuan for urban maintenance; and 116 million yuan for environmental protection subsidies) representing 136.1 percent of the budgeted amount; spending for the "Jiushi Company," under a World Bank loan arrangement, amounted to 433 million yuan; spending on various social donations and loan arrangements amounted to 746 million yuan. Urban construction in the past year mainly involved 10 practical schemes implemented by the municipal government, investment in key municipal projects, and improvement of roads and transportation facilities; prevention of floods; and improvement of drainage systems, water supplies, and gas installations.

Spending in support of agricultural production and agriculture operating expenses amounted to 404 million yuan, representing 100.4 percent of the budgeted amount, of which operating expenses for agricultural, forestry, and water conservation departments amounted to 79 million yuan. Spending in support of rural production came to 328 million yuan.

Spending on operating expenses for cultural, educational, and public health undertakings amounted to 1.717 billion yuan, representing 102.8 percent of the budgeted amount, of which spending on educational operating expenses was 1.051 billion yuan, 101.6 percent of budgeted figures and a 12.3 percent increase over 1989.

Spending on operating expenses for public health (including public health care) amounted to 474 million yuan, representing 105 percent of the budgeted amount and a 13.4 percent increase over 1989.

Spending on science and technology amounted to 166 million yuan (including exclusive funds from central authorities and local financial arrangements), representing 101.2 percent of the budgeted figures.

Spending on public security organs, procuratorial organs, and people's courts amounted to 246 million

yuan (after adding 14 million yuan for upgrading and transforming antiriot facilities, the total became 260 million yuan), representing 102.8 percent of the budgeted amount.

Spending on administrative expenses amounted to 230 million yuan, representing 109.2 percent of the budgeted amount and a 21.7 percent increase over 1989.

## II. 1991 Draft Budget

The year 1991 is the first year of the "Eighth Five-Year" Plan, as well as an important year for continued efforts to improve the economic environment, rectify the economic order, and deepen reform. To maintain and improve the basic balance of total supply and demand and to reduce financial deficits, the state has decided to increase financial contributions to the state by some provinces and municipalities, partially reform the tax system, moderately adjust prices of grain and oil, modify measures under which the central authorities extend subsidies for grain and oil prices to local authorities, and improve financial management for foreign trade and export. Other measures for concentrating financial resources have also been taken. Implementing these measures makes it tougher for Shanghai to maintain a balanced budget in 1991. To ensure a normal cycle and moderate growth of the economy, and enable the economy to gradually embark on the path of sustained, steady, and coordinated development, we should unify our thoughts, keep overall interests in mind, strive to overcome difficulties, and earnestly implement these measures. Therefore, major principles for preparing Shanghai's 1991 budget are: Continue deepening reform, support efforts to enliven large and medium-sized enterprises, strive to increase financial revenues by increasing efficiency and opening new financial sources, continue to uphold a tight monetary policy, readjust the structure of expenditures, pay attention to effective use of funds, and strictly control financial deficits.

In accordance with the major indices in this year's program for national economic and social development in Shanghai, 1991 financial revenues will be 17.69 billion yuan, including budgeted local revenues of 16.5 billion yuan; and financial expenditures will be 7.79 billion yuan, including budgeted local expenditures of 7.29 billion yuan. This leaves a deficit of 360 million yuan [as published] for Shanghai, including a deficit of 360 million yuan for municipal-level finance. Finance at the district and county level is basically balanced.

Expenditures for 1991 have been budgeted by taking the following matters into consideration:

1. Continue increasing investment in agriculture, and increase power of sustained agricultural development.

This year 436 million yuan has been budgeted for expenditures in support of agricultural production and as operating expenses for agriculture, up 7 percent over 1990. This includes 84 million yuan in operating

expenses for agriculture, forestry and irrigation departments, up 7 percent over 1990; and 352 million yuan in expenses for supporting agricultural production, up 7 percent over 1990.

2. Continue to increase investment in cultural affairs, education, and public health to raise the quality of the whole people.

This year 1.812 billion yuan has been budgeted for operating expenses for cultural affairs, education, and public health, which is 95 million yuan more than 1990, showing a 5.5 percent increase.

Some 1.124 billion yuan has been budgeted for operating expenses for education, up 7 percent over 1990. This includes 935 million yuan for general education, up 7 percent over 1990, and 189 million yuan for higher education, up 7 percent over 1990.

Some 490 million yuan has been budgeted for operating expenses for public health (including government-financed medical fees as well as operating expenses for traditional Chinese medicine and family planning), up 3.5 percent over 1990.

Some 165 million yuan has been budgeted for cultural affairs and sports, up 3.1 percent over 1990.

3. More effectively raise, collect and manage the urban maintenance and construction funds.

The 1991 financial budget earmarked 1.74 billion yuan as urban maintenance and construction funds, including 1.035 billion yuan as expenditures for capital construction, equipment upgrading and technical transformation; 585 million yuan as urban maintenance fees; and 120 million yuan as environmental protection allowances. An additional 1.59 billion yuan will come from the continued efforts to pool funds and borrow from the World Bank. The above amounts to 3.33 billion yuan.

4. Some 135 million yuan has been budgeted for local operating expenses for science, up 5 percent over 1990. This includes 92 million yuan in operating expenses, and the three expenses for science and technology that amount to 43 million yuan.

5. Continue to control and cut down administrative expenses.

This year 230 million yuan has been budgeted for administrative and management expenses, the same as 1990. The figure is 1.7 percent lower than the 1990 figure if 3.9 million yuan, the expenses for subsidizing price increases, is deducted.

6. Some 36 million yuan has been budgeted for total reserve fees, including those for municipality, districts, and counties.

### III. Efforts to Fulfill 1991 Budget

After two years of economic improvement and rectification, the economic situation in Shanghai, like that in the

rest of the country, has developed and continues developing in a positive direction. There is steady economic recovery throughout the municipality, and rising trends are well sustained. The pace of construction of urban infrastructure has been sped up with marked results. Commodity prices have stabilized, and the people's living standards have continue to improve. Financial revenues have registered moderate growth for two consecutive years with overfulfillment of budgeted targets. Nevertheless, as deeply imbedded problems occurring for a long time cannot be solved quickly, complicated by new and old contradictions, the current financial situation remains very grim. Hence, under the leadership of the municipal party committee and by closely relying on the broad masses of the people, we should work solidly, overcome difficulties confronting us, and use all possible means to reduce deficits. In 1991, we need to do a good job in the following:

1. Concentrate on invigorating large and medium-sized enterprises; thoroughly carry out the campaign to increase production, practice economy, raise revenues, and reduce spending; and enhance economic efficiency. Governments and responsible departments at all levels should mobilize broadly and rely on workers in enterprises, combining activities related to the "Year of Quality, Variety, and Efficiency" with strengthening enterprise management, readjusting the product mix, and promoting technological advancement and technical transformation in enterprises. Various financial and tax departments should proceed from reality, conscientiously study measures aimed at encouraging development of new products and structural adjustment of the product mix, and help enterprises extricate themselves from predicaments and tide over difficulties. At the same time, various enterprise units should make extra efforts to do a good job in internal rectification; emphatically improve such basic management as quality, quota, cost, financial affairs, and materials and equipment; continuously tap enterprise potential; and check further backsliding by increasing production and income. 2. We should continue to deepen reform to stabilize revenues. With the exception of some enterprises selected for experiment on "separating tax payment from profit delivery," most enterprises should continue the original contract system. Relevant procedures should be worked out to bring the contract system to perfection, so as to maintain the stability of the policy. While the central authorities have not changed much of Shanghai's financial quotas, all districts and counties should continue the 1990 financial system. In other words, their revenues will be handled the same way as in last three years, so that the enthusiasm of district and county governments will be protected.

3. We should take a further step to improve the collection and management of taxes and persistently manage taxation according to law. In 1991, we should further improve tax collection and management, and make taxation play an even better role in gathering revenues and in economic control. Governments and departments

at various levels should resolutely correct any tax reductions or exemptions which are approved beyond the approver's authority. No organization or individual is permitted to approve unwarranted tax reduction or exemption. Financial and taxation departments at all levels should pay more attention to regular taxation inspections and organize well the annual taxation and finance general inspection. It is necessary to continue to clear up arrears of tax payments and profit deliveries owed by enterprises, reduce old arrears, and prevent new ones. It is necessary to improve the management of export tax reimbursement and plug loopholes in tax reimbursement. It is necessary to do an even better job in collecting individual income regulatory taxes and in collecting taxes from individual traders, craftsmen, and private enterprises.

4. We should keep the interests of the whole in mind and ensure completion of new contribution fund tasks.

The original task of raising 400 million yuan in contribution funds should be shared by the municipal finance department and finance departments at district-county levels in the same manner as 1990. All district and county finance departments must guarantee their shares. In order to properly reduce the burdens of districts and counties, the municipal finance department alone will take up the task of raising additional 170 million yuan of contribution funds. This is in consideration of the fact that district and county revenues will be affected by housing reform and staple and nonstaple food price reforms.

5. We should actively reduce financial subsidies and constantly strengthen spending control. After the 1990 deficit reduction, we should strive to further reduce deficits 100-200 million yuan in 1991.

We should continue to implement the principle of leading a thrifty life. All professions and trades should make careful calculations and practice strict budgeting, oppose waste, reduce spending, and make more effective use of capital. It is necessary to improve management and supervision of special funds for capital construction projects, special-purpose projects, and high-priority projects in agriculture, education, science, and urban construction departments; and all spending must be strictly examined and rationally arranged to ensure that money is spent frugally. We should ease capital shortages by making more effective use of capital. In controlling administrative operating expenses, we should put stress on controlling increases in organizations, personnel, wages, and subsidies in various categories.

6. We should tighten control over budget and reduce deficits. In executing the 1991 budget, we should strive to reduce budget deficits. All departments and organizations should work hard to increase income, reduce spending, and tighten control over their budgets. First, once this year's budget is finalized, governments and departments at all levels must seriously execute it and must not reduce budgeted income and increase budgeted

spending without authorization. Necessary additional spending should be funded through reduction of other spending. Second, finance and taxation departments at all levels should make great efforts to collect revenues. All collected tax payments and profit deliveries should enter the municipal treasury promptly and be recorded accurately. It is necessary to strictly control spending by appropriations organizations according to budget. Any misuses of funds, unauthorized retention of budget income, or cases of inaccurate spending records should be sternly disciplined and resolutely corrected. Third, in order to ensure successful budget implementation, the municipal government will continue to issue budget control targets to all districts and counties. Suggestions on budget readjustment will be made to districts or counties if their budgeted spending increases excessively or exceeds their financial capability during the fiscal year.

### Higher People's Court Work Report

OW3105074991 Shanghai JIEFANG RIBAO in Chinese  
5 May 91 pp 2-3

["Excerpts" of the "Work Report of the Shanghai Municipal Higher People's Court" delivered by Gu Nianzu, president of the Shanghai Municipal Higher People's Court, at the Fourth Session of the Ninth Shanghai Municipal People's Congress on 26 April 1991]

[Text] Deputies:

In 1990, the people's courts at all levels in the municipality made new progress by resolutely implementing the principle of "sparing no effort to maintain social stability," administering justice in an all-round way, and striving to bring into play their judicial function of "protecting the people, dealing a blow to the enemies, punishing the criminals, and serving the four modernizations."

### I. Strengthening the Trial of Criminal Cases, Safeguarding Social Stability

In 1990, 10,490 criminal cases of first instance were accepted by the courts, an increase of 19.65 percent over the previous year, and 10,521 cases, including cases left over from the previous year, were handled and closed, an increase of 23.73 percent. The people's courts at all levels paid much attention to the policy of combining punishment with leniency. While resolutely and duly meting out heavy sentences in accordance with the law, light or reduced sentences were given to those involved in cases where there were legal grounds for leniency. First, occasional, and juvenile offenders of lesser crimes with less malice who showed signs of repentance and who could be reformed in society under supervision were given suspension of sentence in accordance with the law. Reduced sentences and parole were given to those who showed true repentance or rendered meritorious services while serving terms in prison.

Dealing a severe blow to serious economic crimes is of great significance to punishing the corrupt and strengthening the building of honest and clean government, and it constitutes an important guarantee for realizing socialist modernization. In the past year, courts in the entire municipality accepted a total of 4,483 cases of economic crimes, a 24.46 percent increase over the previous year. Of these, 470 were cases of corruption and 1,115 were of bribery, an increase of 53 percent and 78.97 percent respectively. The people's courts at all levels in the municipality upheld the principle of "first, we must be firm; second, we must be prudent and judge correctly." They correctly applied the law and policies after strictly distinguishing between what constituted a crime and what did not, between crime and minor offense, and between a criminal act and violation of party and governmental discipline. A total of 4,568 cases of economic crimes were closed and 7,021 criminals were sentenced. Since last year, four criminals were sentenced to death and executed with the approval of the Supreme People's Court for embezzling huge amounts of money in serious criminal cases and causing massive losses to the state and collectives.

## **II. Strengthening Administration of Justice in Economic Cases To Serve Economic Rectification, In-depth Reform, and Economic Construction**

In 1990, the number of economic disputes accepted by the municipal people's courts of first instance at all levels showed a decrease for the first time after a progressive increase for six consecutive years since 1983. For the whole year, a total of 12,114 cases were accepted, an increase of 0.97 percent over the previous year. The decrease was greater in cases of disputes over purchase and sale of contracts and over processing, joint venture, and property leasing. However, due to the weak market, stockpiling of products, and difficulties in the turnover of enterprise funds, cases involving loan disputes, rural contract disputes, disputes over compensation for economic losses, and labor disputes increased to a certain extent. A total of 12,913 cases, including those left over from the previous year, were handled by the people's courts at all levels throughout the municipality, involving 616 million yuan. Both the number of cases and the amount of money involved had large increases over the previous year. In administering justice, the courts determined how to handle the cases in light of the specific circumstances surrounding the economic disputes and in close coordination with other economic rectification measures. First, the courts stepped up the trial of cases of economic disputes involving large and medium-sized state enterprises to help enterprises recover funds in a timely manner and to promote the development of production. Second, in dealing with cases of economic disputes arising in the course of consolidating the companies, the courts concentrated on using legal means to protect the legitimate rights and interests of the parties concerned, punish offenders of law, and ensure the smooth progress of economic rectification. Third, the courts meticulously tried cases of

economic and maritime disputes involving foreign countries, Hong Kong, Macao, or Taiwan, thereby providing a good legal environment to the opening, Pudong's development, and Shanghai's revitalization. For the whole year, a total of 122 cases of this nature were handled and closed. Of these, 40 were cases involving foreign countries, Hong Kong, Macao, or Taiwan, an increase of 81.8 percent over the previous year. Fourth, the courts strengthened the intervention function of the state and resolutely punished economic offenders. For the whole year, 1,083 contracts signed in violation of the state laws and regulations were nullified in accordance with the law. With regard to 242 cases which seriously violated the state and public interests and disrupted the economic order, fines were imposed in accordance with the law, illegal income was confiscated, and offenders were reprimanded and ordered to repent and to pledge not to repeat the crimes. The people's court at all levels also attached importance to using the law as a means to resolutely deal with illegal activities that harmed consumer interests. For the whole year, they handled 346 cases of damage claim resulting from the infringement of the consumer rights due to substandard commodities, an increase of more than 100 percent over the previous year. While handling and trying specific cases, they earnestly implemented the "Shanghai Municipal Regulations for the Protection of Consumers' Legal Rights." For cases involving injuries and deaths of consumers caused by substandard commodities, compensations for economic losses were awarded and legal responsibilities pursued in accordance with the law. Those who intentionally committed illegal activities to infringe on the interests of the consumers were resolutely punished in accordance with the civil procedure law.

## **III. Actively Promoting Administration of Justice in Civil Cases and Protecting the Legitimate Rights and Interests of Civilians and Legal Persons in Accordance with the Law**

In 1990, 29,792 civil cases of first instance were accepted by courts in the entire municipality, an increase of 0.9 percent over the previous year. A total of 30,138 cases, including cases left over from the previous year, were handled and closed. Of these, 90 percent were cases of marriage and family, debts, and compensation claim. Trials were completed for 531 cases involving foreign countries, Hong Kong, Macao, and Taiwan, as well as overseas Chinese. The number of countries and regions to which the concerned parties belonged exceeded 30.

Civil cases, which involve tens of thousands of households, are vital to the immediate interests of the broad masses and affect social stability and unity. Pursuant to the Law of Civil Procedure (For Trial Implementation), courts at all levels have generally set up systems for registration, submission of evidence, and limit of the trial period. On the basis of its special investigation into the question of "difficulties encountered in bringing lawsuits," the municipal higher people's court has put forward an eight-point suggestion to earnestly protect the litigation rights of concerned parties. It drew up "Things

a Litigator Should Know in Bringing Lawsuits" and other regulations to safeguard the litigation rights of concerned parties and ensure that legal proceedings are conducted smoothly. Courts at all levels also appropriately handled 416 cases which showed signs of intensifying contradictions. This has eliminated a number of factors causing social instability and safeguarded the lives and properties of the masses.

#### **IV. Actively Administering Justice in Administrative Cases To Protect People's Legal Rights and Safeguard and Supervise the Powers and Functions Exercised by Administrative Organs in Accordance with the Law**

In order to implement the "Administrative Procedure Law" correctly and in an all-round way, courts at all levels in the municipality have done a tremendous amount of preparatory work. Between the beginning of the implementation of the "Administrative Procedure Law" and the end of last December, courts in the entire municipality received 620 cases of administrative litigation and letters and visits by units and the masses who indicated their intention to bring lawsuits. After careful screening, only 74 of these cases were established, representing 11.94 percent of the total.

Courts at all levels have handled and closed 29 cases received after the implementation of the "Administrative Procedure Law." In 14 of these cases, the ruling of the administrative organ was upheld; the ruling of the administrative organ was overruled in only two cases. In 11 of these cases, plaintiffs withdrew their suits after the administrative organs revoked or amended their rulings. In only two cases, the plaintiffs accepted the specific administrative arrangements and withdrew their lawsuits.

#### **V. Work Related to Lawsuits and Appeals Was Further Strengthened**

In the past year, courts at all levels handled 236,459 complaints related to lawsuits, appeals and nonlitigious matters which were made in person and writing. Of the total, 65,689 were related to lawsuits, and 55,290 of them were dealt with according to law after examination, making up 84 percent of total lawsuits. After the proclamation of the "Regulations of the Shanghai Municipal People's Congress Standing Committee on the Supervision of Judicial Work," we conducted an examination of complaints appealing against all types of sentences handed down in recent years in accordance with the principle of seeking truth from facts. We upheld or commuted some of the original sentences according to law, and based on the specific situation of each case, educated the defendants to accept their sentences and withdraw their appeals, and followed up their cases.

#### **VI. Strengthening Efforts To Strictly Enforce and Uphold the Law**

In 1990, the courts in Shanghai handled 16,854 enforcement cases, up 28.78 percent from the previous year. Among them, 40.51 percent were economic cases, up

44.33 percent over the previous year. Courts at all levels have strengthened their leadership over enforcement work, and coordination within themselves and with the outside. A total of 16,991 cases were handled throughout the year, up 89.32 percent over the previous year.

However, the judgments passed on a considerable number of cases have yet to be enforced, and the difficulty in enforcing the judgment of economic cases has not improved. The reasons for this are many. In some cases, the litigants are unable to repay their debts. Others have vague concept on the rule of law while local protectionism and departmentalism are causing interference. In this regard, the Higher People's Court has called on courts at all levels in Shanghai to strengthen their leadership over the enforcement work. Litigants who refuse to fulfill their part in a judgment that has been meticulously worked out must be resolutely compelled to do so in accordance with the law.

Deputies, in 1990, the people's courts in Shanghai handled 76,488 cases. Given the increase in the number of cases, the shortage of judges, and the relatively difficult working conditions, they have overcome these difficulties, worked hard, and tried 77,674 cases, including those left over from the previous year. In view of the circumstances, while handling directly appeals, reexaminations, retrials, and other major and difficult cases, the municipal Higher People's Court has vigorously intensified judicial supervision and guidance, constantly improved judicial work, worked hard to improve the standard of enforcement, and strengthened the judicial ranks in order to adapt to the requirement of the evolving situation. We have focused on tackling the following tasks:

#### **1. Making Serious Efforts To Improve Judicial Work With Open Trials as the Focus; Handling Cases Strictly According to Legal Procedure**

In the past year, courts at all levels in Shanghai continued to emphasize open trials which helped to advance the enforcement of other litigation systems and procedures. Except as otherwise laid down by the law, trials of the first instance and administrative cases are all held in open courts. Civil cases held in open courts made up 70.7 percent of the total number of cases heard.

#### **2. Stepping Up Research, Investigation, and Supervision of Trials**

During 1990, we conducted, in a timely fashion, research and provided guidance on the application of laws on major, complicated, and knotty cases; summed up and popularized experience of trial work; and carried out research and investigation on the new situations and new problems in trial work to offer suggestions, uncover problems, and correct them. We instituted and amplified various systems of personal responsibility for trial work, including trial quotas and a review of the quality of trial work; enhanced the court personnel's awareness of enforcing the law; and instituted rules and regulations to ensure strict enforcement of law. At the same time, we

stepped up supervision of trials, accepted and handle appeals and protests in accordance with law, upheld the original judgments of those cases where the facts were clear and the evidence was conclusive; and revised the original judgments of those cases where there was error in the application of the law, the facts were unclear, or the evidence was insufficient.

### 3. Enhancing Awareness of Supervision and Improving Trial Work

Over the past year, courts at all levels have constantly increased their awareness of accepting the supervision of the people's congresses and voluntarily subjected themselves to the supervision of the people's congresses and their standing committees. Procedures and regulations concerning supervision over the courts by the people's congresses and their standing committees at the corresponding level have been adopted one after another in order to standardize and institutionalize such supervision. At the same time, we have also enhanced communication with organizations of the Chinese People's Political Consultative Conference [CPPCC] and earnestly accepted CPPCC members' suggestions and proposals on court work. Moreover, we have also enhanced our ties with press units and the masses and subjected ourselves to supervision by public opinion and the masses.

### 4. Taking Active Part in Comprehensive Improvement of Public Order

First, during the "Propaganda Month for Strict Enforcement of Law" last April, a total of 3,565 presidents, presiding judges, and other court personnel of the people's courts at all levels received 8,780 visits from the masses and offered them legal consultation services. Second, they studied and analyzed the causes of offenses on the basis of the cases they had handled and sent 588 judicial suggestions to the departments concerned. Third, they paid visits to criminal elements who were on probation, sentenced to a term of control, or those who were exempted from punishment to further implement measures aimed at helping and educating them. Fourth, the courts convened 618 meetings in the localities where the offenses took place to announce sentences. They used the cases to explain the law to more than 380,000 people who attended such meetings. Fifth, they went down to detention centers to conduct education on admitting one's crimes and on pleading guilty. Sixth, they exercised effective guidance over the work of mediation committees and saw to it that the bulk of civil disputes were settled at the grassroots level. Seventh, they fully implemented the "Regulations of Shanghai Municipality on Protecting Juveniles" and earnestly implemented the policy of educating, helping, and redeeming juvenile delinquents. Regular visits and observations of the 721 juveniles whose cases were concluded during last year showed the overwhelming majority of them have behaved rather well. Quite a few grassroots courts also did research on the cases they had handled to explore

ways to prevent disputes, reduce crimes, and comprehensively improve public order.

### 5. Launching a General Inspection To Check on the Enforcement of Laws and Discipline, Building a Clean Government

In the fourth quarter of last year, people's courts throughout the municipality launched a general inspection to check on the enforcement of laws and discipline, examining 19,316 cases through self-checkup, mutual checkup, and discussion meetings to hear opinions of parties to a lawsuit. The results of the general inspection show that municipal courts have enforced laws strictly and handled cases more effectively and that the overwhelming majority of the parties to a lawsuit are satisfied with the way the cases were tried and the quality of the court decisions.

### 6. Building a Large Contingent

Municipal courts at all levels have successfully carried out their tasks by continuing to adhere to the principle of handling court matters strictly, by acting upon the guidelines of the fourth, fifth, and sixth plenary sessions of the 13th CPC Central Committee, by unifying the ideology and actions of court cadres and police, and by understanding the situation and tasks confronting them. As a result, a large number of advanced collectives and individuals who enforce laws fairly, who are honest, who work hard, and who serve the public wholeheartedly have come to the fore. In 1990, 80 advanced collectives and 577 individuals from the municipality's courts were commended and awarded. Meanwhile, the municipal courts have attached importance to court cadres' education and training, training 259 departmental cadres in 1990.

This year is the first year of China's 10-Year Program and the Outline of the Eighth Five-Year Plan for national economic and social development. Under the leadership of the party, the people throughout the country are working hard to fulfill the grand objective of quadrupling the gross national product by the end of this century. As a trial organ of the state, the people's courts should resolutely implement the general guiding principle for the work of public security, the procuratorate, and the judiciary, which was raised by the party Central Committee, and do everything possible to maintain social stability. While focusing on economic development, the people's courts should try to improve work in an all-round way, strive to improve the quality of law-enforcement, build better law-enforcing contingents, maintain state and social stability, and render service for the smooth implementation of the 10-Year Program and the Eighth Five-Year Plan.

a) Cracking down on criminal activities by continuing the principle of meting out punishment promptly and severely according to law. The people's courts should continue the struggle to crack down on economic crimes, paying particular attention to the trial of cases involving

corruption, bribery, smuggling, speculation and profiteering, swindling, and evasion of taxes.

b) Vigorously strengthening the trial of economic cases. The people's courts should carefully try the cases that are closely related to economic rectification and economic improvement, deepening of reform, and opening wider to the outside world. In handling specific cases, they should stress social effect [xiao guo] and economic results [xiao guo] so that this will be conducive to reform and opening up and to the growth of the productive forces in society.

c) Improving the quality of trying civil cases in order to maintain social stability and unity. The people's courts should be mentally prepared to serve the people wholeheartedly, handle matters strictly according to law, and adhere to the mass line, and should improve their work style, strictly enforce laws, and raise the quality of handling cases so as to protect the civil rights and interests of parties to a lawsuit.

d) Actively carrying out administrative court trials. The people's courts should continue to conscientiously study the Law on Administrative Procedure, comprehensively and accurately understand the importance of legislation and the guiding principle for administrative court trials, and hear and try a case by strictly adhering to the principles and provisions of this law.

e) Conscientiously doing a good job in connection with filing complaints and appeals and stepping up supervision over trials. The people's courts should carefully examine complaints and do legislative work well so as to do away with the complaint that it is hard to file complaints and to protect the appeal rights of parties to a lawsuit.

f) Bringing the functions of court trials into full play and actively participating in the comprehensive endeavor to improve social order. The people's courts should adhere to the principle of cracking down on criminal activities while carrying out other measures for the overall improvement of social order and, while focusing on their trial work, give full play to their warning role, educational role, promotion and transformation role, guidance role, and role in providing information and advice in the overall endeavor to improve social order.

g) Building better contingents of court personnel. The people's courts should strengthen education in the basic theories of Marxism, step up the building of a socialist spiritual civilization and the building of leading bodies, train a contingent of court personnel who are honest and do their work conscientiously, and strive to promote scientific management.

Deputies, as this is the first year of the 10-Year Program and the Eighth Five-Year Plan and is also a crucial year for continuing the work to rectify the economic environment, improve the economic order, and deepen reform, the courts are faced with more heavy and arduous tasks. Under the leadership of the Shanghai Municipal CPC

Committee and under the supervision of the Supreme People's Court and the municipal People's Congress and its Standing Committee, we will strive to do our work well and make new contributions to improving socialist democracy and the legal system in China, to safeguarding state and social stability, to promoting the work to rectify the economic environment, improve the economic order, and deepen reform, and to ensuring the successful fulfillment of the 10-Year Program and the Eighth Five-Year Plan.

### **Municipal Procuratorate Work Report**

*OW0106102791 Shanghai JIEFANG RIBAO in Chinese  
5 May 91 p 2*

["Excerpts" of the Shanghai Municipal People's Procuratorate Work Report delivered by Shi Zhusan, chief procurator of the Shanghai Municipal People's Procuratorate, at the Fourth Session of the Ninth Shanghai Municipal People's Congress on 26 April]

[Text] Deputies:

Under the leadership of the municipal party committee and the Supreme People's Procuratorate and with the supervision and support of the municipal people's congress and its standing committee, procuratorial organs in Shanghai have performed their duty as overseers of the law, intensified the struggle against corruption and bribery, dealt swift and heavy blows at serious criminal activities according to the law, stepped up the struggle against the crime of dereliction of duties, and actively carried out other procuratorial tasks. I hereby report to the full session on the procuratorial work done in 1990.

### **1. Intensify the Struggle Against Corruption and Bribery, Promote the Building of a Clean Government**

First, crime reporting by the masses maintained a good momentum. Last year, procuratorial organs held 11 news briefings on the work of combating corruption and bribery; published and aired 2,053 news reports, newsletters, commentaries, and typical cases in newspapers and on radio and TV stations; reached out to factories, schools, neighborhoods, towns and townships to make reports and lectures as well as play video films on the legal system on 2,284 occasions and hold 365 roving exhibitions; and printed and circulated 96,000 copies of propaganda materials and 5,234 sets of pictures. The municipal people's procuratorate and the Shanghai Shanshi Film Company jointly produced a six-installment documentary film entitled "Inspiration from the Campaign to Encourage Honesty and Eliminate Corruption." The Shanghai TV Station has aired the film, and 1,600 copies of it have been made. Thanks to the widespread, sustained and intensive efforts in propaganda to mobilize the masses, the enthusiasm for reporting crimes has remained high. This has generated many leads for procuratorial organs in investigating and handling corruption and bribery. Throughout the year, procuratorial organs handled 18,526 cases of reported crimes of all categories, averaging 1,545 cases per month.

Cases involving corruption and bribery accounted for 13,898 cases, 7 percent more than the previous year. Cases involving illegal and criminal activities of state functionaries, law enforcement officers, and enterprise managers accounted for 25.6 percent. Cases of crimes reported by people anonymously was down 16 percent from the previous year. Of the 18,526 cases of reported crimes, 16,465 were cases reported for the first time. By the end of the year, 13,842 cases had been handled, accounting for 74.7 percent.

Second, major achievements were made in investigating and cracking cases. Throughout the year, a total of 2,427 cases of corruption and bribery were uncovered. The actual number of cases solved was 14 percent more than the previous year, not counting the cases of those who surrendered themselves within the time period set by the circular jointly issued by the Supreme People's Court and the Supreme People's Procuratorate. A total of 34.3 million yuan in embezzled money and articles was recovered, almost double the amount of the previous year. In the whole of that year, 749 cases of "group pests" crime were uncovered in 147 factories and enterprises, accounting for 30.9 percent of the total number of cases. Particularly noteworthy is the fact that 257 people, who were charged with corruption and bribery and who posed serious harm to enterprises and the economy, were uncovered in 102 enterprises deep in the red. In keeping with the efforts to rectify malpractices in trades and professions, 34 criminals charged with corruption and bribery have been uncovered in vegetable markets and other trades dealing in sideline products, and 18 criminals charged with corruption and bribery were uncovered in units of public utilities such as cooking gas, tap water, power supply, posts and telecommunications, and housing management.

Third, new progress was made in investigating and dealing with major cases. A total of 811 principal cases, or 33.4 percent of the total number of cases solved, were investigated and handled in the entire year. Excluding cases involving voluntary surrender after "the Supreme People's Court and the Supreme People's Procuratorate" jointly issued a circular, this figure represented a 10.7-percent increase over the preceding year. Of those cases, 752 involved 10,000 yuan or more each, and 59 were major cases of crimes committed by cadres at or above the section level. A number of corruption and bribery cases, which involved exceptionally large sums of money and extraordinarily serious criminal circumstances, were solved one after another, and this helped to effectively deflate the arrogance of criminal elements. Of the 811 principal cases, 45 involved sums of money exceeding 100,000 yuan apiece.

Fourth, the quality of handling cases further improved. A total of 2,984 corruption and bribery cases (including those carried over from the previous year) were handled in the entire year, and 2,678, or 89.7 percent, of them were concluded by year's end. Public prosecution proceedings were initiated in 1,490 cases, or 55.6 percent of the total. Guilty verdicts were rendered in all cases

adjudicated by courts except for individual controversial cases. Lawsuits were not filed in 1,159 cases, or 43.3 percent of the total. The rate of nonprosecution was 31.4 percent excluding cases not prosecuted because it involved voluntary surrender in accordance with the "circular" jointly issued by "the Supreme People's Court and the Supreme People's Procuratorate." Cases, which were not prosecuted after reviews, and which were handled correctly, accounted for 99.5 percent of the total, and 29 cases, or 1.1 percent of the total, were withdrawn, down 54 percent from the preceding year.

During the "dual resistance" struggle, procuratorial organs adhered to the guideline of "launching attacks, providing protection, pushing forward, and rendering services," and set the promotion of economic development as an important norm for assessing the results of handling cases. During the year, 377 "proposals on prosecution," which primarily called for the enactment of laws and the closing of loopholes, were delivered to units assigning cases, or their superior departments, and 17.94 million yuan in economic losses were recouped for enterprises. Measures were taken to consolidate the internal structure of 102 enterprises suffering losses due to manmade factors, and success was achieved in 59 enterprises by year's end.

## **2. Persist in Cracking Down on Major Crimes and Strengthening Overall Improvement of Social Order**

In 1991, 11,525 criminals of all descriptions were investigated and arrested, an increase of 18.5 percent over the previous year. Of these criminals, 3,543 were murderers, robbers, rapists, arsonists, hooligans, and burglars, the main target of our crackdown, which constituted 30.8 percent of the total. After investigation, 7,854 cases and 12,799 offenders were prosecuted, representing an increase of 19.5 and 17.1 percent over the previous year respectively. Some 775 offenders were exempted from prosecution.

In the special struggle launched in coordination with public security departments to crack down on active criminals and the six vices, to ferret out criminal groups and gangs, and to combat internal theft, procuratorial organs approved the arrest of 3,277 offenders, representing 28.4 percent of the total number arrested. Typical cases were selected to coordinate with the court's public announcement of judgment on 586 criminals. Persisting in prompt investigations of some major cases, particularly those involving major criminal gangs, procuratorial organs completed investigation of 5,193 cases ahead of schedule, thus shortening the period for handling cases, heightening efficiency in handling cases, and dealing a timely, forceful blow to major criminals.

In the past year, approval was not granted for the arrest of 1,117 offenders; although they had committed crimes, there were either insufficient grounds for arrest or what they did was not deemed a crime. Procuratorial organs also decided to order the additional investigation of 1,233 offenders on the grounds of insufficient evidence.

Prosecution of 87 offenders was dropped on the grounds that they had not committed crimes. As for the 353 criminals who should have been arrested but no request for their arrest had been submitted and who were not prosecuted right away, they were later prosecuted according to law.

While cracking down on crime, procuratorial organs have launched a comprehensive effort to improve social order through various means and in conjunction with investigations. In the past year, procuratorial organs issued 236 proposals to units where criminal cases occurred, warning them of hidden dangers and loopholes with regard to the administration of order, and urging them to close these loopholes and improve prevention. To implement the measures on helping offenders through education, procuratorial organs conducted an investigation by revisiting more than 1,000 offenders who had been exempted from prosecution and found that none of them had committed any crimes in the past year. After attending court sessions, procuratorial organs issued 8,944 statements of public prosecution to further expose crime and analyze causes of crime and its harm to society; procuratorial personnel also visited factories, enterprises, neighborhoods, villages, towns, and schools to spread legal knowledge in connection with some cases in order to strengthen their concept of the legal system and enhance their awareness of the importance of crime prevention. Procuratorial organs of prefectures and counties have also made special efforts to improve public order in the units where management was chaotic, crime prevention was weak, and criminal cases occurred frequently.

### **3. Cases Involving Law and Discipline Violations, Such as Infringement on the People's Democratic Rights, Dereliction of Duty, Favoritism, Fraudulent Practices, and Major Accidents Due to Negligence, Actively Investigated and Handled**

Various types of cases involving law and discipline violations, totaling 631, were accepted for processing throughout the year, and 251 of them, up 19.9 percent from the preceding year, were put on file for investigation. Of these, 178, or 71.9 percent, were principal cases involving infringement on the people's democratic and personal rights, dereliction of duty, and major accidents due to negligence. By year-end, reviews of 200 cases were wrapped up, public prosecution proceedings were initiated in court in 118 cases, and rulings on nonprosecution were rendered in 82 cases.

Procuratorial organs concentrated on, and made remarkable progress in, investigating and handling the growing number of cases that caused staggering direct economic losses through dereliction of duty. During the year, 79 such cases were put on file for investigation, 2.7 times more than in the previous year. Procuratorial organs also solved a number of criminal cases in which law enforcement officers practiced favoritism, engaged in fraudulent practices, took bribes, and bent the law, and entered a

total of 19 such cases (compared to one in the preceding year) in their files for investigation.

Procuratorial organs paid extra attention to the investigation of major accidents caused by negligence. A total of 63 such cases, up 10.5 percent from the previous year, were put on file for investigation during the year. Besides handling cases, these organs actively conducted education and took preventive measures. Last year, major accidents caused by negligence declined by 20.6 percent throughout the municipality.

### **4. Struggle against Tax Evasion and Opposition to Taxation Continued; Legal and Disciplinary Actions Regarding Taxation Intensified**

During the year, a total of 441 cases involving tax evasion and opposition to taxation were put on file for investigation, up 54 percent from the preceding year. Over 18 million yuan in tax arrears, up 48.7 percent from the previous year, were collected and deposited in the municipal coffers, and 105 criminals, who dodged taxes and opposed taxation, were arrested in accordance with the law. A total of 550 cases (including those carried over from the preceding year) were handled in the entire year, and 438, or 79.6 percent, were concluded by year-end. Public prosecution proceedings were initiated against 150 criminals, 105 of whom were sentenced by courts.

Focusing on investigating and dealing with crimes committed by illegal private business operators in evading and opposing taxes, procuratorial organs solved 436 such cases, or 98.8 percent of the total number of cases involving tax evasion and opposition to taxation, in the entire year. Of these, 281, or 64.4 percent, were major cases involving 10,000 yuan or more each. Last year, procuratorial organs also investigated and handled five cases involving tax evasion by units. The total sum of taxes evaded in the cases was 655,000 yuan, and public prosecution proceedings were filed against five responsible persons.

### **5. Actively Prosecuted Matters Related to Prisons and Reformatories, Railway Transportation, and Complaints and Appeals**

Throughout the year, procuratorial organs issued warrants for the arrests of 154 people undergoing rehabilitation through labor who had committed crimes; reviewed and prosecuted 202 people undergoing rehabilitation through labor and offenders undergoing reform through labor who had committed new crimes; and conducted collective and individual education for 14,260 people undergoing rehabilitation through labor, offenders undergoing reform through labor, and criminals in custody. This helped to safeguard normal order in prisons and reformatories. In addition, greater efforts were made to conduct prosecutions in matters related to enforcement of law in prisons and reformatories. In a year's time, 148 people were found to have been in custody for overextended periods, and 29 cases involving 57 people were found to have been subjected

to corporal punishment, infringement of rights, and other acts that violate the law and discipline. The departments concerned were advised to rectify these acts. The procuratorial organs also prosecuted the cases of 1,154 prisoners whose sentences had been reduced, who had been on parole or out of custody for medical treatment, or whose sentences had been executed outside the prison; as well as the cases of 343 people undergoing rehabilitation through labor whose periods of rehabilitation had been reduced or extended, who had been on parole or out of custody for medical treatment, or whose sentences had been executed outside the reformatory. They discovered and corrected 23 cases of unjustified reduction of sentence, thereby guaranteeing the correct execution of judgments and orders for criminal cases. Procuratorial departments in railway transportation coordinated efforts with public security departments to vigorously improve public order in railway transportation. They focused their energy on striking at "railway bandits and overlords," criminal gangs, and major thefts. In that year, procuratorial departments issued warrants for the arrests of 1,331 prisoners, including 670 people involved unusually severe cases; and reviewed and prosecuted 1,266 people, including 680 people involved in unusually severe cases. Keeping in mind the characteristics of railway transportation, they also focused their energy on investigating cases of "seeking private gain through railway transportation" and other cases of corruption and bribery. A total of 100 such cases were uncovered during that year, up 40 percent over the previous year.

Procuratorial organs accepted 1,433 cases of appeals from citizens, and investigated and handled 168 cases of appeals for exemption from prosecution due to disagreement with rulings. They corrected five cases as a result of review. They also investigated and handled 32 cases of appeals due to disagreement with court judgments and orders. Through investigation, they advised the court to make correction on one case.

Procuratorial organs at all levels have organized procuratorial organs to handle civil and administrative cases, conducted investigations and studies on implementation of the "Administrative Procedure Law," established a system for coordinating judicial and administrative organs, and trained cadres in order to be well prepared to shoulder the responsibility of supervising the enforcement of the Administrative Procedure Law. Since the formal implementation of the "Administrative Procedure Law," procuratorial organs have received 27 cases of administrative appeals of all categories.

Criminal technology departments of procuratorial organs in Shanghai have devoted themselves to their regular work while building up their strength. Last year, they conducted tests and assessment for more than 3,000 cases.

#### **6. Pay Close Attention to Conducting Ideological and Political Work; Step Up Efforts to Promote Development of Procuratorial Contingents**

Procuratorial organs conscientiously implemented the Supreme People's Procuratorate's "Decision on Strengthening Ideological and Political Work Among Procuratorial Organs" and the municipal party committee's instructions on "striving for improvement of the party's work style to promote the running of a clean government," which called on leading cadres at all levels to "take responsibility for two tasks while assuming one post" and devote all their time and efforts to professional work, as well as ideological and political work simultaneously. Under conditions of an insufficient work force to cope with heavy tasks and relatively poor working conditions, the broad masses of cadres and policemen in procuratorial organs selflessly worked hard, showed no signs of being upset by criticism, and conscientiously carried out their duties. As a result, a group of advanced collectives and individuals was formed. Last year, there were 100 collectives and 356 individuals which earned the advanced rating. The Supreme People's Procuratorate issued an order commending two collectives and three individuals; the titles of model collectives and the model workers of Shanghai Municipality were conferred on two other collectives and two other individuals. Two other individuals were commended as heroines of Shanghai Municipality. Twelve district and county people's procuratorates were rated as good district and county units with outstanding performances in carrying out the system of responsibility for management to achieve certain objectives, while nine district and county people's procuratorates were commended as civilized units.

Procuratorial organs at all levels persisted in "being strict with personnel in procuratorial organs," stepped up their efforts to promote honesty in performing official duties, set up and improved departments in charge of discipline inspection and supervision, and implemented a supervision system. They launched a general checkup on law enforcement and discipline observance in July and October to correct unhealthy trends among contingents of procuratorial organs and carry out economic improvement and rectification measures by aiming such efforts at addressing the problems they uncovered. According to incomplete statistics, during their work, 491 cadres and policemen of contingents of procuratorial organs refused to accept presents worth more than 36,000 renminbi yuan; a total of over 4,900 renminbi yuan and 5,000 Hong Kong dollars were handed over to higher authorities; 508 personnel in procuratorial organs refused to accept invitations for banquets and sightseeing tours; and procuratorial organs received 131 commendatory silk banners.

#### **7. Conscientiously Obey Party Committee Leadership; Accept Supervision by People's Congresses and the Masses**

Procuratorial organs at all levels are under the absolute leadership of the party and under the supervision of the

people's congresses, their standing committees, and all trades and professions in society in order to give active play to their supervisory role in accordance with laws. In the past year, procuratorial organs at all levels submitted a total of 259 reports on their work to party committees and people's congresses at all levels; gave 57 briefings on their work to Chinese People's Political Consultative Conference [CPPCC] committees at all levels; invited deputies of people's congresses and members of CPPCC committees to inspect and check up on their work 20 times; and designated special personnel to study in earnest the motions, suggestions, and criticisms put forward by deputies of people's congresses and members of CPPCC committees and to handle and reply to them in good time. To implement the "Opinions of the CPC Central Committee on Persisting In and Improving the System of Multiparty Cooperation and Political Consultation Under the Leadership of the CPC" in real earnest, after approval by the municipal party committee and the standing committee of the municipal people's congress and under support by the relevant departments, the municipal people's procuratorate invited 20 prominent figures from democratic parties and without party affiliation to act as special procurators in April 1990. Participation in and discussion of government and political affairs by these special procurators and their democratic supervision played an active role in advancing the work of procuratorial organs. Procuratorial organs at all levels have hired a total of 3,327 procuratorial assistants from 2,508 enterprises and institutions. Under the leadership of party organizations in their own units, they have actively conducted propaganda to mobilize the masses and delivered 1,989 reports on the legal system to an audience totaling 1.32 million. They have supplied clues to 1,378 criminal cases, helped in the investigation of 1,357, and participated in efforts to improve public order and prevent economic crimes. Experience shows that this is an effective method in which procuratorial organs can forge ties with the masses, win their support, and accept their supervision.

Deputies, the current political and economic situation in Shanghai is stable. But we must soberly note that the

public order situation is still grim. Criminal activities are still very serious, and the number of serious crimes is still high. Criminal cases of various kinds totaled 31,255 cases in 1990, of which 9,575 cases were serious crimes, up respectively 32.2 and 32.6 percent from a year ago. A total of 6,273 crimes of various kinds were reported during the first quarter this year, and 2,212 of these were major crimes. Although the number of cases dropped 11.4 percent compared to the same period last year, serious crimes rose 3.6 percent. Procuratorial organs at all levels must focus their attention on the central task of boosting the economy, fully exercise the function of supervision by means of laws, and truly step up inspection on law and discipline by paying close attention to the fight against corruption, bribery, and serious crimes. In the fight against corruption and bribery, they must coordinate closely with efforts to correct unhealthy tendencies in trades and professions, concentrate their energy on investigating major and serious cases, step up publicity of the legal system, mobilize the masses to make reports, widen social benefits arising from the investigation of major and serious cases, and truly safeguard economic development. They must do their best to maintain public order, strike severely at serious crimes, and resolutely crack down hard and swiftly according to law at the seven categories of serious crimes, such as murder, explosion, robbery and drug trafficking, in particular, recidivists and organized crimes. They must actively take part in the fight against pornography and the "six vices" and in activities to improve public order, and regard them as the focal point of their work. They must step up the struggle against "infringement of rights", negligence of duty, favoritism, irregularities, extortion of confession by torture, and serious accidents involving criminal or civil liability. They must make serious efforts to handle suits and appeals filed by the citizens, truly protect their legal rights, and severely punish incidents of retaliating against informers. They must strengthen their ranks, uphold the principle of enforcing strict discipline, and vigorously organize activities to select advanced and outstanding models. They must work hard to deepen reform, open wider to the outside world, advance economic development, and build a socialist democracy and legal system.

## Regional Economic, Social Development Plan

OW0906193691 Urumqi XINJIANG RIBAO in Chinese  
26 May 91 pp 1-3

[Report by Chairman Tomur Dawamat on the Outline of the 10-Year Program and the Eighth Five-Year Plan for Regional Economic and Social Development at the Fourth Session of the Seventh Xinjiang Uygur Autonomous Regional People's Congress on 14 May]

[Text] Fellow deputies:

On behalf of the Xinjiang Uygur Autonomous Regional Government, I now submit a report on the Outline of the 10-Year Program and of the Eighth Five-Year Plan together with the draft outline for your examination and approval.

### I. Base for 10-Year Program and Eighth Five-Year Plan

The 1980s witnessed tremendous achievements in all socialist causes in our region. Under the benevolent attention and correct leadership of the CPC Central Committee [CC] and the State Council and with great support rendered by all ministries and commissions of the state, as well as other fraternal provinces and regions, party committees and people's governments at all levels in the autonomous region united and led all nationalities in the region to carry out the line, principles, policies established since the Third Plenary Session of the 11th CPC CC. Focusing on economic development, we worked hard to advance all socialist construction projects in the autonomous region and fulfill in advance or overfulfill the Sixth and Seventh Five-Year Plans, thus successfully achieving the first strategic goal formulated by the party committee of the autonomous region.

Economic strength scored marked increases, with major ratio relations of the regional economy becoming more rationalized. In the past decade, the region's GNP, total industrial and agricultural production, and individual income have increased more than 200 percent, with a increase of more than 400 percent in financial revenues. In 1990, the GNP reached 13.8 billion yuan (calculated at 1980 constant prices, the same hereinafter), with an average annual growth of 10.6 percent. Total industrial and agricultural production reached 20.2 billion yuan, with an average annual increase of 11.2 percent. Local financial income reached 2.1 billion yuan, an annual increase of 17.4 percent. Per capita GNP and regional incomes were above average national levels. Major ratio relations of the regional economy were reasonably readjusted in the course of the development, and ratios of industrial and service sectors increased.

Bumper harvests were scored in agriculture and animal husbandry for 13 consecutive years, with fairly rapid growth in the rural economy. In the past decade, party committees and governments at all levels stressed and implemented the guiding ideology of taking agriculture as the foundation of the regional economy, adhered to the principle of giving priority to the development of

agriculture and animal husbandry in economic work, carried out all economic policies in rural areas, increased input into agriculture and animal husbandry, strengthened infrastructural construction of farmlands and water conservation, advanced projects of increasing agricultural production through relying on scientific and technological progress. All these facilitated bumper harvests in agriculture and animal husbandry for several years running and created material conditions for sustained, stable, and coordinated development of the regional economy and continuous improvement in the people's living standards. In 1990, total agricultural production value in the region reached 7.4 billion yuan, an increase of 150 percent over that of 1980, with an average annual growth of 9.6 percent. Stable growth in grain production was maintained. In 1982, total grain production topped 400 tons. In 1986 and 1988, total grain production reached over 5 million tons and 6 million tons respectively. In 1990, it reached 6.6 million tons, an increase of 2.74 million tons over 1980, with an average annual growth of 5.5 percent. Great achievements were attained in construction of bases for cotton, sugar-yielding crop production, and livestock products, with the amount of their products increasing by a wide margin. Cotton production increased to 400,000 tonnes from 80,000 tons in 1980, a increase of 400 percent, with an average annual growth of 17.8 percent. Production of oil-yielding crops jumped to 350,000 tons from 176,000 tons, a growth of nearly 100 percent, with an average annual growth of 7.1 percent. The number of livestock in inventory at year-end increased to 35 million head from 267 million head, an increase of 8.3 million head. Meat production increased to 280,000 tonnes from 12,000 tons, a growth of 130 percent, with an average annual increase of 16,000 tons. Regional per capita grain consumption increased to 430 kg from 300 kg. The region changed from a grain-importing area to a grain-exporting area. During the Seventh Five-Year Plan period, more than 1.1 million tonnes of grain were exported to other areas. Per capita production of cotton and oil-yielding crops ranked first in the country. In the past decade, the region shipped 1.61 million tonnes of cotton to other parts of the country, thus making contributions to the state. Total industrial production scored a 210 percent increase over the last decade. Production of major industrial products increased by a big margin, and industries with favorable conditions in resources developed rapidly. The region's total industrial production in 1990 reached 12.8 billion yuan, an increase of 220 percent over 1980 or an average annual increase of 12.3 percent. Major products increased by a big margin. Coal production rose from 11.36 million tons to 19 million tons, an increase of 67.3 percent; crude oil production rose from 3.91 million tons to 6.82 million tons, an increase of 74.4 percent; electricity rose from 2.4 billion kilowatt-hours [kWh] to 6.8 billion kWh, an increase of more than 180 percent; steel production rose from 107,000 tons to 330,000 tons, a 210 percent increase; cement production rose from 910,000 tons to 2.6 million tons, a 190 percent increase; cotton yarn production rose from 30,000 tons to 100,000 tons, an increase of more than 200 percent;

machine-processed sugar production rose from 44,000 tons to 150,000 tons, an increase of 240 percent; and rock salt production rose from 382,000 tons to 1.592 million tons, an increase of 320 percent. The variety of industrial products increased, and their quality was improved to some extent. Market competitiveness of products was strengthened, and quite a few products were introduced in domestic and international markets.

Significant achievements were made in the construction of key projects. Over the past decade, the region invested a total of 47 billion yuan in fixed assets, 2.2 times the total of investment in this regard in the previous 31 years. In the past decade, 30 large and medium-sized projects were built. Basic industries and infrastructure were strengthened. A number of key water conservation projects were built—18 large and medium-sized reservoirs and 30 small reservoirs were constructed, increasing the reservoir storage by 847 million cubic meters of water over the past 10 years. In the past three years, the region opened up 3 million mu of wasteland and improved 3.21 mu of medium- and low-yield land. It completed the construction of the Turpan-Korla section of a railway in southern Xinjiang, the domestic section of the China-Pakistan Highway, and other main lines of communication. The Urumqi-Alataw Shankou section of the Lanzhou-Xinjiang Railway was built, and a second continental bridge linking Asia with Europe was erected. The region opened 11 domestic airlines and one international airline. It built key enterprises, such as the Aiweiergou Coal Mine and the Manas Power Plant, and a number of building-materials projects, such as the Xinjiang Cement Plant's No. 3 kiln. Breakthroughs were made in petroleum exploration and production, and new oil and gas fields were discovered in Tarim, Turpan, Junggar, and other basins. While increasing petroleum production, petrochemical and other related industries began to develop. The Urumqi Chemical Fertilizer Plant and three petrochemical projects in Zepu were built. The production capacities of light and textile industries expanded considerably. The region's cotton spinning capacity increased from 360,000 spindles to 760,000 spindles, and its sugar producing capability from 45,000 tons to 280,000 tons. This expanded relevant industries' capabilities for sustained development. The distribution of economic construction also spread in an orderly fashion from the northern slope of Tian Shan to areas south and north of the mountain.

Stable progress was made in economic system reform. In reform in agricultural and pastoral areas, the dual management system that combines household with collective operations was gradually improved on the basis of the prevailing implementation of the household contract responsibility system with remuneration linked to output. The buying and selling system for agricultural and livestock products was reformed, and prices for these products were readjusted, thus stimulating enthusiasm for production among peasants and herdsmen. In urban reform, while adhering to the principle of maintaining public ownership as a main form, we developed

various economic elements, gradually enlarged the power of localities and enterprises, implemented the contract responsibility system in various forms, and enhanced enterprise vitality. A circulation system, characterized by multi-element, multiform, multichannel, fewer links, and state-run businesses as the main force, was established. Supplementary reform in planning, investment, materials, prices, finance, banking revenues, foreign trade, labor, and wages, made stable progress. Great changes were made in economic system's structure, which in turn led to the development of the planned commodity economy.

Great progress was made in opening to the outside world. Last decade our region began to open to the outside world and then quickened its pace. Great results were attained in foreign trade, the use of foreign funds, and in promoting economic and technological cooperation. We established trade ties, as well as economic and technological cooperation, with more than 50 countries and regions. In 1990, total exports from the region were valued at \$350 million, an increase of 19.5 times with an average annual growth of 35.2 percent. A total of \$280 million in foreign funds were used for establishing 35 foreign enterprises and for importing a batch of advanced technologies and equipment. We welcomed more than 320,000 foreign tourists over the past decade, thus creating more than \$87 million in foreign exchange. Economic links with other parts of the country continued to increase. So far we have established economic and technological cooperation with 29 other provinces, municipalities, and autonomous regions as well as with 19 ministries and commissions of the central government. We had gained fair economic results by carrying out more than 3,800 cooperation projects and by introducing 500 million yuan in domestic investment from other parts of the country.

We attained achievements in scientific and technological progress and made rapid development in education and other undertakings. A total of 2,820 scientific and technological achievements were made in the past decade, with 41 receiving state awards and 1,069 receiving regional awards. A breakthrough was made in the "305" project, which was included in the key scientific and technological programs of the state's "Seventh Five-Year Plan." Marked results were achieved in key scientific and technological projects, promotion of scientific and technological results, programs for helping the poor through relying on scientific and technological progress, the "Spark Plan," and scientific research. The development of scientific and technological undertakings played an active and stimulating role in the promotion of productive forces and economic performance of all trades and enterprises in the region. The last decade witnessed a period of rapid growth in educational undertakings in our region. An educational system, beginning from primary and continuing to advanced levels, with both multiform and multicategory units, was formed. Fundamental education was strengthened with more than 97.5 percent of schoolage children attending primary schools. Adjustment were made in the educational

structure. Students attending professional and technical schools of various kinds accounted for 37.2 percent of the total number of students attending secondary schools. Regular institutions of higher learning and adult education developed rapidly, cultivating a total of 256,000 professionals at advanced and secondary education levels and providing a large group of educated workers to the front lines of industrial and agricultural enterprises. Fair progress was made in anti-illiteracy work. The scientific and cultural quality of people of all nationalities was enhanced continuously, which was very beneficial to production. Marked achievements were made in conditions for running schools. In primary and secondary schools alone, dangerous buildings with a floor space of 3.867 million square meters were rebuilt or renovated. New progress was made in all undertakings such as culture, arts, press, publication, radio and TV broadcasting, movies, physical education, public health, family planning, environmental protection, and social security.

Markets in the cities and townships continued to be stable and prosperous, and the people's standard of living improved markedly. The total value of retail sales of commodities in society in 1990 reached 11.5 billion yuan, 2.5 times that of 1980. It grew at an average annual rate of 13.4 percent. The supply of most of the daily necessities and agricultural capital goods was abundant, and commodity prices were relatively stable. With the expansion in production, the livelihood of people of various races improved conspicuously. After making allowances for the rise in commodity prices, the per capita consumption level of urban and rural dwellers rose roughly by 6 percent each year. The average monetary wages of workers in 1990 was 2,272 yuan, up 1.6 times from 1980, while the per capita income of peasants and herdsmen reached 620 yuan, up by more than double. The per capita living space of city and town dwellers was 7.94 square meters, and satisfying results were achieved in the construction of public amenities. The living condition of urban and rural dwellers also improved, and over 30 percent of the herdsmen in pastoral regions have settled down permanently and semi-permanently. Efforts to assist the poor have produced results. Of the 353,700 households considered as poor by 1985 statistics, 82 percent of them have now resolved food and clothing problems. The number of people in the agricultural and pastoral regions who still have problems with food and clothing has fallen from 1.63 million or 22 percent in 1985, to 288,000 or 4 percent in 1990. Cities, towns, townships and villages in which the economy has developed more rapidly are beginning to become comfortably well-off.

Efforts to build a socialist spiritual civilization were strengthened, and efforts to build a socialist democracy and legal system made new headway. Thanks to ideological and political education, especially education on upholding the four cardinal principles, opposing bourgeois liberalization and opposing national separatism, and activities such as joint army-people efforts to build

Xinjiang and the selection of cultured units, the socialist belief of the vast number of cadres and broad masses has strengthened increasingly and their ideological and moral standard has been enhanced constantly; the general mood of society has sharply improved; and the spiritual outlook has undergone gratifying changes. Socialist ethnic relations, in which the various races are equally treated, mutually assisting, united, cooperative and prospering together, were constantly consolidated and expanded. Work in local legislation was greatly strengthened. Democracy at the ground level was further broadened, democratic channels were constantly widened, and the awareness of democracy and the rule of law among the cadres and peoples of all races was further strengthened. Democratic parties played an important role by actively taking part in government and political affairs. While assuring the democratic rights as well as the other rights and interests of the people, we have guarded against and promptly struck at subversion, infiltration and sabotage by hostile forces and national separatism within and without the frontier, and quelled the counterrevolutionary armed rebellion in Baren Township. Without interruption we unfolded the campaign to crack down severely on serious crimes and economic offenses in order to safeguard the public order and maintain political and social stability throughout the region, thereby creating a favorable social environment for the smooth progress of economic development, reform and opening to the outside world in Xinjiang.

Ever since the Fourth Plenary Session of the 13th CPC Central Committee, we have adhered to the important instructions of the party Central Committee—with Comrade Jiang Zemin as the core—and the State Council with regard to work in Xinjiang. In accordance with centralized planning, we have made serious efforts to implement the guidelines for improving the economic environment, rectifying the economic order and deepening the reforms, and have tried to seek stability during the process. While striving to develop during the search for stability, effective supply has increased, the rise in commodity prices has fallen sharply, and confusion in the area of circulation has been brought under control. Order in the market has improved markedly, the economy has achieved appropriate growth, and it is developing along a favorable.

In the process of achieving great success in economic and social development, a number of conflicts and problems that should not be neglected have appeared in socio-economic life. They are: The appearance of "both severe and lenient treatment" during efforts to build a material and spiritual civilization in the once-neglected area of ideological and political education; the fluctuation in economic development in which commodity prices rose sharply for 2 consecutive years; the slow pace in correcting the industrial structure, the poor quality of products, and low economic efficiency; the shortage of budgetary funds, in particular the difficulties at county level; the slow pace in developing the rural commodity economy and the development of rural enterprises that

fail to match the national economy; the inability to open to the outside world, and the unattractive investment environment. The emergence of these problems are due to many complicated factors. Some are inevitable during the process of reform and opening to the outside. Others are due to shortcomings and errors in our work. We should never treat these problems lightly, and must take effective measures and make serious efforts to solve them during the Eighth Five-Year Plan.

Generally speaking, the past decade in Xinjiang is one in which reform and opening to the outside world have advanced steadily, and economic construction and the various socialist undertakings have expanded rapidly; it is one in which economic and social outlooks have experienced profound changes and the people's livelihood became increasingly better; it is one in which national unity was constantly strengthened, and the stable and united political situation constantly consolidated and developed. These achievements are the results of the correct leadership of the party Central Committee and the State Council, the industry of party committees and governments at all levels in the autonomous region, and the unity and arduous struggle of soldiers and peoples of all races and production and construction corps workers in Xinjiang. Troops of the People's Liberation Army [PLA] based in Xinjiang, the Armed Police Corps, and the officers and men of public security units have made indelible contributions in defending and building the frontier, and in preserving the stability of Xinjiang and the integrity of the motherland. On behalf of the autonomous regional government, I hereby express my sincere thanks and highest regards to the cadres, workers, peasants, herdsmen, production and construction corps workers, intellectuals, scientists, technicians, personages of democratic parties and patriots without party affiliation in Xinjiang, and to the PLA units based in Xinjiang, the Armed Police Corps, and all the officers and men of public security units.

## **II. The Principal Objectives and Basic Guidelines for Economic and Social Development During the Coming Decade and the Eighth Five-Year Plan**

The recently held Fourth Xinjiang Autonomous Regional CPC Congress was a congress of unity and encouragement for the revitalization of Xinjiang. The tasks set forth by the Fourth Party Congress and the basic demands for realizing the second-step strategic objectives in Xinjiang were put forward in the "Suggestions for Drafting the 10-Year Program and Eighth Five-Year Plan on Economic and Social Development in Xinjiang" and the "Outline (Draft)" which was adopted at the First Plenary Session of the Fourth Xinjiang Autonomous Regional CPC Committee. These tasks are: First, to raise the 1980 GNP by six times at the end of this century while trying vigorously to improve economic returns and optimize the economic structure. It will reach 28 billion yuan and grow at an average rate of 7.3 percent each year during the decade. The gross industrial and agricultural output value will reach 42 billion yuan and grow at average annual rate of 7.6

percent, of which the gross agricultural output value will grow by 5 percent, and gross industrial output value by 8.9 percent. Second, to attain a comfortably well-off standard of living. Third, to raise the overall quality of the economy to a new level. Agriculture and livestock farming as well as energy, communications, posts, telecommunications, major raw material and other basic industries and infrastructures will be strengthened. Agricultural and livestock farming bases, petroleum and petrochemical bases, and light, textile and food industry bases will be established. Fourth, to gradually develop in varying degrees the gold and nonferrous metal industries, the salt and salt chemical industries, and reserve bases for the coal industry. Fifth, to gradually construct and perfect a comprehensive communication and transportation network based chiefly on highways with railways as the mainstay and supplemented by air routes. Sixth, to increase by the year 2000, the total grain output to 8 million tons, cotton to 750,000 tons, sugarbeets to 5 million tons, livestock to 40 million head, coal to 30 million tons, electricity to 14.5 billion kilowatt-hours, crude oil to 30 million tons, steel to 600,000 tons, cement to 5 million tons, gold to 4,687 kilograms, salt to 4 million tons, chemical fertilizers to 590,000 tons, cotton yarn to 220,000 tons, cloth to 500 million meters, and sugar to 600,000 tons. When these goals are accomplished, the economic strength of Xinjiang will be greatly enhanced. They will lay the solid material and technological foundation for the economy of new Xinjiang to take off in the 21st Century.

The "outline (draft)" for Xinjiang's gross regional product proposes annual growth at an annual average of 7.3 percent over the next 10 years. This growth rate is positive, appropriate, and it incorporates some leeway, as well as room for further growth potential. We propose a growth rate that is 1.3 percent higher than the national average because: First, our region is economically backward, and to narrow the gap between us and the hinterland provinces and regions, we propose a six-fold increase; therefore, a growth rate higher than that of the national average is required. Second, after 41 years of developmental construction, especially after the implementation of reform and policy of opening up, Xinjiang already has a certain degree of economic strength, and many potential resource advantages are gradually being transformed into actual economic advantages which form the material and technical foundation for economic development in the next decade. Third, the stress of the state industrial policy and adjustments made to the industrial plan are beneficial to bringing our region's resource advantages into full play, and the emphasis on the exploration of oil and gas resources determined by the state will raise the curtain for an all-out oil exploration in Xinjiang, and the completion of the Asia-Europe land bridge has created favorable conditions for our region to develop the market and compete on the international level. As such, the strategic goal of realizing a six-fold increase in the gross regional product over that of 1980 by the end of the century is not only a necessity, it is also attainable.

The growth rate is slightly lower than the last 10 years' 10.6 percent. This is mainly because, taking the present expanded scale of economy into consideration, each percentage point of growth in the future will bring about a considerably larger increase in absolute value. In addition, numerous difficulties, problems, and constraining factors that cannot be solved in the short-run still exist in the process of Xinjiang's economic development, and these require us to maintain a clear head and a practical attitude. More importantly, we must guide the people to focus their attention on improving the quality of economic growth and the overall quality of the economy through maintaining an appropriate growth rate; and put in the utmost effort to readjust the major sectorial proportion of the economy, to optimize the economic structure, to promote technological advancement, and to increase economic efficiency to create a more flexible environment for economic development and a potential for further growth.

The basic guiding principles of Xinjiang's 10-Year Development Program and Eighth Five-Year Plan are: Resolutely implementing the basic line of "focusing on economic construction, adhering to the four basic principles, persisting in reform and opening to the outside world;" unwaveringly treading the road of constructing socialism with Chinese characteristics; making the agricultural sector as the base, and water and soil utilization and oil exploration as the forerunners; realizing guiding thoughts of "deepening reform, expanding opening to the outside world, relying on science and technology, adjusting economic structure, implementing selective construction, and emphasizing efficiency"; and carrying out the state industrial policy of "optimal resource conversion strategy," in order to realize sustained, stable, and harmonized development of the economy.

1. Unwaveringly treading the road of constructing socialism with Chinese characteristics. The 12 main principles of constructing socialism with Chinese characteristics summed up in the CPC Central Committee's "suggestion" is a product of combining Marxist-Leninist thoughts with China's reality in the new era of history. To achieve prosperity and wealth, Xinjiang must unwaveringly carry out these principles and should never waver and should travel the road toward constructing socialism with Chinese characteristics.

2. Make unremitting efforts to maintain stability. A stable political and social environment is a prerequisite for the realization of the second-step strategic goal. The key to maintaining Xinjiang's stability is to enhance nationality unity. As before, we must attach importance to work on enhancing nationality unity and to continue to widely carry out nationality unity advancement activities and carry nationality unity work to new heights. We must enhance the people's democratic dictatorship, fortify army building, consolidate the motherland's border defenses, and resolutely oppose bourgeois liberalization. We must keep firmly in mind that splittism is the principal threat to Xinjiang. We must oppose splittist activities and the subversive infiltration of international

reactionary forces and wage relentless struggle against domestic and foreign splittist elements in order to safeguard Xinjiang's long-term peace and the unification of the nation.

3. Resolutely uphold the policy of reform and opening to the outside world. Reform and opening to the outside world is the only way for Xinjiang to revitalize its economy and to achieve prosperity for all nationalities. Only through the implementation of reform and open policy can we continuously eliminate the drawbacks of the original system; promote the growth of productivity; attract more capital, technology, and talents; and hasten the pace of Xinjiang's developmental construction. We must appropriately handle relations between reform, development, and stability, and firmly adhere to correct direction of socialism. Efforts should be made to further enhance awareness of reform and open policy, liberate minds, and bravely explore and continue to deepen reform. We should bring our region's resources and geographical advantages into full play in striving for greater progress in opening to the outside world and gradually develop Xinjiang into the major window of China's opening to the outside world in the western region of our country.

4. Persist in attaching importance to education and relying on science and technology to achieve prosperity. We should closely link science and technology, education, and the economy in our efforts to promote optimal resource conversion to revitalize Xinjiang's economy. We must continue to deepen reform of the education system, earnestly implement the party's and the state's education principles, adhere to socialist guiding principles of running a school, and nurture successors who are ethically, intellectually, and physically well-developed to serve the cause of modernization construction. The principle that "economic construction must rely on science and technology, science and technology work must gear itself toward economic construction" should be continued, and we must make developing the economy the main focus of science and technology work and strive to expedite the transformation of science and technology achievements into production forces.

5. Persevere in integrating efficiency and speed. To realize our region's goal of struggle toward the end of the century, we must start from Xinjiang's actual conditions. This means that we must ensure that there is an appropriate growth rate each year, adhere to carrying out the principle of well-planned and proportionate sectorial development within our actual capabilities, and try to prevent tendencies toward a short-term mentality. We must always make improving economic efficiency the focal point of all economic work and insist on the integration of speed and efficiency to continuously raise the quality of economic growth.

6. Uphold joint prosperity for all nationalities. We must gradually change the backward state of our region's economy by seriously implementing the Law of Regional Autonomy of Minority Nationalities and the various

preferential policies of the state toward minority regions and by strengthening our nation's overall economic power. We must actively support economic development in remote, poverty-stricken areas in order to enable all our nationalities to become prosperous and well-off together.

7. Uphold self-reliance and hard struggle and run all our undertakings industriously and thriftily. Because of its weak economic foundation, Xinjiang cannot realize its second-step strategic objective without the help of the state and the support of its brother provinces and regions. We must however be self-reliant; tap our inner potential; cultivate the idea of waging a long, hard struggle; practice economy strictly; avoid waste, run every undertaking industriously and thriftily; and strive to increase our region's ability to develop on its own.

8. Uphold the policy of protecting the environment while developing our natural resources. Environmental protection is our country's fundamental policy. We must promote environmental awareness among all nationalities, strictly enforce environment protection laws, regulations, and policies, and strengthen environment management to ensure a proper balance between environment protection and economic and social development to ensure that our ecological environment develops in a virtuous circle and to achieve unity between ecological benefits and economic and social benefits.

9. Uphold overall planning and joint development. We must firmly foster the idea of coordinating all activities in the region as in a chess game and correctly handle the relationship between local and regional interests and between immediate and long-term interests. In accordance with the principle of making overall plans, carrying out a rational division of labor, making use of one's strong points to supplement others' weaknesses, bringing about coordinated development, and taking into consideration the interests of all sectors to ensure joint prosperity, we must encourage and support all sectors to bring into play their strong points while strengthening their guidance and coordination, promoting cooperation in unity and joint development, and rationalizing distribution of productive forces in the interest of raising overall economic results.

10. Uphold simultaneous development of both material and spiritual civilization. Socialist modernization incorporates both fronts of civilization, material and spiritual. We must carry out the building of spiritual civilization as well as material civilization. We must constantly raise ideological and moral standards as well as scientific and cultural standards of people of all nationalities. We must improve our social atmosphere and provide a spiritual motive force, ideological guarantee, and intellectual support for Xinjiang's development and construction.

### III. On the Question of Economic Development

In the next 10 years and during the period of the Eighth Five-Year Plan, in accordance with the state's overall

arrangements for achieving its second-step strategic objective and the demands of achieving our region's second-step strategic objective, Xinjiang must strive to improve its economic standards and realize sustained, stable, and coordinated economic development in order to lay a firm foundation for its all-out economic revitalization in the 21st century. In the "Draft Outline" the following major questions are considered:

#### 1. Vigorously Readjusting the Industrial Structure, Using Agriculture as the Foundation

In accordance with the country's industrial policy and based on the need to develop Xinjiang's rich resources, the "Draft Outline" explicitly sets forth the basic orientation for readjusting the industrial structure. Its specific demands are:

—Making continued efforts to strengthen agriculture as the foundation and making relentless efforts to develop agriculture and livestock breeding. Continuous efforts will be made to increase the overall production capacity of agriculture and livestock breeding; to set up step by step an agricultural production and livestock breeding system with Xinjiang characteristics which gives high-quality, stable, and high-yield output; and to establish grain, cotton, sugar, and livestock bases of different sizes to move our agriculture and livestock breeding to a new stage of development after 13 years of bumper harvests. The first target, to be realized by 1995, is to produce 7.25 million tons of grain, 0.6 million tons of cotton, and 3 million tons of beets; to keep in stock 37 million animals; and to produce 0.35 million tons of meat. The second target, to be reached by 2000, is to produce 8 million tons of grain, 0.75 million tons of cotton, and 5 million tons of beets; to keep in stock 40 million animals; and to produce 0.45 tons of meat.

—Carrying out farmland water conservation capital construction in a big way, beginning with projects for the efficient use of water and land, to ensure sustained growth of agriculture. In developing and utilizing water and land resources, measures will be adopted to increase water supply while conserving water consumption, with emphasis on the latter; and to integrate the transformation of medium and low-yield fields with the development of barren land, with emphasis on the former. In the next 10 years, efforts will be made to transform 10 million mu of medium and low-yield fields; to develop 8 million mu of barren land, and to put special emphasis on the eight comprehensive development projects along Ye-er-jiang He [0673 1422 3068 3109] and Hetian He and in Ili area; and to construct a large number of backbone water conservation projects, including the first-stage irrigation and water drainage project in Tarim, a key water conservation project in Wu-lu-wa-ti [3527 7627 3907 2251], the Ahu Water Reservoir, and the Kalam-gu-er [0595 3186 0657 1422] Water Reservoir.

In crop planting, the policy of raising per-unit yield, improving crop quality, and increasing total crop production will be implemented, and efforts will be made to continue to step up grain production and, after ensuring self-sufficiency in grain production and balanced development in various subregions, vigorously develop cotton, beets, fruits, and silkworm and mulberry production. In livestock breeding, the policy of developing livestock breeding in pastoral, rural, and suburban areas simultaneously will be implemented, with emphasis on pastoral areas. Primary emphasis will be on developing meat and fur production and increasing production of commodity animals and products. In the next 10 years, grass growing will be the foundation of development in pastoral areas. Construction of grass and fodder production bases and auxiliary facilities for livestock breeding will be stepped up. Efforts will be made to correctly handle the relationship between the development of water and land resources and the protection of pastoral areas. Effective measures will be adopted to ensure that all animals survive the winter. Permanent and semipermanent settlement of herdsmen will be sped up so that most herdsmen will have settled down on a permanent or semipermanent basis by the end of this century. In forestry, the policy of firmly protecting forest resources, actively developing them, and rationally using them will be implemented. Efforts will be made to cultivate and protect the forest resources; grow farmland protection shelterbelts, timber forests, and commercial forests; restore the work of transforming desert forests; strengthen the work of fighting sand and dust; and increase the area covered by trees in all parts of Xinjiang to protect its ecological environment.

Developing agriculture and livestock breeding depends on policy, science, and investment. We must continue to deepen rural reform, stabilize rural economic policies, stabilize and perfect the system of the household-based contract responsibility system with remuneration linked to output, further perfect the dual management structure which calls for separation as well as integration, establish and perfect socialized rural service networks, and gradually develop and expand the collective economy. Efforts will be made to actively promote the use of science and technology to develop agriculture, to continue expand contracting by technological groups, and to popularize scientific and technological results which have notable benefits. All trades and professions must vigorously support agriculture; increase their investment in agriculture; actively promote agricultural mechanization; enliven the circulation of agricultural produce; uphold diversified undertakings; carry out the integration of agriculture, livestock breeding, forestry, sideline production, and fishery; and combine industry, commerce, transportation, building, and service into a comprehensive operation to promote the all-around development of our rural economy.

—With oil development as the forerunner, Xinjiang will make great efforts to develop its oil and petrochemical industries, which will be Xinjiang's leading and mainstay industries in the future and which will enable

Xinjiang to achieve a breakthrough in revitalizing its economy. Xinjiang's economic growth in the next five to 10 years, and even in the next century, will depend to a considerable extent on the development of its oil and petrochemical industries. Its exploration for and development of natural gas resources will be based on the state's strategic plan of "stabilizing work in the east and developing resources in the west." Guided by this plan, it will stabilize crude oil production in northern Xinjiang, speed up oil development in Tarim and Junggar, and expand development of the Turpan-Hami basin; it will also give consideration to development of several smaller basins. During the Eighth Five-Year Plan period, we will make efforts to verify 1.5 billion tonnes of oil reserves and increase oil production to 15 million tonnes by 1995, and during the Ninth Five-Year Plan period, we will make efforts to verify 2 billion tonnes of oil reserves and increase oil production to 30 million tonnes by the year 2000. To develop oil and petrochemical industries, we must implement the principle of "depending on mainstay enterprises, seeking support from society, making overall plans, and striving for common development." Guided by this principle, our local oil industry will follow the path of cooperating closely with departments in charge of oil and petrochemical industries so that we will support each other and develop together harmoniously. All local authorities and departments must energetically support oil field development, support oil development with specialized and standardized services of good quality so that oil development can give impetus to the development of communications, postal and telecommunications services, construction, machine building, electronics industry, coal production, power industry, animal husbandry, and tertiary industry. To seize the opportunities created by oil development, we will draw up plans for expanding processing and use of oil gas resources in Xinjiang and developing our petrochemical industry. While speeding up the polyester production project under the Urumqi Petrochemical Complex and the Dushanzi Refinery's project of building a plant to produce 140,000 tons of ethylene a year, we will also speed up preparations for building local plants to produce ethylene and polyester. In accordance with growth of oil gas production, we will, at an appropriate time, build the Korla Refinery's plant for producing 300,000 tons of synthetic ammonia a year. We will make positive efforts to construct the Urumqi-Shanshan natural gas pipeline. Projects to be accomplished during the Ninth Five-Year Plan period include: the expansion of the Xinjiang Chemical Fertilizer Plant with the construction of a plant with capacity of producing 300,000 tons of synthetic ammonia a year, and another plant to utilize light hydrocarbons; the construction of a petrochemical industrial base under the Korla Refinery to produce ethylene, polyester, acrylic fibers, and nylon fibers. It is expected that with these projects, we can gradually build a foundation for a relatively independent petrochemical industry which is closely associated with the development of oil and natural gas and which is compatible with enterprises which have been built or which are still under construction.

—Great efforts will be made to intensify the construction of basic industries and infrastructural facilities. During the next decade and the Eighth Five-Year Plan period, measures that can encourage investment will be taken so that as much manpower and financial and material resources as possible can be invested in the construction of basic industries and infrastructural facilities, such as those relevant to energy, communications, telecommunications services, and production of major raw materials, as well as in geological survey, so that their development can be accelerated. Priorities will be given to the construction of the Tiecanggou Open Coal Mine, the Manas Power Plant, the Jilintai Hydroelectric Power Plant, the multiple Lanzhou-Xinjiang railway track, the Xingxingxia-Yining-Altai-Hotan Highway with Urumqi as the hub, and the expansion of the Urumqi Airport. Flexible preferential policies will be drawn up to encourage all central government departments, fraternal provinces, municipalities, and autonomous regions to take part in the prospecting and development of mineral resources in Xinjiang so that the development and utilization of Xinjiang's underground resources can be accelerated.

—Transform, improve, and develop the processing industry. With light and textile industries as its principal part, the processing industry is our region's important pillar industry, as well as our major source of local revenue. In the next decade and during the "Eighth Five-Year Plan" period, we should seize the opportunity given by the state's readjusting production capacity and the distribution of light and textile industries, fully capitalize on Xinjiang's superiority in its abundant agricultural and animal husbandry raw materials, continue to vigorously develop light and textile industries, and combine efforts to improve and develop. It is necessary to transform and improve existing enterprises, especially key enterprises (groups). We should work hard to raise qualities, grades, and standards; enhance product competitiveness; and increase economic returns of enterprises. We should systematically establish a group of new key high-tech enterprises; suitably expand production capacity; and carry out more intensive processing and more comprehensive utilization of natural resources. In our efforts to develop a series of brand-name, quality, special, and new products, we should seek to improve as well as develop. The machinery and electronics industries should focus intensely on developing agriculture and animal husbandry as well as petroleum, petrochemical, light, textile, and food industries. They should emphasize effective efforts to reorganize and transform. They should also improve enterprise quality; energetically develop quality machinery and electronics products needed to develop Xinjiang's production and serve the people's daily needs; and achieve vitalization through reorganization and transformation.

—Actively develop tertiary industry and steadily developing construction industry. In order to cater to the needs of rural and urban construction as well as efforts to develop production and improve the people's lives

in Xinjiang in the next decade and during the "Eighth Five-Year Plan" period, the "(Draft) Outline" makes necessary arrangements for developing tertiary and construction industries. The development of the tertiary industry should focus on trade that serves production and the people's daily needs, including business, materials, finance, insurance, science, technology, information, consultation, food, and beverage trade. To develop tertiary industry, we should add necessary facilities, gradually construct a perfect socialized service system, and continuously improve service quality. In developing the construction industry, it is essential to further deepen reforms; continue to improve the system regarding the invitation and submitting of tenders; and actively employ the use of advanced construction techniques and technology and of new building materials. It is also essential to improve operations and management, strive to lower construction costs, and enhance the capacity for self-development. We should actively open up international labor markets and work hard to expand efforts to contract USSR projects and export labor services. We should emphasize circulation the same way in which we emphasize production and gradually increase product sales in markets.

## 2. We Will Lay Out Productive Forces Rationally To Promote a Rational Division of Responsibilities and Coordinated Development Among Regional Economies in Xinjiang

During the next decade and the Eighth Five-Year Plan period, we will, in accordance with the principle of "making overall plans so that responsibilities are divided rationally, resources will be shared, development is coordinated, other regions' interests will be taken into consideration, and coprosperity can be achieved together," draw up overall plans for economic development in all major economic regions. Moreover, in accordance with the strategy of "moving south and west, stressing priorities, and proceeding in an orderly manner," we will promote economic development throughout Xinjiang through focusing on priority projects so that resources can be rationally allotted and regional economies can be rationally grouped. This concept is compatible with Xinjiang's productivity and its capacity for development and construction. The draft outline, while considering Xinjiang's natural environment, resources, and ties between regional economies, has tentatively divided Xinjiang into five economic districts and set for them the course and priority of the development of their production and resources. The program thus reflects the socialist principle of focusing on long-range and overall development, narrowing gaps between regions, and achieving common prosperity. Meanwhile, it has also designated some areas to become belts of comprehensive economic development, oil and petrochemical industry, and production of gold and nonferrous metals; and key development zones with Kashi, Yining, and Hami Cities as the centers. These "three belts" and "three zones" reflect practicality and the law of gradually developing

productivity on the basis of Xinjiang's current production capacity. During the implementation of the plan, the relationship in the following areas must be correctly handled:

First, the relationship between priority projects and ordinary projects must be correctly handled. The "three belts" and the "three zones" are key development and construction areas and so there must be policies encouraging investment in them so that they can quickly become areas that can promote economic development throughout Xinjiang. Meanwhile, we must also consider the development and construction needs of other areas and give full scope to their strengths so that all areas can support one another with their respective resources.

Second, we must correctly handle the relationship between economically developed areas and remote, poverty-stricken areas. While differences in economic development were caused by historical reasons and cannot be completely eliminated in a short time, we must make every effort to reduce the differences. Economically developed areas, while playing a positive role in promoting Xinjiang's economic development, must also make efforts to assist economically undeveloped areas, especially the three prefectures in southern Xinjiang, in changing their outlook. The regional government will give the undeveloped areas even more support in terms of resources that they need in building infrastructure, such as water and soil development, construction of highways and power plants, and development of coal resources, so that they can enjoy better production and living conditions and have a stronger capacity for economic development.

Third, we must correctly handle the relationship between enterprises operated by the central government and the Xinjiang Production and Construction Corps and enterprises operated by local authorities. All these enterprises are important parts of Xinjiang's economy. Thus, future development and construction projects must be planned in a unified and coordinated manner so that they will support one another and develop together. While laying out productive forces and key projects, governments at all levels must pay attention to arousing the initiative of enterprises operated by the central government and the Xinjiang Production and Construction Corps and give them the support they need in developing their water, soil, and mineral resources. Central enterprises and the production and construction corps should respect and obey local governments' unified plans, and support the local development projects. Effective policies and measures should be adopted to encourage the merger of central, corps, and local economies. They should set up more cooperative and associated enterprises and seek common development through actively developing transbusiness and transdepartmental enterprise groups.

### 3. Economic Work Must Shift to the Track Centering on Efforts To Increase Economic Returns

A major problem that has plagued Xinjiang's efforts to develop its economy for a long time is high investment and consumption and low output and efficiency. In the next decade and during the "Eighth Five-Year Plan," we should resolutely progress through science and technology; increase our efficiency in transforming natural resources; and develop the economy with low investment, with high efficiency, and at a realistic pace. This is so that economic development in our autonomous region will gradually evolve around efforts to improve economic returns. In addition to stipulating the suitable speed for economic growth, the "Outline (Draft)" also proposes several indicators for comprehensive economic returns. It requests that during the "Eighth Five-Year Plan," energy consumption per 10,000 yuan gross national product of the whole autonomous region be lowered from the present 15 tonnes of standard coal to 13 tonnes, averaging a 1.5-percent energy-conservation rate per annum. The consumption of energy and raw and semifinished materials in leading products of large- and medium-sized enterprises should reach the average standards of the same period in our country. The labor productivity rate of the whole society should average 3.5-percent growth annually. To achieve this, leaders at all levels must change their guiding thoughts for economic work, give importance to efforts to increase economic returns in their agenda, solidly perform tasks, regard the accomplishment of various economic performance indicators as important means for checking the performance of governments and leaders at all levels in their official duties, and strive to bring significant changes to the autonomous region's low economic performance.

Accelerating the transformation of and promoting progress in enterprise technologies are important to better economic performance. During the "Eighth Five-Year Plan" and in the next decade, we must invest great efforts to transform the technology of existing enterprises and utilize advanced technological equipment and production techniques to transform these enterprises so that we will significantly raise their standards. The focus of technological transformation should be on efforts to conserve energy; to lower the consumption of raw and semifinished materials; to introduce more brand-name, superior, special, and new products; and to produce exports that earn foreign exchange. We should speed up technological transformation in cotton-spinning, wool-spinning, sugar-manufacturing, machinery, and electronics industries. We should also carry out more intensive processing, more comprehensively utilize our natural resources, raise our professional standards, and increase our capability to conduct complementary joint efforts. It is necessary to extensively popularize scientific and technological achievements that require low investment, are efficient, and produce quick results to accelerate our shift toward the production sector. It is essential to expand cooperation between Xinjiang's enterprises and scientific research organizations, universities, and colleges in or outside the autonomous region; and by focusing on issues concerning modernization of

production technology and equipment, we should organize relevant scientific research and production projects, continue to introduce and work hard to absorb advanced technology from abroad, and increase the enterprises' capability to develop new technology.

Strengthening management is an important link to improving economic efficiency. In the next 10 years and during the Eighth Five-Year Plan, we must enhance and improve macro-management, strive hard to do planning work in a more scientific and serious manner, promote the overall rational allocation of resources, and strictly implement the scientifically rational efficiency assessment target to establish a conducive mechanism beneficial to increasing economic efficiency. Efforts should be made to further strengthen management of enterprises, to improve and perfect the enterprise contract responsibility system, and to establish and perfect various necessary rules and regulations. Enterprises should be inward looking to explore internal potential; work hard to improve basic management of labor, materials, funds, cost, and quality; strive for enhancement of management standard and workforce quality; and should achieve management efficiency. We should also thoroughly carry out the "increase production, reduce cost; increase revenue, reduce expenditure" activities in all quarters of the society, and eliminate all wasteful tendencies to achieve results in the "double increase, double reduction" drive.

#### 4. Implement "Relying on Science and Technology for Progress," Develop the Education Sector, and Work Hard To Promote Improving the Quality of the Economy and the Overall Progress of Society

Science and technology is the frontline production force, and effects of its application are always more significant in economically backward regions. The autonomous region's party committee's proposal to rely on science and technology to revitalize Xinjiang is a strategic policy that makes good practical sense. Reliance on science and technology is the only way to hasten the pace of converting our region's natural resource advantages into commodity and economic advantages; to speed up the process of changing the economy from the extensive growth model to the intensive efficiency model; and to expedite the transformation from the extensive high input-low output production method to the modernized method marked by quantity, speed, quality, and efficiency. Only then can the realization of the second phase strategic goal be guaranteed.

The basic tasks of relying on science and technology for progress are: To transform traditional industries and to improve the overall quality of existing enterprises; to rely on science and technology to promote and support the development of modern industries; to gradually establish a scientific research mechanism characterized by mutual complimentation and integration in areas pertaining to technological transfer from abroad, technological innovation, application, and promotion, to actively effect a more widespread application of the achievements of scientific research; to properly organize

a technical breakthrough effort to ease major bottlenecks encountered in economic construction; and to stabilize the existing contingent of science and technology personnel, to attract talents, to work hard to improve the quality of Xinjiang's workforce of various nationalities, and to train a large contingent of science and technology personnel and industrial workers who are patriotic, technically competent, practical, and dedicated.

The prosperity of a nation and the revival of nationhood are dependent on talents, while the nurturing of talents are dependent on education. To meet the demands of economic, technological, and social development, we must do a good job in training science and technology personnel and the workers, especially the training of minority nationality science and technology personnel, to gradually upgrade the quality of the society's entire workforce. Efforts are to be made to rationally adjust the education system further and to positively upgrade education quality. We must continue to enhance fundamental education and to actively implement the nine-year compulsory education system; and to comprehensively carry out the party's education policy and to prevent the tendency toward the superficial pursuit of a higher proportion of students entering schools of a higher grade. We must take society's demand into consideration to appropriately curb the scale of senior middle school enrollment and expand vocational education; to stabilize the scale of higher education, to adjust specialized courses, and to improve the internal structure; to focus on on-the-job training to positively develop various adult education at all levels; to continue to attach importance to the development of preschool education and special education for the handicapped, the mentally retarded, and the youth. Practical technical education and illiteracy eradication work are to be carried out actively in agricultural and farming areas. We must also make efforts to enhance the teaching staff strength at the grass-roots level, to continue to encourage and support running the school through society's initiative, and to mobilize all positive elements of society to develop the education sector.

#### 5. Revitalize County-Level Economies and Actively Develop Village and Town Enterprises

The county level economy is a major component of Xinjiang's economy. In the next 10 years, we must revitalize county-level economies and upgrade their ability for self-accumulation and self-development as for economic construction. We must take practical and effective measures, such as specific guidance and selective support, to significantly improve county-level finance and economy. Efforts should be made to properly organize the implementation of county-level comprehensive development plans, to formulate plans rationally, and to bring a county's advantages to play; while working exploiting water and soil to actively develop the agriculture and animal husbandry sectors, we must positively develop county-run industries, village and town enterprises, the construction industry, and tertiary

industry. Counties with the right conditions should cultivate and develop one or two leading products as a means to create wealth for the people and the county. Through the next 10 years of hard work, counties (cities) that are already financially self-sufficient or have a delivery surplus to the state must scale new heights; counties on a better foundation with low deficits should realize financial self-sufficiency as soon as possible; other counties should achieve a significant increase in the self-financing rate; and we should achieve the target of 14 county-level cities and one-third of the counties throughout the region realizing financial self-sufficiency and delivering a surplus to the state.

Developing village and town enterprises is the only way to create wealth for the people and the county, to stimulate rural economy, to channel the excess of the rural work force into the nonagricultural sector, and to promote intensive farming. We must treat the development of village and town enterprises as a strategic task in economic development so that village and town enterprises, especially village and town industrial enterprises, sustain a higher rate of growth to become backbone industries of the rural economy. We must strive for the proportion of village and town enterprises' total output value, expressed as a percentage of the entire region's industrial and agricultural output value, to exceed 15 percent in 1995 and to exceed 18 percent in 2000. While the development of village and town enterprises should be based on local resource advantages, they should vie for the huge domestic and foreign market. We should stress developing light industries, textile industries, and the food-processing industry using agricultural products as raw materials; coal extraction and the coal-processing industry; rural construction industry; and tertiary industries which provide services to the agricultural and animal husbandry sectors before, during, and after production. Through horizontal economic integration and the establishment of famous brands and reputable factories, we can rope in investment, talents, and technology to upgrade the quality of enterprises, to bring about improvement in terms of product quality, production standards, product variety, operation scale, and economic efficiency. We must make efforts to maintain the continuity and stability of the village and town development policy, to unceasingly improve the various preferential policies for the development of village and town enterprises, to continue to provide necessary financial and material support for the development of village and town enterprises; to continue to implement the "two-open" science and technology policy to encourage science and technology personnel and technical specialists from the cities to serve in the rural areas and to run village and town enterprises by contract; to carry forward and perfect the flexible management mechanism of village and town enterprises; and to do a good job in relying on the industrial sector to supplement and develop the agricultural sector to promote modernization of the rural economy.

#### 6. Continuously Improve the Living Standard of All Nationalities on the Basis of Developing Production

Unceasingly improving the standard of people's material and cultural lives is the basic objective of economic construction. The "Outline (Draft)" is proposed for the realization of a fairly comfortable life for the people of Xinjiang by the end of the century, and has also made arrangements to raise the consumption level and the quality of life of the urban residents. We must take effective measures to actively develop the production of consumer goods, to positively develop tertiary industries that serve the livelihood of urban residents, to speed up the housing and public facilities construction for the urban residents, to control environmental pollution, to improve the ecological environment, to stimulate cultural activities, to develop health care and sporting activities, to enrich spiritual life, to raise the health standard, and to unwaveringly carry out family planning so that the people of all nationalities in our region can enjoy a fairly comfortable life after 10 years of hard work.

Xinjiang is an economically backward minority nationality region, and the stage of economic development of its various localities is unbalanced. In terms of time and space, the aim to realize a fairly comfortable life for the people can only be implemented step by step. We must allow and support a portion of the people and localities to achieve prosperity first through honest labor and legal trading, and more importantly, to also take appropriate steps and measures to lead people of all nationalities in Xinjiang to attain co-prosperity to fully reflect the superiority of the socialist system.

We should properly deal with the relationship between consumption and accumulation. Achieving the goal of a relatively comfortable life depends on the hard efforts of the people in the whole region. From now on, our region will be in a crucial period of development and construction and at a pioneering stage for new undertakings. Work in many fields is to be started, and the construction task is very large. In view of this, it is imperative to properly deal with the relationship between consumption and accumulation, the work of development and construction, and the improvement of people's standard of living. We must keep to the principles that the improvement of the people's living standards should be commensurate with the growth of the national income, and that the actual increase in the wages of staff members and workers should not be higher than the growth of the national income and labor productivity. We must encourage and persist in self-reliance, hard struggle, and frugality in doing everything. We must properly guide consumption and establish a reasonable consumption pattern and a healthy way of consumption compatible with our level of productive forces and in line with the resource characteristics and the people's traditions in our region.

It is necessary to continue to do well in helping the poor. During the past few years, our region has made considerable achievements in this work; however, a certain number of poor households have not yet been freed from the problem of acquiring food and clothing. Even among

those peasants and herdsmen who have enough food and clothing, a sizable number still have low living standards. In the next 10 years and during the Eighth Five-Year Plan, we should adhere to the principle of helping the poor mainly by developing the economy. We should continue to implement and improve the various aid-the-poor policies and try to succeed in helping the poor by using the combined force of rich people and rich counties, aiming our work at 27 poor counties and the numerous poor households. Meanwhile, it is necessary to lessen the irrational burden on peasants and herdsmen, cultivate self-improvement capabilities of poor households, and further arouse the initiative of peasants and herdsmen of all nationalities to become better-off through industrious work. We should see to it that poverty-stricken areas will enter a new economic development stage aimed mainly at casting off poverty and achieving affluence, and that the food and clothing problems will be resolved and most of the families in those areas will lead a better-off life by the end of this century. Two steps should be taken to achieve this goal. The Eighth Five-Year Plan is the first step. The tasks of helping the poor during this period are as follows: First, while we have solved the food and clothing problems for most poor people during the Seventh Five-Year Plan, we should make continued efforts to solve the same problems for the nearly 70,000 poor people who are still without enough food and clothing so that they can be freed from such problems as early as possible. Second, regarding those poor households that have been helped to become sufficient in food and clothing, we should continue the work of stabilization and consolidation to minimize the percentage of people that will return to poverty. Third, we should improve the conditions for developing production in poverty-stricken areas, promote their diversified operations, and strive to help make a success of their economic development so that the poor households in those areas will have a stable economic income after having enough food and clothing. Our target is to try to raise their per capita income from the present 315 yuan to 500 yuan. During the Ninth Five-Year Plan, we should proceed with full-scale economic development and change the poor and backward state of poverty-stricken areas on the basis of the achievements made during the Eighth Five-Year Plan. Once the people of our region as a whole are leading relatively comfortable lives, we should see to it that the poor households in poverty-stricken areas have initially cast off their poverty and most of them are able to lead better lives.

#### 7. The Important Role of the Production and Construction Corps Should Be Brought Into Full Play

The Production and Construction Corps is a main force for Xinjiang's economic construction, for its social stability, and for consolidating border defense and maintaining the motherland's unification. The central authorities have listed this corps as a unit with economic decision-making authority. This not only helps the corps to consolidate its position and display its role in the new

situation, but also promotes the modernization drive of our autonomous region. We should earnestly carry out the guidelines of this decision made by the central authorities, rationalize the relations between the corps and local authorities in economic and social development, implement the policies and regulations concerning economic decision-making authority, take the initiative to assist the corps in opening various channels for solving its actual problems, and create a favorable external environment for the corps' development. During the next 10 years and the Eighth Five-Year Plan, continued efforts should be made to carry forward the corps' spirit, keep to the direction of building advanced socialist state farms, and carry out the principle of taking agriculture as the foundation and developing a diversified economy to achieve all-around development. Under the unified planning by our autonomous region, it is necessary to do well in comprehensively exploiting our water and land resources and promoting the development of energy resources, transportation, and raw-materials and other basic industries. We should actively develop light industries, including textiles, as well as other industries, invigorate the circulation of commodities, and develop science, technology, education, and other social undertakings. We should deepen reform, expand the scope of opening up, and promote the sustained, steady, and coordinated development of the corps' economy.

#### IV. We Should Continue To Deepen the Reform and Further Expand Our Openness To the Outside World

Deepening the reform and further expanding our openness to the outside world is a fundamental way for us to achieve the second-step strategic objective. Reform is a self-improvement and development process of the socialist system and a powerful motivating force for our economic and social development. As stipulated in the "Outline (Draft)," during the next 10 years, we should adhere to the socialist orientation, meet the requirement for developing a planned socialist commodity economy, persist in integrating the planned economy with market regulation, focus attention on our region's strategic goal of economic development, rationalize the basic economic relations, deepen the reform of the overall economic system in a well-guided and step-by-step way, and gradually establish a new economic structure and a new economic operational mechanism full of vigor and vitality.

Our more than 10 years of reform efforts have liberated productive forces and promoted the development of our region's economy. However, it should be soberly noted that the development of productive forces in our region is still at a low level, our commodity economy is not well developed, nor has our market grown soundly. Hence, deepening the reform remains an arduous task. We should reinforce our determination to earnestly proceed with the reform, strengthen the leadership over this work, gradually increase the intensity of our reform efforts, and properly deal with the relationship between reform and development. On the one hand, our reform

measures and steps should be conducive to solving the striking problems and contradictions in our present and long-term economic development and should create favorable conditions for the sustained, stable, and coordinated development of the economy. On the other hand, our economic development plans should also provide a favorable environment for deepening the reform. In conducting various reforms, we should have an overall plan and coordinate the work in all fields. We should not only make the reforms conducive to the development of productive forces, but also take into consideration the capabilities of the state, enterprises, and the masses of people to withstand the impact of the reforms. Moreover, the reforms should be in the interest of the stability and all-around progress of our society. There are many similarities as well as many different features between our region and other provinces and regions. In deciding on our work of reform, the method to be applied, and the steps to be taken, we should do our best to assimilate the experiences of others and pay attention to bringing our reform in line with the nationwide reform program. At the same time, we should earnestly ensure that the reform we are carrying out is suited to our region's actual conditions.

The reform for the period of the Eighth Five-Year Plan should be aimed at continually consolidating and developing the fruitful results of improving the economic environment and rectifying the economic order. It should be carried out in close conjunction with the promotion of sustained, stable, and coordinated development of the national economy, the adjustment of the industrial structure, product mix, and enterprise organization, and the raising of economic returns. We should stabilize, improve, adjust, and make perfect the reform measures that have been put into effect, do well in experimenting with various reform-deepening work, and carry out coordinated reforms with regard to the planning, pricing, financial, banking, commercial, foreign trade, labor, and wage systems in order to accelerate the improvement of our economic operational mechanism. During the Ninth Five-Year Plan period, we will spend another five years in establishing a new, initial structure conducive to exploiting our region's favorable conditions with regard to resources, promoting the optimum utilization of productive elements, and developing the planned commodity economy. This will lay a good structural foundation for our region's economic prosperity in the next century.

The establishment of an economic operating mechanism combining planned economy with market regulation is the basic direction for deepening economic restructuring. In meeting the needs in developing a planned commodity economy in the coming decade, we should strengthen the forecast, planning, guidance, and regulation and control of social and economic activities of the whole region; maintain overall economic balance and relations among major ratio proportions and structural coordination; continuously improve the planned management method; better the system of overall balance in

national economy; and rationally readjust the scopes of mandatory and guided plans as well as market regulation and control at the right time. We should practice a guided plan or market regulation in the production and circulation of ordinary industrial and agricultural products in large quantity and implement a mandatory plan on the production, with state-allocated funds, of a few important products bearing upon the national economy and the people's livelihood. We should practice relative centralized management on investments on fixed assets involving major construction projects, allowing the ordinary construction projects and technical transformation items to be regulated by market factors under the guidance of state plans and industrial policies. On pricing, we should control the overall balance of commodity prices; strengthening, in stages, prices of the means of production and major agricultural and animal husbandry products; gradually narrow and even eliminate the double track pricing system for means of production; moderately narrow the scope of state-fixed prices; and enlarge areas of market regulation. Prices of a few key commodities and labor services should be fixed or guided by the state, leaving that of other ordinary commodities and labor services to remain liberal and subject to market regulation. We should correctly handle relations between centralization and decentralization, national unification and local uniqueness; and gradually establish a system of macroscopic regulation and control compatible with the national regional autonomy system.

Further strengthen the vitality of enterprises. Restructuring enterprises; switching their operating mechanism; and strengthening the vitality of enterprises, large and medium-sized enterprises in particular, are the central links in deepening economic restructuring. We should further implement a series of promulgated laws, regulations, and policies designed to enliven enterprises, including the "Enterprises Law;" make efforts to improve enterprises' operating mechanism and their outward economic environments; and help enterprises to solve their actual problems to markedly revitalize them within a relatively short period. We should conscientiously do a good job in the following fields: 1) We should perfect and develop the enterprise contracted management responsibility system; continue to stabilize and perfect the contracting methods by implementing relatively standardized overall contract with designated quotas; deepen reforms in enterprises' leadership structures and their operating setups with a view to setting up a mechanism and system that serves to stimulate technical transformation and development of new products; and implement, in a planned manner, the experimental system of "separating profits and taxation, repaying loans after taxation, and contract after taxation" with the purpose of accumulating experience and creating conditions for its gradual popularization. 2) We should persist in adhering to the principles of separating government from enterprises in terms of duties and responsibilities, appropriately separate ownership and rights of operation aimed at gradually turning the vast majority of the state-run enterprises into genuine producers and

operators of socialist commodities that enjoy independent operation and take their own responsibilities in profits and losses, safeguard enterprises' rights in managing their own affairs according to law, and realistically solve problems involving unreasonable apportioning imposed against enterprises. 3) We should make efforts to optimize the organizational structure of enterprises; actively develop enterprise groups; promote reorganization, association, and merging of enterprises according to industrial policies and in a planned manner; and nurture a host of enterprise groups having a competitive edge in domestic and even international markets. 4) We should deepen the enterprises' internal reform; persist and perfect the factory director (manager) responsibility system; correctly handle relations between factory director (manager) and enterprise party committee as well as between workers congress; perfect the democratic management in enterprises; wholeheartedly rely on the working class; improve systems respectively involving personnel, labor wages, distribution of retained profits, finance, accounting, and auditing; and realistically change the phenomena of "eating from the same big pot" and lax discipline. 5) We should, in the course of oil extractions, actively explore a new road aimed at fully arousing the enthusiasm of both the central and the local authorities, accelerating the opening up of oil fields, promoting the development of local economies, and helping the local people to shake off poverty and achieve prosperity.

Earnestly reform the commodity circulation system. We will continue to perfect and develop the consumer goods market; actively cultivate and enlarge the markets for the means of production, capital, technology, information, services and real estate; do away with regional and departmental barriers; and strive to promote the formation of a unified market. We will further deepen reform in the system of managing commerce as well as goods and materials, and fully develop the roles of state commercial enterprises, goods and materials enterprises, as well as supply and marketing enterprises as the main channels and reservoirs. We will stabilize and perfect the policy on commodity circulation, and effectively solve the difficulty in selling grain and wool. We will gradually improve circulation facilities, establish and perfect the system of regulatory funds and the system of reserves for important commodities. We will improve the organization and management of markets and formulate regulations accordingly to gradually develop the rules for market competitions and a normal market order. We will establish and perfect a system of conducting foreign trade in various forms at various levels. We will gradually develop a system of foreign trade management characterized by a unified policy, competition on an equal footing, independent operation, assumption of sole responsibility for profits and losses, and combination of trade with industry, agriculture, commerce, and technology. We will perfect the system for procuring export goods, the system of self-managed exports, and the agency system; and set up export risk funds, new

export products development funds, and export commodity base construction funds. We will do a good job in reforming the banking system, further reinforce the role of the people's banks at all levels as regulator and controller for the central bank, and develop the banking market.

Actively promoting reform in the housing system and social security system is an important measure for providing reasonable guidance for consumers, readjusting the production structure, deepening enterprise reform, and safeguarding the people's livelihood. It is an important way to ease unfair social distribution, maintain social stability, and smoothly promote reform in other areas. We should readjust public housing rents in a planned way, institute the system of rent deposits, sell public housing in a planned way, and build houses by pooling funds and through cooperative efforts; actively encourage individuals to build houses in an organized manner in counties and towns; and create favorable conditions to encourage individuals to buy houses. By implementing the measures mentioned above, we will gradually change the system of low rents and allocation of rent-free housing, and speed up the process of turning houses into commodities and private properties. We will gradually reform the system of old-age insurance, expand the scope of jobless insurance, implement a multi-tier social security system, and institute different forms of old-age security systems in rural areas. We will establish and perfect the industrial accidents insurance system and social welfare system, and protect the legal rights and interests of women, children, and the disabled. While stepping up the efforts to manage medical fees, we will appropriately speed up the reform of the medical insurance system, and promote cooperative medical insurance in rural areas.

To promote the socialist modernization drive in Xinjiang, it is imperative to open wider to the outside world. Xinjiang's economic strength is weak, its ability to open up new markets is low, and it lacks the needed funds and talented personnel. To fulfill the second-step strategic goal, it is imperative to speed up the process of opening to the outside world. Leaders at all levels should fully realize the importance and urgency of opening to the outside world; give priority to this work, which is vital to the strategy for developing the economy as a whole; and do their work in a down-to-earth manner. We should constantly heighten our sense of opening to the outside world, and undergo a big change in our mindset. Besides, we should strengthen propaganda among foreigners, and enlarge Xinjiang's influence at home and abroad, so that more people will understand Xinjiang. We should seek out and abolish all policies and stipulations that hinder opening to the outside world, formulate more flexible and attractive preferential policies, truly open our door, make use of the economic strength at home and abroad, open up domestic and world markets, and strive to make breakthroughs in trade and economic and technical cooperation at home and abroad in the near future.

We should continue to implement the policy of "opening to the outside world in an all-round manner, tilting toward the west, introducing investment from abroad and establishing lateral ties at home, and cooperating with the east in developing economic and trade relations with the west." "Opening to the outside world in an all-round manner" means we should, on the basis of mutual benefit, develop economic and trade relations with the capitalist countries, the Soviet Union and East European countries, and the developing countries. "Tilting toward the west" means we should, on the basis of consolidating and expanding economic and trade relations with the east, take full advantage of the favorable geographical position of this region and the state's preferential policy, especially the favorable condition of opening up the second Asia-Europe continental bridge, to actively develop markets in the Soviet Union, Eastern Europe, Western Asia, and the Gulf states (regions), and continuously expand and increase the proportion of trade with those countries and regions. "Introducing investment from abroad and establishing lateral ties at home, and cooperating with the east in developing economic and trade ties with the west" means, while opening to the west, we should strengthen cooperation with the eastern and central regions; we should give full play to the experiences accumulated by the eastern coastal regions and developed central areas in opening to the outside world during the past 10 years and their advantages in funds, technology, management, personnel and information; we should "borrow their experiences to serve our own goals" and cooperate with those regions in jointly developing the abundant natural resources of this region and jointly opening up bases for export commodities; and we should cooperate with those regions in setting up export-oriented processing enterprises and jointly open up new foreign trade channels and international markets. At the same time, we should also take advantage of the present opportunity to further cooperate with the coastal regions in the east to jointly develop new and high-grade products with competitive power in the market. We should develop foreign trade through the "connections" of the coastal regions in the east. In this way, we can develop economic and trade relations with both the east and the west in a complementary manner and raise this region's opening to the outside world to a new high level.

We should bring every positive factor into play, develop foreign trade, regional trade and border trade, and promote foreign trade in a flexible and diversified manner through various forms. We should rationalize relations between export-oriented production enterprises and foreign trade departments, and whip up the enthusiasm of border prefectures. We should further implement various export policies and do a good job in the construction of bases for producing export commodities. We should actively adjust the structure of export commodities and raise the quality of export commodities. We should actively and prudently expand the utilization of foreign funds. We should boldly absorb foreign investment so long as it has reliable benefits and is

rational. While improving the management and building of existing and new trading ports, we should actively open up the Urumqi Economic and Technological Development Zone and develop its role as a window, bridge and base of opening to the outside world. We should fully utilize the abundant tourist resources in this region to vigorously develop tourism with Xinjiang's special characteristics and increase our ability to earn foreign exchange through tourism.

While further opening to the outside world, we should extensively develop lateral economic association and technological cooperation at home in various fields, at various levels and through various forms based on the principle of "mutually sharing profits and risks and learning from others' strong points to offset one's weaknesses." We should fully utilize the vast domestic market to promote the development of commodity economy in this region.

#### V. On the Questions of Social Development

The "(draft) Outline" of the 10-Year Program and the Eighth Five-Year Plan has embodied the central task of economic construction, emphasized the coordinated national economic and social development, and put forward the requirement for consolidating and developing the political situation of stability and unity and strengthening the building of socialist spiritual civilization. Several main questions are briefly explained as follows:

1. Earnestly strengthen political and legal work, and uphold political and social stability throughout the autonomous region.

Safeguarding stability and unity, and maintaining social stability are the prerequisite and guarantee for the smooth implementation of the Ten-Year Program and the "Eighth Five-Year Plan." Persevering in the people's democratic dictatorship is an important aspect in upholding the Four Cardinal Principles, and its importance equals that of the other three principles. It is necessary to strengthen our state apparatus, and earnestly strengthen political and legal work, as well as the forces engaged in such work. We should be highly alert; resolutely deal a blow to infiltration, subversion, and sabotage activities carried out by international and domestic hostile forces; and prevent as well as promptly deal with unexpected events. It is necessary to continue to move in accordance with the law to heavily and quickly deal severe blows to criminal offenders who seriously jeopardize public order. It is also necessary to severely punish criminals involved in serious economic crimes in accordance with the law, continue to launch activities to "fight pornography," and curb the "six vices" with resolve. We should uphold the principle promoting combined efforts between special organs and the masses, and implement the principle of "holding the person in charge responsible." All localities, departments, and units should control their people; govern their own sections efficiently, perform their tasks, and

launch full-fledged efforts to strengthen the comprehensive administration of public order. We should prevent and reduce occurrences of crimes, and maintain social stability and good order. People of all nationalities should be educated so that they observe discipline, abide by the law, conscientiously uphold public order, and boldly combat all phenomena that jeopardize public order. It is essential to strengthen education on national defense and on deep affection for the People's Liberation Army [PLA]. Efforts should be made so that people of all nationalities have more of a sense of national defense, as well as more awareness concerning upholding unity between the Army and the government and between the Army and the people. We should effectively construct the people's armed forces. We should also fully enhance the functions of the PLA, the armed police forces, and the public security cadres and police stationed in Xinjiang, who act as the staunch mainstay in the construction and protection of the autonomous region. It is necessary to further perfect border defense and public security organizations, intensify control and supervision of border stations and passageways, and further strengthen border defense.

## 2. Devote Attention to and Strengthen the Construction of a Spiritual Civilization

The construction of a high level of socialist spiritual civilization is a fundamental task in building socialism with Chinese characteristics, as well as an important guarantee that promotes the construction of material civilization. In the face of ever-changing international situations and arduous and complicated construction and reform tasks, governments at all levels should unswervingly implement the principle focusing on the two civilizations, and earnestly ensure the construction of the socialist spiritual civilization in our autonomous region.

Intensifying the construction of the socialist spiritual civilization means educating our people to become ethical and educated socialist citizens who have lofty ideals and a high sense of discipline, so that the political awareness, ethical sense, and scientific proficiency of the entire Chinese nation can be upgraded. We must exert unremitting efforts to help people of all nationalities in Xinjiang uphold the Four Cardinal Principles and become better educated people who have a firm socialist conviction, firmly adhere to the socialist course, are highly patriotic, take the initiative to safeguard national unification and strengthen national solidarity, have noticeably higher political awareness and a greater ethical sense, are more conscious of the need for reform and opening to the outside world, have a stronger sense of law and discipline, love to work, and respect science. Ideological and moral construction is the soul of the spiritual civilization, and the essence and the direction of the spiritual civilization. Rectifying the phenomenon of "being tough on the one hand and soft on the other" refers primarily to intensifying ideological and moral construction. Upholding and carrying forward the party's fine tradition of doing ideological and political

work, and keeping in mind that Xinjiang is a frontier region where people of various nationalities live in compact communities, we must study earnestly and come up with a special law for conducting political and ideological work in a new period marked by reform, openness, and development of commodity economy. We must also make constant efforts to sum up our experiences so that ideological and political education will yield effective results among the people. We must firmly educate people throughout Xinjiang on the need to uphold the Four Cardinal Principles and resist bourgeois liberalization, so that Xinjiang's economic construction, reform, and openness programs can proceed along a correct course. We must also broadly educate the people about patriotism, collectivism, socialism, basic party lines, basic national and regional situation, Marxist concepts of ethnicity and religion, self-reliance, diligence, frugality, and hard work as well as socialist and professional ethics, so that we can use these common ideals to rally people of all nationalities in Xinjiang to plunge into the great cause of developing and building up Xinjiang and contributing more to the state. We should continue to carry out all types of emulation drives, especially drives to turn our cities into civil cities, and drives to provide good services, promote good order, create a good environment, and emulate the deeds of Lei Feng-typed personages. We should continue to encourage the people, the Armed Forces, the police, units under the Xinjiang Production and Construction Corps, and local authorities to turn their units into civil units so that we can create a society in which people make it a practice to aim high and pursue what is healthy and civilized. Young people are our hope and future. Governments at all levels must display a higher sense of responsibility and urgency in educating young people to become socialist-minded people, and they must intensify ideological and political work in all schools. They must intensify ideological education among the vast number of young people, beginning with little boys and girls, and heighten the political and ideological level of all educators and education recipients. They must also closely integrate school, family, and social education with self-education, so as to cultivate competent builders of our socialist cause and their successors.

As an important part of the construction of the socialist spiritual civilization, our educational, scientific, and cultural construction and our ideological and moral construction must help each other forward so that together they can expedite the construction of our socialist material civilization. If we fail to improve the scientific and educational proficiency of people of various nationalities in Xinjiang, we will not be able to achieve our socialist modernization. We must continue to develop journalistic and publishing services, radio and television broadcasting, and the creation of literature and art, and strive to revitalize our sports activities. We must promote public health and medical services, especially those in rural and pastoral areas. On the basis of summing up the basic experiences gained in the past decade, the Draft Program has set forth a full array of

effective policies and has provided specific plans for the development of scientific and technical education and cultural development. Governments at all levels must attach great importance to scientific and technical education and cultural work and strive to accomplish this formidable but glorious mission.

In order to attain the second-step strategic objective of this region in the next decade, we must attach greater importance and give full play to the role of intellectuals of various nationalities in building the two socialist civilizations. Governments at various levels should strive to improve the working and living conditions of intellectuals and, what is more important, show concern for their progress and growth politically. We should gradually establish and perfect policies and systems which are conducive to promoting the growth of capable people. We should encourage a person to utilize his talent to the full and foster a good custom of truly respecting knowledge and talented people in the whole society. We should fully whip up the enthusiasm and creativeness of intellectuals, encourage them to go down to the grassroots level and deep into the reality of life to understand the regional situation and to take on the road of integrating themselves with the masses of workers and peasants, and have them make greater achievements in the economic construction and social development of this region and make greater contributions to the party and the people.

### 3. We Should Strengthen the Building of the Socialist Democracy and Legal System

One of the important goals of socialist construction is to establish a high degree of socialist democracy. Only by fully developing the socialist democracy can we most extensively mobilize and rely on the people and promote the development of the socialist modernization. We should follow the unified arrangements of the party Central Committee and actively and properly promote the reform of the political structure in light of the actual situation of this region. We should establish and improve the procedures and systems of making decisions and exercising supervision in a democratic manner. We should also establish a leading system which will be conducive to raising efficiency in work and whipping up the enthusiasm of all sides. To insure the realization of making policies in a democratic and scientific manner, governments at various levels must consciously accept the supervision of people's congresses and their standing committees at the same level. We should also pay attention to developing the role of the Chinese People's Political Consultative Conference, various democratic parties and mass organizations in taking part in government affairs, providing consultative services and exercising democratic supervision in the autonomous region's political activities. We should expand democratic channels, further expand and implement democracy at the grassroots level, modestly listen to opinions and demands of people of various nationalities, and protect citizens' democratic rights. We should improve

the democratic management system of various enterprises and the system of self-autonomy for villagers. We should enhance citizen's consciousness and ability of discussing and taking part in government affairs. We should further improve administrative management systems and straighten out relations among government departments at various levels. We should reform the personnel system for cadres, streamline government organizations, reduce administrative levels and unnecessary personnel, improve workstyles, and raise work efficiency.

We should vigorously strengthen the building of the legal system, use law to rationalize economic relations and social activities, defend the social order, and consolidate the achievements of reform. Departments concerned should hasten the drafting of necessary laws, rules and regulations for the autonomous regions. At the same time, it is also necessary to formulate some administrative statutes in accordance with the law in order to carry out administrative work in a standardized manner. We should strengthen judicial work, improve law enforcement activities, and protect judicial organizations' independent power in enforcing law. We should continue to do a good job in publicizing the legal system, extensively conduct education on knowledge of law and observing law for leading cadres at various levels and people of various nationalities, and raise the citizen's consciousness of law. All government functionaries should be models in understanding and observing the law, carrying out administrative work in accordance with the law, and strictly executing the law. Through incessant efforts, we should be able to do things in accordance with the law, including all political, economic and social activities in the autonomous region. We should insure that laws are obeyed, enforcement is strict, and lawbreakers are prosecuted in promoting democracy and exercising dictatorship.

### 4. Further Promote the Building of a Clean Government, Truly Improve Leadership Style and Work Style

To forever maintain close ties between the government and the people of all nationalities, it is imperative to promote the building of a clean government, and to thoroughly carry out the struggle against corruption. This work has become especially important in the course of economic development, reform and opening to the outside world. We will strengthen ideological education and formulate rules and regulations. The government is the people's government. Government employees, as servants of the people, must diligently perform their duties, be honest, work selflessly for the public interest, wage hard the struggle, and serve the people wholeheartedly. They should consciously resist all malpractice and resolutely oppose extravagance and the tendency to seek pleasure. To build a clean government, we should start with the leading organs and cadres. The higher-level organs should set an example for the lower-level organs. Leading cadres should set an example for ordinary cadres and masses. Leading cadres at all levels should set strict demands for themselves, set good examples, and

take the lead in observing discipline and the law. Participants in economic and other crimes, who have abused power for selfish gains or bent the law for the benefit of relatives and friends, should be resolutely punished according to the law once their crimes are uncovered and confirmed. They should never be condoned no matter how high their positions are. Those who have serious bureaucratic tendencies, and whose neglect of their official duties constitutes the crime of malfeasance should be held accountable for their wrongdoings. Those who do not follow orders or observe prohibitions and who violate the law and administrative discipline should be strictly dealt with. At present we should pay close attention to handling the big and important cases. We should vigorously consolidate and resolutely rectify malpractice in all departments, trades and professions, including the unlawful acts of law enforcement departments and supervision organs. We should bring out the role of law enforcement and supervision departments, encourage and support the organs of public opinions and the masses to open exercise supervision so as to resolutely and effectively combat all violations of the law and discipline, and enable Xinjiang to score marked results in its efforts to build a clean government.

We should strive to improve leadership style and work style. Leading organs and cadres at all levels should cut down on meetings, speeches, and documents; should persist in taking the ideological line of seeking truth from facts; constantly reach out to the grass roots and the masses; conduct investigations and studies; understand the masses' weal and woe; earnestly solve the practical problems of greatest concern to the masses; and dutifully perform more practical deeds for the people of all nationalities. They should be encouraged to keep the overall interests in mind, coordinate their actions, and demonstrate a strict, meticulous and down-to-earth work style. They should resolutely oppose departmentalism characterized by concern about immediate and partial interests without regard for long-term and overall interests. Governments and their functional departments at all levels should further establish and perfect the rules and regulations, improve the personal responsibility system, and change the bureaucratic style of procrastination in handling business and documents. In handling matters within their jurisdiction, their should boldly take up responsibility, and fully develop their initiative and enthusiasm, without shifting responsibility to others and wrangling. By making unremitting efforts, we will build our government agencies at all levels in Xinjiang into highly efficient, honest, practical and innovative functional bodies.

#### 5. Carry Out Family Planning, and Strictly Control Population Growth

The next decade will see a peak period in child-bearing among the autonomous regional population. If we fail to persist in implementing family planning, population growth will exceed planned targets, and it will then be difficult for us to attain the goals formulated in the outline. The "Outline" stipulates that by the turn of

2000, the population of the whole autonomous region should be controlled under 18.60 million people and the average natural growth rate of the population controlled below 19.7 per thousand—an extremely arduous task. Governments at all levels should give prominence to family planning, and earnestly and effectively concentrate on the task. We should continue to conduct education and propaganda work on the basic state policy on family planning on a grand scale, so that the great numbers of cadres as well as people of all nationalities realize that the thriving and prospering of a nation is mainly determined by the quality, not quantity, of its population. It is necessary to regard accomplishment of family planning work as an important yardstick for measuring the performance of the government at all levels in their official duties. It is also necessary for all levels of authorities to implement a responsibility system for achieving population control targets, so that policies and measures related to family planning are fulfilled by even the grass-roots. We should speed up the construction of a three-level service network, and earnestly ensure the investment of the necessary funds. It is essential to deal severe blows to the criminal elements who jeopardize family planning, and make sure family planning workers carry out work as usual.

#### 6. Strengthen Unity Among Nationalities, and Further Consolidate and Develop the Excellent Situation Marked by Stability and Unity

The overall situation in Xinjiang is marked by ethnic unity, which is the necessary prerequisite and basic guarantee for accomplishing all work. A valuable experience gained through Xinjiang's socialist revolution and construction is the persistent upholding of the party's nationality policy and of the great unity of all nationalities. In addition to attaining the goals and accomplishing the tasks proposed by the "Outline (Draft)" for the next decade, we should give priority to the great task of implementing the party's nationality policy and strengthening ethnic unity. We should also hold high the banner that shouts "long live the great unity of nationalities;" further strengthen and develop socialist nationality ties that promote equality, mutual aid, unity, cooperation, and common prosperity; continue to develop an excellent situation for promoting unity among Xinjiang nationalities; and make new contributions to promote the vitalization of the motherland's big family and common prosperity and progress among all nationalities.

In order to strengthen national unity, the most fundamental thing is to persistently conduct education on the Marxist concept of nationality affairs, the party's nationality policy, and the importance of national unity among cadres and masses of all nationalities—and to arm the minds of the broad masses of cadres, staff members and workers with the contents of Marxist concept of nationality affairs, which was stressed by comrade Jiang Zemin when he inspected Xinjiang. We should educate the broad masses of cadres to stand on the side of the proletariat and people of various nationalities, proceed

from the basic interests of people of various nationalities, and consider the work of promoting the great unity of people of various nationalities as their own sacred task. Cadres of various nationalities should strive to understand and learn how to use the stand, viewpoint and methods of Marxism-Leninism to observe, study and handle nationality problems. They should truly understand that "people of the Han nationality and minority nationalities are inseparable," truly link their hearts, and share weal and woe. Cadres of various nationalities are the basic force in promoting national unity. Therefore, we must strengthen the unity of cadres of various nationalities. Cadres of minority nationalities and Han nationality alike should all trust and respect each other, learn from each other, support each other, understand each other, and be models in promoting unity and cooperation. We should continue to unfold activities for building model counties in promoting unity between armymen and the people and of creating model units and advanced individuals in promoting unity among people of various nationalities. We should unfold these activities in a solid manner in the spirit of seeking truth from facts. We should set high standard and demand, create new experiences, and further improve our work. Advanced and model units of national unity should continue their efforts to further improve their work of promoting national unity and constantly make new contributions to enhancing national unity in the autonomous region. We should continue to do a good job in promoting unity between the Army and the government and between the Army and the people, foster the thinking that people of various nationalities cannot do without the Army and the Army cannot do without the people of various nationalities, vigorously support the construction of various Army units, strengthen the national defense concept of people of all nationalities, actively unfold activities of building civilized units jointly by the armymen and the people and of "supporting the army and giving preferential treatment to military dependents and supporting the government and cherishing the people." We should strengthen unity between the Production-Construction Corps and various localities and between state enterprises and local enterprises. We should work with concerted efforts to build up Xinjiang.

The implementation of the "Law on Regional National Autonomy of the People's Republic of China" and the party's policies on nationality affairs is an important guarantee for us to do a good job in nationality affairs. We should further implement various stipulations of the Law on Regional National Autonomy and constantly improve the system of regional national autonomy. We should constantly inspect the situation of implementing the party's policy on nationality affairs and solve existing problems in a prompt manner to insure the solid implementation of the party's policies on nationality affairs.

We shall implement the party's policy on religious beliefs in an all-around way. While protecting the citizens' freedom of religious belief, we must also protect their

freedom not believe in religion and not to participate in religious activities. In places where the majority of the people are not religious believers, we should respect and protect the right of religious believers, and in places where the majority of the people are religious believers, we should respect and protect the right of the minority nonreligious believers. It is necessary to strengthen the management of religious activities and places in order to protect normal religious activities and the legitimate rights and interests of religious believers. Religious activities must be conducted within the scope permitted by the Constitution, laws, decrees, and policies. Religion's interference with the publicizing of Marxism-Leninism-Mao Zedong Thought is not permitted; nor it is permitted to interfere in state administration, law enforcement, education, culture, marriage, and family planning. Restoration of the abolished feudal privileges for religious institutions and the system of oppression and exploitation is not permitted. We shall adhere to the independent principle for developing education and oppose external interference and infiltration.

This year is the first year of the 10-Year Program and the Eighth Five-Year Plan. This year we shall continue to carry out the effort to improve the economic environment, rectify the economic order, and deepen the reform. It is very important that we do our work well this year. We shall continue to enhance agricultural development in a bid to bring about the 14th consecutive bumper harvest year for agriculture and animal husbandry; successfully launch a campaign for the "Year of Quality, Variety, and Efficiency" and strive for a notable increase in efficiency on the basis of maintaining an appropriate growth rate; do a good job in reforming financial work on an experimental basis at selected units; continue to launch the double increase and double economy drive, improve taxation work, and do everything to fulfill the revenue plan; continue to advance the campaign to improve the economic environment, rectify the economic order, and deepen the reform, and open wider to the outside world. In particular, we should strive for essential advancement in invigorating state-run large and medium-sized enterprises and in opening to countries west of Xinjiang; further attach importance to and develop science, technology, education, and other social undertakings, and accomplish the first step objective of invigorating Xinjiang through the application of science and technology. We shall improve and strengthen ideological and political work, firmly grasp the building of a spiritual civilization, do nationality and religious work well, strengthen unity among all nationalities in order to safeguard the unification of the motherland; we shall strengthen the comprehensive efforts to improve public order and severely crack down on criminal activities in order to maintain social stability. In short, we shall earnestly implement the guidelines of the fourth party congress of the autonomous region and mobilize the people of all nationalities in the region to successfully accomplish all fields of work in the first year of the 10-Year Program and the Eighth Five-Year Plan.

Deputies!

Our tasks of national economic and social development for the next 10 years are arduous. Accomplishing these tasks is a glorious mission history has bestowed on us. Rallying around the party Central Committee with Comrade Jiang Zemin as the nucleus, we shall pluck up spirit

and work enthusiastically and soundly with one heart and one mind to win a greater victory for Xinjiang's socialist construction and to fulfill its 10-Year Program and Eighth Five-year Plan for National Economic and Social Development!

We shall certainly attain our objective!

NTIS  
ATTN: PROCESS 103  
5285 PORT ROYAL RD  
SPRINGFIELD, VA

2

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

#### SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.