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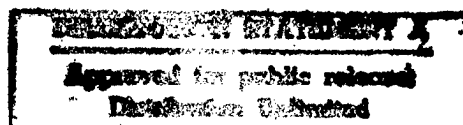
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7 October 1982

China Report

AGRICULTURE

No. 231



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I. GENERAL INFORMATION

CONFERENCES ON AGRICULTURAL ECONOMY HELD

Beijing NONGYE JINGJI WENTI [PROBLEMS IN AGRICULTURAL ECONOMICS] in Chinese No 7, 1982, pp 47-56

[Article: "Discussion on How Agriculture Can Put Into Effect a Program of 'Taking a Planned Economy as the Key Link With Market Regulation Being Supplementary'; Chinese Agricultural Economics Society Convenes Beijing Region Academic Discussion Meeting"]

[Text] On 20 April and again on 14 May, the Chinese Agricultural Economics Society held two Beijing area academic discussion meetings, which discussed how agriculture can carry into effect a program that "takes a planned economy as the key link with market regulation being supplementary." Excerpted remarks of some comrades at the meeting are published below.

Liang Xiufeng [2733 4423 1496] (Economics Institute, State Statistical Commission): How should more than 30 years of agricultural planning work in China be evaluated? Practice is the sole criterion for judging truth. In a situation of large population relative to available land, we substantially solved the food and clothing problem for 1 billion people. This is a tremendous achievements in China's economic construction, and it is also a tremendous achievement in the development of agriculture. Therefore, in an overall sense, China's agricultural planning work has scored very great achievements. However, it has gone through a tortuous course.

Beneficial experiences in China's agricultural planning have been the following:

1. It has proceeded from China's realities, with emphasis on the analysis and study of conditions for development of agriculture (production relationships, production forces, and the superstructure) to set workable agricultural development goals and speed of development. For example, in formulating the first five year plan, we adopted an attitude of comparatively seeking truth in facts, and after mastering a large amount of data, we diligently summarized and analyzed major pertinent factors and realized that for some time in the future. China's speed of agricultural development could generally be no greater than four or five percent, and that speed of grain development could generally be no more than three or four percent. Third years practice has demonstrated that the results of such an attitude, methods and analysis in studying and planning were appropriate.

2. Conscientious implementation of the guiding mentality of taking agriculture as the foundation and shifting the work of economic departments to the track of taking agriculture as the foundation. On the one hand we arranged

the speed of economic development and the scale of national construction, making sure they corresponded to the ability of agriculture to bear them. On the other hand, in the distribution of manpower, material, and financial resources, we first insured the needs of agricultural development.

3. In order to assure basic agricultural products needed for national economic development, we adopted measures for the implementation of planned procurement (centralized procurement) of major agricultural products, which were supplemented by grain award sales and reward price policies. These both placed specific demands on the development of agriculture and the distribution of agricultural products, placing them on the track of state plan, and by and large assured normal economic life and the basic stability of market prices.

4. Attention to requirements of the laws of value in terms of the economic development situation, with planned appropriate readjustment of purchase prices paid for agricultural products and a gradually reduction in the price "scissors" between industrial and agricultural products to promote agricultural development.

5. Formulation of agricultural plans and organization of the realization of agricultural plans. Attention was given both to agricultural product procurement policies, agricultural procurement price policies, agricultural investment policies, rural loan policies, and agricultural means of production supply policies, and the linking of various kinds of organizational work, technical work, and ideological and political work to assure plan implementation and fulfillment.

The main problems in China's agricultural planning work are as follows:

1. Generally overly high agricultural production quotas. In most years, major tasks for the year have not been fulfilled.

A look at the four big production quotas for grain, cotton, oil-bearing crops and live hogs shows that for more than half the years, annual plan tasks for grain and live hogs were not fulfilled. For cotton and oil-bearing crops, in about three-fourths of the years, annual plan tasks were not fulfilled.

2. Insufficient unified planning with due consideration for all concerned, and comprehensive arrangements in agricultural plans. Principally in the relationships among production, construction, and daily life, and among the country, the collective and commune members, in most years handling was not sufficiently satisfactory. In some years production developed and construction expanded, but peasant living standards did not improve. In some periods state purchase tasks were inequitable and burdens were overly heavy to the serious impairment of peasant enthusiasm for production. In some periods, output of farm products increased, but fulfillment of farm product state purchase plans and allocation plans was poor to the detriment of national economic construction.

3. Equitable use and protection of agricultural resources has been done poorly causing a deterioration in basic conditions for agricultural production and imbalance in the natural ecological environment, which bring in their wake serious consequences for development of agricultural production.

4. In the direction of agricultural development, failure sometimes to give attention to the principle of adaptation of general methods to local situations with excessive and stifling control; at other times a loosening of plan guidance and a tendency toward development of liberalism. The former was a major tendency in the past; the latter is a major tendency now.

The several principles that should be adhered to in future agricultural planning work are as follows:

1. Ours is a socialist country in which development of agriculture must be done under the direction of unified national plans with implementation of a program in which the planned economy is paramount and market regulation supplementary.

2. Specific forms and specific content of agricultural plan management will differ in accordance with different times and different circumstances. China's agricultural production circumstances have determined that adoption of overly concentrated management methods are not suited to agriculture. At the same time, in order to assure both the needs of the people's daily lives and economic stability, it is necessary to institute vigorous plan management over production and procurement of certain major agricultural products.

3. Improvement and strengthening of agricultural product procurement plans, correctly handling relations among the country, the collective and commune members. For major agricultural products in extremely short supply, it is necessary to formulate state purchase quotas that must be fulfilled. Base figures for state purchases may not decline further, and the proportion purchased at negotiated prices cannot increase further. For major agricultural products for which supply is temporarily greater than needs, maximum procurement limits should also be properly set in accordance with actual circumstances. In addition, one must realize that, in an overall sense, agricultural products in China are never enough. One should not, upon seeing a temporary increase, proceed to institute senseless excessive restrictions.

4. In grain production, under no circumstances can there be a slackening of leadership, and is necessary, at the same time, to give attention to development of economic diversification. As regards the problem of how to control the grainfield area, this must be linked to production plans and state procurement quotas.

Zheng Linzhuang [6774 2651 5445] (Beijing Municipal Agricultural Economics Society): Let me give you a briefing on some discussions of the Beijing Municipal Agricultural Economics Academic Discussion Exchange Meeting on the application to agriculture of putting into effect a program of "taking a planned economy as the key link with market regulation being supplementary."

1. On the issue of agriculture plan

(1) Though socialist public ownership provides conditions for the possibility of instituting a planned economy, in order to translate the possibility into reality, it is necessary to act on the basis of agricultural production characteristics so that plans are truly established on a scientific foundation. First of all the circumstances have to be understood, and all data pertinent to agricultural production, requirements, transportation and marketing, etc. have to be understood. In order to achieve this goal, not only is it necessary to understand agricultural circumstances per se, but also to understand other economic areas related to agriculture, and even circumstances in the political and social realms. Not only is it necessary to refer to present and past circumstances in formulating plans, but it is also necessary to make scientific forecasts about circumstances that may crop up during the period of time when the plan is in operation, using these as parameters to formulate plans. Secondly, during the period of operation of the plan, it is necessary to make changes in plans that are commensurate with changes in circumstances. Not only in agricultural production plans, but also in plans for procurement of agricultural products, for agricultural loans, for the agricultural means of production, etc., it is necessary to make corresponding changes. Some comrades have noted that for agricultural plans to be scientific, the following work has to be done: There has to be a correct guiding mentality; good zoning of the agricultural economy on the basis of surveys and studies; an overall balance of manpower, financial, and material resources, and of supply, production, and marketing; and good forecasting work.

(2) On the issue of plan quotas. Some comrades suppose that our agricultural economy is a collective economy collectively owned by the laboring peasants, that profits and losses from operations are the responsibility of commune members, and that commune members have the right to distribute their own products. Thus, in carrying out plans, it is necessary to give communes and brigades fairly great self-determination, and plans of a command nature may not be implemented. Some other comrades believe that crops such as grain, oil, and cotton are major products closely related to the national economy for which direct plans of a command nature should be instituted to assure sufficient output to satisfy the needs of economic development and the people's livelihood. For the production and marketing of ordinary crops, indirect plans that are in the nature of guidelines may be instituted. In the institution of plans in the nature of guidelines, numerous comrades noted that general use of an agreement system is a workable method. Some comrades pointed out that with institution of an agreements system stifling regulation and binding producers hand and foot cannot take place.

For example, in the production of varieties, one need only stipulate the amount of a major category (as for example grain); there is no need to specify amounts of each and every variety (such as rice, wheat, corn, gaoliang, etc).

Some comrades said that frequently when growing area quotas were handed down, it was not possible to attain the goal of assured output. Today we can only require of agriculture that it provide required amounts of commodity products; consequently, it is enough to hand down procurement quotas for major commodity products (such as cotton, grain, and edible oil). As to how to fulfill quotas, let production units decide themselves on the basis of their own actual circumstances. Still other comrades pointed out that in a situation in which prices for agricultural products cannot move, and in which economic regulatory methods such as revenues and loans are not complete, if plan goals are to be guaranteed fulfillment, it is certainly necessary to employ controls over growing areas, otherwise plans could come to naught.

(3) On the issue of the planning system. Delegates to the meeting unanimously pointed out that at the outset our agricultural planning system was an imitation of the Soviet model, but that during the past 30 years many important lessons of experience have been learned through practice. It is on the basis of these lessons of experience that reform of the prevailing agricultural planning system must be carried out. Some comrades noted that a look at the experiences of other countries that practice planned economy shows that the general tendency in reform of agricultural planning systems is for the state to liberalize direct control of a command nature in a gradual transition to indirect planning. Reform of China's planning system should also adopt this orientation. This means the gradual liberalization of state interference requiring full use, in accordance with economic laws, of the economic levers of prices, revenues, and loans to regulate the agricultural economy. Thus, reform of the agricultural planning system requires first of all a perfection of state plan regulatory methods. Currently prices, revenues, loans, economic legislation, agreements, and such economic methods in the country's agriculture are still very imperfect. Under these circumstances, we not only have to study what is the best system to adopt under any given condition, but we also have to study the problem of how to make the transition from the original system to the new system.

2. On the issue of market regulation

(1) Comrades attending the meeting affirmed, first of all, that so long as the commodity economy exists during the period of socialism, the relationship among production, laws of value, and currency will still play a role. Therefore, market regulation has to be used to give impetus to the development of the socialist economy.

(2) The central issue in market regulation is how to use prices to effect regulation, which means, in fact, price regulation. The greatest problem in China's use of the method of "market regulation" in agriculture is that the various price proportions have been set very inequitably, and prices have not been readjusted promptly on the basis of changing circumstances.

Bao Yongjiang [0545 3057 3068] (Economics Institute, Tianjin Municipal Academy of Social Sciences): Formerly agricultural planning work was centralized to death. Everyone is familiar with "arbitrary uniformity" and

such shortcomings. During the past several years following the gradual enlivening of the rural economy, some problems also cropped up in agricultural planning, principally loss of control. As manifested in production, actual production frequently has had nothing to do with plan arrangements. For example, flue-cured tobacco growing area increased, but production of crops for which costs were high and profits low (particularly the grain growing area) decreased. As manifested in the realm of circulation, production and marketing were frequently out of kilter. Overstocking occurred for products for which markets had small capacity (such as rapeseeds or edible sunflower seeds) while some commodities in extremely short supply (such as eggs, and fish) could not be bought at time. People do not hold identical views on these situations.

Some people supposed that this was the peasant's "liberalization trend," specifically manifested in "great work when profits are great, little work when profits are small, and no work when there is no profit," and that the solution lay in future strengthening of "planned regulation," with "planned regulation" meaning, "You arrange production as I say, and you sell as I say," and there is no other way than this.

We want to ask, just why did loss of control occur during the past several years? I believe there are three reasons:

1. Improper regulatory measures that could not meet the needs of the commodity economy under the two market conditions of development of a diverse ownership structure and two kinds of prices. No matter whether in the collective economy or the privately retained economy, except for the portion for self-sufficiency in consumption, peasant development of production and participation in exchange is done for the purpose of gaining commodity value as a way of making a living and a means of getting wealthy. The various actions we have taken since the Third Plenary Session of the 11th Party Central Committee to enliven the rural economy have been, in fact, a recognition of the necessity of looking after the peasants' economic welfare. Nevertheless, many of our specific policies did not suit these circumstances and were promptly changed. To take hog and egg production in Tianjin, for example, regulations prohibiting or limiting the raising of hogs and chickens were abolished and farmers' markets liberalized, yet in award sales policies for procurement, some of the former regulations on separate treatment of the collective economy and the privately retained economy or even bias against the privately retained economy were still maintained. For example, for every jin of hen's eggs peasants sold, they were allowed an award sale of 1 jin of grain and payment of 1 yuan, and for every 200 jin hog they sold, they were allowed an award sale of 250 jin of grain. When collectives sold 1 jin of hen's eggs, they got 3 jin of grain and payment of 1.16 yuan, and when they sold a 200 jin hog, they got an award sale of 415 jin of grain plus an 8 yuan subsidy. When state farms sold 1 jin of hen's eggs, the award sale of grain was 4 jin and 1.16 yuan was paid; when they sold a 200 jin hog, the award sale of grain was 790 jin, and they got an additional 8 yuan subsidy. Some articles rebuked rural communes and brigades for not producing and not wanting the produce farm products on which they lost money. I believe we ought to check up on our regulatory functions to find out why regulatory action cannot be taken to solve this problem with losing money?

2. Organizationally, as a result of the separation of departments, mutual wrangling frequently occurs, efficiency in getting things done is low, and ability to regulate is poor. Take the development of households specialized in the raising of livestock, for example. In the spring of 1981, the Tianjin CCP Committee made various specific regulations, yet because of the large numbers of departments involved plus lack of common understanding, many actions were delayed and could not be implemented. The former regulation allowing the borrowing of ripe grain during the time chickens were growing to maturity, the grain being deducted when egg deliveries were subsequently made was revoked (and most recently restored); supplies of young chicks, mixed feeds, and poultry medicines were intermittent, and some places refused to sign marketing agreements with specialized households, and refused to provide grain or money subsidies in accordance with regulations. In consequence, quite a number of specialized households faltered. Thus, when the time came for new chickens to produce eggs (the slack season in egg production), we tried to get them to make deliveries and to sign contracts, but quite a few specialized households refused. They took their eggs to farmers markets and sold them. Who is to blame for this?

3. Imbalances in the production structure, steady deterioration of the farmland ecological system, rising costs in agriculture, increasing investment, and frequently creeping decline in output and earnings. Some published materials blamed communes and brigades for not wanting to invest in the capital construction of their vegetable gardens when the fact was that the area reserved for vegetable growing in Tianjin had been cut back. Survey shows that gross income from Tianjin vegetable fields averages 318.50 yuan per mu, and net income averages 154,000 yuan per mu.¹ Cost of plastic enclosures runs to 1,304.68 yuan per mu and earnings are 1,465 yuan, net earnings being only 160.32 yuan.² The additional investment is not matched by additional income. Vegetable output for the city as a whole averaged 5,676 jin per mu in 1957; in 1980, it was 6,503 jin for an increase of only 11.5 percent. This shows that during the past 2 or 3 years, we have not been able to help peasants increase production. Under these circumstances, if the peasants do not want to increase investment in order to develop production on lands reserved for the growing of vegetables, who is to blame?

1. Data provided by Non-staple Food Department, Municipal Agricultural Commission
2. According to a survey done at Third Production Team, Hezhuang Brigade, Shuanggang Commune in the southern suburbs.

How can the principle of taking the planned economy as the key link with market regulation being supplementary be carried into effect? Some comrades simplistically suppose that plant regulation means "listen to me," and that market regulation means "listen to you." By proceeding from this notion, recently a situation of "arbitrary uniformity" that takes no account of peasant interests has again emerged in assigned procurement and assigned livestock raising work. For example, for close-in suburbs having no private plots that normally eat

commodity grain, vegetable garden brigade commune members having an average of only one-tenth of vegetable fields were also required by regulations to raise one chicken and assigned a quota of 3 jin of eggs. These brigades had never had assigned procurement quotas in the past, and each household raised an average of three to five chickens, depending mostly on the personal grain rations provided by the province to feed their chickens, using egg production to improve their lives. Now, with the institution of an assigned quota whereby an award sale of 1 jin of grain is made for each jin of eggs sold to the state, this amounts to each household being required to deduct 40 jin from its grain ration annually. The result has been only to make this group of commune members even less willing to raise chickens, and to buy eggs for money or else trade grain coupons on the black market in exchange for eggs to eat, thereby increasing pressure on society's egg supplies. Therefore, to regard planned regulation simplistically can only cause the agricultural economy to regress to a vicious cycle of "death from centralization and chaos from liberalization."

Agricultural planning is a science. Planned economy requires taking account of the fundamental characteristics of the country's agricultural economy. I believe that the principle of taking the planned economy as the key link with market regulation being supplementary must be carried forward on the existing foundation with no regression to the former predicament of "high centralization and low effectiveness." Therefore, realization of planning of the agricultural economy means first of all, science (doing things in accordance with objective natural laws and economic laws); second, concurrent concern (for the interests of the country, collectives, and commune members); and third, support (communes, brigades, and peasants developing production, increasing commodities, and increasing income).

For the moment, for some agricultural and sideline products (such as grain, cotton, and oil-bearing crops) in extremely short supply and that bear on the national economy and the people's livelihood, the handing down of quotas in the nature of commands, and the institution of state requisition procurement centralized procurement, and assigned procurement is entirely necessary. However, one should not regard this as the sole way in which to have a planned economy, much less should one treat it as a set national policy to be ensconced for a long period of time. Looked at in long range terms, quotas that are in the nature of commands, centralized procurement, state requisition procurement, and assigned procurement are not the optimum policies. A desirable method is use of the contracts system and institution of soft planning, by which is meant state control of pre-production and post-production departments, signing agreements with the peasants to provide all around service and for production and marketing, using help to the peasants in increasing output and increasing earnings to put all or a large part of products on the state plan market track. This is also the form that the peasants are most willing to accept. It has five characteristics as follows: (1) plan quotas are made scientific; (2) there are no quotas in the nature of commands; (3) supply, production, and marketing, and manpower, financial and material resources are part of an integrated whole; (4) it increases output and earnings; (5) production and circulation of commodities are handled according to plan on the basis of voluntary peasant participation.

Yu Guoyao [0151 0948 5069] and Li Bingkun [2621 3521 0981], (former Ministry of Agriculture Policy Research Office): A prominent problem in the development of agriculture today is that the growing area for some crops does not conform to state plans. For example earnings from economic crops are currently far higher than earnings for grain crops. The peasants do not want to grow grain, but would rather enlarge the economic crop growing area.

Why has such a situation come about? Some comrades believe it was caused largely by peasant liberalized planting following institution of agricultural production systems of responsibility. We feel the problem should not be regarded in this way. China's economy is a socialist planned economy in nature in which the power to set prices is in the hands of the state, and authority over procurement and marketing of major agricultural and sideline products is also, to an overwhelming extent, in the hands of the state. The peasants simply do not have at hand the necessary conditions for liberalized planting. The fundamental reason for the lack of conformity lies in our planning work not having been complete, and in the not very adept use made of prices and such economic levers, and of legal standards to bring about internal balance within agricultural production. For example, within agricultural products today, no equitable price parities have been set that are capable of maintaining balanced development of agriculture; rather ad hoc action is taken to treat headaches when headaches occur and treat aching feet when aching feet occur. When rapeseed and flue-cured tobacco procurement quantities did not increase, tremendous increases in procurement prices caused net benefits derived from the growing of rapeseed and flue-cured tobacco to soar above net benefits from the growing of other crops, particularly net benefits from the growing of grain. This caused the present situation in which the grain growing area cannot be stabilized and the rapeseed and flue-cured tobacco growing area cannot be controlled.

In light of the foregoing situation, commensurate action has to be taken to strengthen planning guidance so that the entire agricultural economy develops harmoniously in accordance with the objective requirements of the basic socialist economic laws. We believe that strengthening of plan guidance for agricultural development requires efforts in several directions, but that most important is doing a good job of the following two tasks:

First establishing and maintaining fairly equitable internal price parities for agricultural products. Inequitable internal price parities for agricultural products has been a longstanding problem in China's agricultural development, and it is also the major reason for the lack of conformity that has taken place in agricultural development during the past 2 years. In order to maintain harmonious development of China's agricultural production, it is necessary first of all to establish an equitable internal price parity for agricultural products. What is an equitable internal price parity for agricultural goods. Generally speaking, an equitable internal price parity for agricultural products is commensurate with the proportional amount of various among various agricultural products. Yet another indicator that reflects whether or not internal price parities for agricultural products are equitable is whether the overall equivalent amount of labor invested in different agricultural

products is able to obtain overall equivalent net earnings. Naturally under circumstances in which a certain agricultural product is in seriously short supply or requires special support, within a given period of time to cause, in a planned way, earnings from production of these products to be higher than from the production of other farm products in order to stimulate production of these farm products in order to achieve balance between supply and demand is also equitable. However, such a state of affairs should not be maintained fixed and unchanged for long. Rather proper readjustments should be made on the basis of the situation in development of various farm products in order to maintain balanced development and standards for agricultural production.

Let us pose a problem here: How is the problem of readjustment of internal price parity for agricultural products to be handled? Nowadays the peasants psychology is fear of change of government policies. I suggest that the authorities concerned might consider use of the method of announcing once each year procurement prices to be paid for agricultural products, i.e., during August or September of each year to announce the procurement prices to be paid during the following year for various agricultural products, making this into a system whereby the state institutes plan guidance for agriculture so as to assure that peasants will have relatively full time in which to think about and make arrangements for the following year's agricultural production. A once annual announcement of procurement prices for agricultural products does not mean a general annual readjustment of procurement prices for all agricultural products, but rather only necessary readjustment of situations where procurement prices for a small number of agricultural products have been overly high or overly low. The extent of annual readjustment should not be overly great either; readjustments should be divided up over a period of several years so as to avoid creating great fluctuations in production of these agricultural products and so as not to create hardships for the peasants in readjusting planting plans. Each readjustment of agricultural product procurement prices should give full concurrent concern to the interests of the state and the peasants, should be done in coordination with overall departments, commercial departments, and agricultural departments.

Second is promotion of the institution of a contract system for procurement of agricultural products. Yet another major reason why China's economic crop growing area has increased abruptly during the past 2 years has been lack of any restraint by legal regulations. The state stipulated only procurement prices for agricultural products; it did not a priori stipulate procurement quantities or certain agricultural products the supply of which might be greater than demand, but rather used economic agreements between peasants and commercial departments to provide for concrete implementation. Consequently, in a situation in which supply was greater than demand for certain agricultural products (such as rapeseeds and flue-cured tobacco), the peasants continued to offer for sale large quantities of these agricultural products. Under these circumstances, commercial departments could only select two roads. One was to suspend or limit procurement causing attendant losses in peasant earnings and a waste of social wealth, plus a loss of peasant confidence and a dampening of peasant enthusiasm for production, or, second, unrestricted procurement resulting in difficulties in processing, storage, and marketing, or increasing

burdens on state coffers, plus stimulating blind development of production during the following year of these very same agricultural products. In order to change this state of affairs, while setting equitable internal price parities for agricultural products, it was necessary to promote institution of contract systems for procurement of agricultural products. General institution of contract systems for procurement of agricultural products must become the fundamental way in which the country undertakes future procurement of agricultural products. Agricultural production procurement agreements cannot simply stipulate the kinds and quantities of farm products peasants are to sell to the state; they must also stipulate the substance of what commercial departments are to provide the peasants in the way of means of production and certain materials urgently needed in their daily lives.

We believe that the defining of equitable internal price parities for agricultural products and promotion of the institution of contract systems for procurement of agricultural products are mutually complementary aspects for the realization of planned guidance in development of agriculture, which both employ predominantly economic methods and contain a certain amount of administrative interference, which both helps bring into play peasant initiative and is able to assure state planning. So long as work in these two realms is done well, China's agricultural production will not leave the track of a socialist planned economy.

Wu Shuo [0702 4311] (Supply and Marketing Bureau, Ministry of Commerce):

1. The Present Status, Trends, and Objectives of China's grain problem

The grain problem comprises the problem of food to eat, the problem of the use of grain as a raw material for industry, and the problem of the use of grain as livestock feed.

The problem of food to eat has been substantially solved. In 1980, per capita grain rations averaged 493 jin for the country as a whole, including 504 jin for the agricultural population, and 438 jin for the non-agricultural population. These quantities are sufficient for consumption. In the cities and towns, virtually every family had surplus grain. In rural villages distribution of grain rations was uneven with some peasants not consuming all they got while a small number of peasants were a little short.

In the use of grain as a raw material for industry, needs are being substantially met. In 1980, industry used about 30 billion jin of grain, of which 25 billion jin was used by the food industry (the state supplying more than 22 billion jin).

The problem of grain for use as livestock feed is far from solution. In 1980, verifiable use of grain for livestock feed was between 60 and 70 billion jin. This plus grain produced by private plots and surplus grain rations used for livestock feed produces an estimate of somewhat more than 100 billion jin. In 1980 average per capita output of meat (pork, beef, lamb and goat), eggs,

and poultry was only somewhat more than 30 jin and milk was less than 3 jin, supplies unable to meet demand. Extrapolation from representative data showed annual peasant consumption of meat, poultry, and eggs to have been only 19 jin, and consumption by residents of cities and towns was also no more than 48 jin per capita.

The future trend for the non-agricultural population's consumption of grain is toward decline. This trend began to appear in 1978, and 1980 showed an 8.4 percent drop from 1977. Grain ration consumption levels for peasants in places in which peasants were already eating well also showed a trend toward stability or gradual reduction. In places with low grain rations, the trend has been toward increase. In short, the trends are for no future continued large increases in grains used as staples, but rather, over the short run, consumption will either remain stable or increase only slightly. With the rise in economic income and increase in non-staple foods, the trend will be toward steady decline. The trend is toward increase in requirements for food in which grains are the major raw materials, particularly in rural villages. Because of limitations on the level of purchasing power, over the short term in cities basically about half of employee households having above medium incomes will be able to increase the quantity of food they consume. The trend for use of grain in livestock feeds is toward year after year increase. It can be predicted that the livestock feed industry will become a rising industry.

Just how much grain will have to be produced in order to be able to assure society's grain needs? Two criteria may be hypothesized to make calculations as follows: One is the amount of grain required in a planned diet; the second is the quantity of grain required during a set period of time.

Calculations on the basis of the first criterion show that if the average per capita amount were 736 jin, the objective could be attained. If, in addition, consumption of meat, eggs, poultry, and milk were to increase, there would be a corresponding increase in the amount of grain available for use in livestock feed.

Calculations on the basis of the second criterion: A look at changes in grain requirements for many years shows an annual increase of somewhat more than 10 billion jin in the total amount of grain produced is sufficient only to maintain existing consumption levels. With an annual increase of about 20 billion jin, slight improvement could be made. With an annual increase of about 30 million jin, life would be rather pleasant.

2. Development of production has to be accompanied by working along several lines at the same time for equitable distribution and economizing use.

Equitable distribution of grain, particularly of commodity grain, requires correct handling of the relationship between the state and the peasants as well as the various relationships within the country. For a considerable period of time in the past, the contest over amounts has been very prominent with the state wanting to buy a little more and the peasants wanting to keep

a little more. During the past several years the conflict over amounts has basically changed into price conflicts. In a situation in which a "scissors" still exists between prices for industrial and agricultural products with the price parity for agricultural goods being inequitable, the peasants want to make a little more money from their sales of grain, and thus the price conflict is pronounced.

Right now the most important problem in equitable distribution of commodity grain is good handling of the economic relationships among all parties within the country. Following institution of a system of assumption of sole responsibility in public finance, if the economic interests of all parties are not well coordinated, equitable distribution of commodity grain will be affected. Major ways in which distribution of commodity grain can be inequitable are as follows: (1) Output of a certain grain increases and state procurement increases; consumers demand improvement in the consumption situation, but increased grain consumption will require increases in marketing price subsidies. In a situation in which the more marketed the more the loss and the less marketed the less the loss, the marketing areas have no enthusiasm for increasing the amount of supply, artificially creating a relative surplus production of a certain kind of grain for a certain time in a certain place. (2) Quantity of rural grain sold amounts to 53 or 54 billion jin or 45 percent of state procurement and excess procurement figures, exceeding the real quantity of grain deficit, a false amount of demand occurring estimated at between several billion to more than 10 billion jin. (3) Areas into which grain has to be transported want more brought in, and areas from which grain is sent want to send out less, the shortfall becoming the problem of the central government. (4) Some places not suited to the growing of grain but suited to the growing of economic crops have no choice, if they are to receive a grain ration, but to restrict development of economic crops. On the other hand, some places suited to the growing of grain have no choice but to restrict peasant growing of low yield economic crops so they can supply raw materials for local light and textile industries. (5) In some grain producing areas, particularly newly developed areas in which grain production is concentrated, repeatedly experience "difficulties in harvesting grain," and "difficulties in selling grain."

Reasons producing these phenomena are principally no organization of commodity flow by economic areas, which causes a certain segmentation and blocking of flow channels in centralized socialist markets. The inversion of procurement and sale prices of grain deepens this state of affairs. The way to solve it is: (1) gradually solve the price inversion problem. (2) organization of commodity grain flow on the basis of economic regions, beginning first with grain purchased at negotiated prices.

Economizing grain entails mostly the most economic and most scientific use of grain. (1) The utilization value, particularly the nutrient content of various grains, has to be used to the full to attain best economic results and so that everything is used to the full. (2) Where conditions permit, a gradual change should be made in the habit of eating rice, beans replacing some of the rice.

(3) Gradual change in the use of pork as the principal meat diet using the hog feed thus saved to raise chickens for a great increase in the amount of meat from the same quantity of feed. (4) Development of the livestock feed industry and encouraging scientific feeding methods for earliest possible development of the livestock feeding industry.

Wang Fenglin [3769 7685 2651] (Agriculture Economic Institute, Chinese Academy of Social Sciences): Nowadays everybody unanimously agrees that agriculture too must practice a program of taking the planned economy as the key link with market regulation being supplementary. However, divergent views exist as to whether or not the state should hand down to the people's commune collective economy plans of a command nature. Some comrades believe the state cannot hand down plans in the nature of commands to rural communes and brigades, the reasons being that rural communes and brigades are the collective economy with independent accounting and responsibility for their own profits and losses, which differs from the economy owned by all the people; in the classic of Marx, Engels, Lenin, and Stalin there is no discussion of handing down plans in the nature of commands to the collective economy; China's recently published constitution (draft) talks only about the collective economy accepting state plan guidance. Still other comrades suppose that the country can and should hand down to rural communes and brigades some plans in the nature of commands, the reasons being that China's rural communes and brigades are a form of a socialist publicly owned economy possessing only relative independence; and are not an entirely independent enterprise. Since the state assumes definite responsibilities for them, the state has the right to hand down some plans that are in the nature of commands; a basic indicator of a so-called planned economy is plans in the nature of commands; an economy without definite plans in the nature of commands cannot be said to be a planned economy. These comrades also reason that certain major agricultural products are currently insufficient, so in order to satisfy the needs of urban and rural people and assure the planned proportional development of the national economy, some plans in the nature of commands have to be handed down.

I believe that in theory the state should not hand down plans in the nature of commands to rural communes and brigades; however, in proceeding from current Chinese realities, in order to assure the needs of all quarters for major agricultural and sideline products, the state may hand down some plans in the nature of directives, and rural communes and brigades must assure their fulfillment. However, such plan norms should be used as little as possible, and as productivity develops with agricultural products becoming increasingly abundant, this kind of plan should be gradually abolished. This is exactly like the "price scissors" that currently exists between industrial and agricultural products, which though not entirely equitable is something that we cannot abolish nevertheless, but rather can gradually reduce and finally eliminate as productivity develops.

As to how to guarantee fulfillment of this portion of plan norms in the nature of commands, I believe attention must be given three points: (1) A good job of investigation and study to formulate scientific and farsighted plans making

them accord with the objective economic laws of planned proportional development, correctly handling the interests of the country, the collective, and individuals. Herein lies the authoritativeness of plans. (2) Adept application of economic levers (in which prices must be particularly equitable) and necessary administrative measures. (3) When conflicts exist between state plan norms in the nature of commands and plans reported to higher authority by communes and brigades, repeated discussions should take place, the views of whoever is right being carried out, and not simply doing things. If in the end conflict still exists, indoctrination should be given to convince communes and brigades of the importance of the overall situation, that the national interest is also the peasants' longterm interests, and that state plans must be resolutely followed. Otherwise, one cannot call these plans in the nature of commands.

Yu Jiabao [0205 1367 1407] and Liu Delun [0491 1795 0243] (Agricultural Economics Department, Beijing Agricultural University. We understand the fundamental meaning of the so-called rural collectively owned economy taking the planned economy as the key link with market regulation being supplementary to be the following: Under conditions of public ownership, the socialist economy has as its objective the use of production to satisfy the needs of the people, and a planned economy in which exchange is conducted in the form of commodities. This formulation reflects the need for all sectors involved in socialist production to carry out planned development to meet the needs of the people, with there being no blind production and a state of anarchy being allowed to exist. However, during the stage of socialism, it is impossible to make every bit of production part of state plan. For production outside of plan, it is necessary to permit enterprises to organize production on the basis of market changes. In collectively owned agriculture, practice of a program of taking the planned economy as the key link with market regulation being supplementary is an objective requirement for the development of agricultural production, and it is also wherein the fundamental collective economic interest lies. This is because of the following:

1. The collectively owned economy is a form of the socialist publicly owned economy. The existence and development of any collective economy has as its prerequisite the existence and development of the publicly owned economy of the entire society. Increase in a collective economy's levels of production and levels of income depends on a rise in the production levels and income levels of the entire society. The fundamental interests of collectively own economic organizations is one and the same as the interests of the entire society.

2. People's needs are limited by the level of development of productivity. Under certain socio-economic conditions, there is a consumption structure and a demand structure. The production structure determines people's demand structure, and the production structure also changes as the demand structure changes. If the production structure does not correspond to the demand structure, either a shortage or an overstocking of products will occur, and this is a reflection of the contradiction between the demand structure and the production structure. In real life, a lack of congruence between the production structure and the demand structure is unavoidable. There are only

two ways in which to resolve this contraction. One is through the laws of value, spontaneously inducing changes in the production structure in the direction of the demand structure. This will cause price fluctuations. The second way is to carry out planned regulation on the basis of requirements of the demand structure and forecasts of people's demands on the demand structure so as to avoid blind development of production that causes waste.

3. The goal of collective economy production value also requires that utilization value of production by the collective economy be consistent with society's requirements; otherwise if the utilization value of production is not needed by society, its value cannot be realized. But how can a small collective unit know the needs of the people? One way is to obtain information from markets. Another way is to understand the needs of the people from state plans. However, state plans cannot thoroughly understand the advantages each enterprise enjoys or know the specific needs for every individual agricultural product. Therefore, allowing enterprises to take the initiative in satisfying people's needs for products on the bases of information about market changes is entirely necessary.

Bi Baode [3968 1405 1795] (Agricultural Economic Department, Chinese People's University). My incompletely formed views on solving the loss of control situation that now exists in agricultural production are as follows.

This February and March we made a survey in Sichuan and Hubei provinces. We had a sense that agricultural production has really developed fairly fast during the past several years. However, at the same time a certain loss of control has also really taken place from agricultural production to the flow of agricultural products.

A look at Sichuan Province shows rapeseed production to have developed very rapidly in recent years. The growing area cannot be controlled and quantities procured by the state have increased drastically and cannot be consumed within the province. Moved outside the province, no one wants them either, so there is large overstocking in warehouses. In 1978 Sichuan Province grew 88,000 mu of rapeseed and by 1981 this had increased to 200,000 mu, a 127 percent increase. Meanwhile, year after year cotton production did not fulfill plan.

A look at Hubei Province shows that it is mostly the tobacco and hemp growing areas that cannot be controlled, and that the area planted to grain has declined. In 1979 Hubei Province planted 312,000 mu of flue-cured tobacco. By 1981, the area had increased to 439,000 mu, a 40.6 percent increase. In 1978, the area planted to various kinds of hemp in the province was 300,000 mu. By 1981, this had been expanded to 360,000 mu, a 20 percent increase. Meanwhile, the area sown to grain in the province dropped from 83 million mu in 1978 to 77 million mu, a 7.2 percent decline.

Procurement prices for agricultural prices cannot be controlled either. As a result of the lower and lower base procurement figures during the past several years, and the higher and higher ratio of procurement at increased prices and negotiated prices, plus various subsidies, returns of profits, and award sales on top of prices, the actual average procurement price paid for farm products

is much higher than the state list price (plan price). Calculations done in Jianyang County in Sichuan Province show that in 1981 for the county as a whole the actual average procurement price paid for grain was 19 percent higher than the state list price, and 47 percent higher in the case of rapeseed.

In short, for those products the production of which should increase, no increase occurs while for those products production of which should decrease, no decrease takes place. Products that should be procured cannot be procured, while no further procurement is possible of goods that sell slowly or that are already overstocked. Average prices paid for procurement are actually far higher than planned prices, and the burden on the national treasury becomes increasingly heavy.

How should these losses of control be regarded? I believe that the loss of control in the agricultural production and flow area has resulted from the failure of agricultural plan guidance and management work to keep apace of the changed situation, and from the inappropriateness of certain measures.

In future, just how can a program of taking the planned economy as the key link and market regulation as supplementary be maintained in agriculture? Our initial thoughts are as follows:

First is continued restructuring of the agricultural planning system for a gradual transition to planning of quantities of commodities. Practice in agricultural planning work during more than 30 years in China has shown that it is planning of quantities of agricultural commodities that plays a genuine guiding role. This is because at the present time about 70 percent of all the country's farm products are for self-sufficiency. There is neither any need nor any possibility of making this entire portion of farm products a part of plan with plan guidance being given by the state. In order to assure that the country has the farm products it needs, while handing down plans for quantities of agricultural commodities, we can now also hand down the areas to be sown to grain and major industrial raw material crops and output control norms. However, we should gradually make a transition to full commodity quantity planning.

Second, the emphasis of future agricultural planning work should be on long-range planning. We should devote great efforts to doing a good job of agricultural zoning to solve longrange strategic problems in the development of agriculture, to readjust the structure of agricultural production and crop patterns, to do a good job of building agricultural commodity bases, etc. Annual plans should emphasize policies and actions.

Third, the laws of value have to be honored and full use made of the regulatory role of economic levers. The task at the moment is to make fairly equitable the internal price parities for farm products so that roughly equivalent benefits are derived from the growing of various kinds of crops.

Fourth is the need to promote widely the economic agreements system.

Fifth is institution of needed administrative and legal measures to assure realization of state plans.

Lu Wen [4151 2429] (Chinese Rural Development Research Center)

1. Planned economy and market regulation are the unity of contradictions.

One of the fundamental characteristics of a socialist economy is the planned economy. Agriculture is the foundation of the national economy, and it is closely related to industry; therefore, it is necessary to practice a planned economy. However, since the country's level of development of rural productivity is not high, and because our plans are not sufficiently complete, it is necessary to use market regulation to assist and complement it. Many people have testified to this. However, as to what is meant by a planned economy, what is meant by market regulation, and the relationship between the two has different explanations.

My understanding is that planned economy means consciously and in accordance with social production's objective necessary proportions to run an economic system of production and flow. This is an embodiment of the laws of planned proportional development in social production and flow. It forms a unity with the laws of value. In terms of the original meaning of the laws of value, it has some unity with planned economy. State plans have to be able to reflect the needs of planned proportional development of all sectors of the national economy; they have to try to readjust the proportion of all kinds of production, and they have to establish an equitable production structure, meaning that they must take into consideration the labor, expenditures, and benefits in all kinds of production, and meaning that their relationship between value and price has to be watched, with conscious application of the laws of value to formulate plans. Where plan and realities are out of synchronization, one should not revise plan on the basis of realities, but rather one should use the laws of value and the role of market regulation to provide the necessary administrative action to attain plan objectives.

The marketplace is the territory in which one commodity is exchanged for another. Aside from the portion they consume themselves, the various products our rural villages produce are exchanged through the buying and selling of commodities. In the flow of our commodities, it is also the planned economy that is dominant. In a certain sense, in accordance with the laws of planned development, the state consciously applied the laws of value and exercises regulation through markets. If there is planned readjustment of prices, added price paid for excess procurement, negotiated price procurement, award sales, etc., which affect production and flow, this is also a kind of market regulation, but generally these are included within plan regulation. Outside of state plan, the operation of market supply and demand and the laws of value in the regulation of production and flow is only a part of market regulation. When we ordinarily speak of market control, it is this portion that is meant.

From this may be seen that in our present economy, plans and the market, plan regulation and market regulation possess a unity and are mutually intertwined.

Naturally, there are also contradictions between the two, and this contradiction is the anarchic state formed by plan arrangements and the spontaneous functioning of the market. This means that the anarchic state of the market interferes with and assaults the planned economy making it difficult to carry out plans smoothly. A fairly good way in which to solve this contradiction is to formulate equitable plans on the basis of the unity of the two and to use economic methods to carry out readjustments on the basis of economic laws in order to achieve plan objectives. However, in the present economic state of public finances and a situation of lack of thoroughness in planning work, plus no complete reliance on economic methods to solve problems, administrative measures must also be taken at the same time, measures such as centralized procurement, assigned procurement, planned supply, and strengthening of market management, etc.

2. How can a program of taking the planned economy as the key link and market regulation as supplementary be carried out?

The entire national economy has to institute a program of taking the planned economy as the key link market regulation being supplementary. However, because of some characteristics of agriculture and rural villages, comprehensive and thorough planning is inachievable in the agricultural economy, and reliance solely on administrative measures will not work either. It is necessary to have planned aid from economic measures to use the regulatory role of markets plus necessary administrative methods in order to be able to meet plan requirements.

Looked at from a longrange standpoint, in order to institute a program in agriculture and in rural villages of taking planned economy as the key link with market regulation being supplementary, it is necessary to solve the following several basic problems:

First it is necessary to improve our planning work so that, to the maximum extent possible, plans reflect the requirements of objective economic laws.

Second, we must restructure our price system, establishing an equitable price system founded on value so that prices meet plan needs.

Third is satisfactory solution to problems existing in level by level management. Level by level management cannot be converted into ownership by a department or ownership by a place. Portions that should be under centralized state control should be centralized by the state.

Fourth is the need to use systematic scientific thinking and methods to guide agriculture and all kinds of production, giving attention to each and every link before production begins, while production is in progress, and after production is finished, watching various relationships ahead and behind, to the left and to the right.

During the short term, I believe it is necessary to do a good job of the following several tasks: (1) Combine perfection of rural grassroots organizational work, improvement of production responsibility systems, and doing a good job

of contract agreements work. (2) A good job of readjusting agricultural product base procurement figures and proportions. (3) Proper readjustment of inequitable farm product prices. (4) Intensification of ideological work and administrative management. However, one should not use administrative actions as a principal method.

Chinese Agricultural Economics Society director, Comrade Cai Ziwei [5591 1311 0251] said: It is very necessary for use to explore both theoretically and practically how to carry out a program of "taking the planned economy as the key link with market regulation being supplementary." How to put into effect the taking of the planned economy as the key link following institution of production responsibility systems in agriculture is a very important question. Agricultural production has had sustained development during the past several years, but national subsidies from public funds have become more and more numerous, and how to solve this contradiction requires penetrating study. It is necessary to go into rural villages to investigate and study to find means of solving this problem.

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MINISTRY OFFICIAL ANSWERS QUESTIONS ON AUTUMN HARVEST

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] in Chinese No 7, 1982, pp 2-3

[Article: "Use of Every Available Means to Win Summer Autumn Harvest. Responsible Person in Ministry of Agriculture, Animal Husbandry and Fishery Replies Correspondent's Questions"]

[Text] What is the agricultural production system for the first half of this year, and what further exertions can be made to win a bumper autumn harvest? This is a question about which people are universally concerned. Recently, a responsible person in the Ministry of Agriculture, Animal Husbandry, and Fishery answered questions posed by the correspondent.

Question: What is the agricultural production situation for the first half of this year and is there need to give special emphasis to the winning of a bumper autumn harvest?

Answer: During the first half of the year, as a result of the efforts of the hundreds of millions of peasants, the damage caused agricultural production by serious natural disasters including low temperatures, drought, and hot dry winds was reduced, and a fairly good summer grain and oil-bearing crop will be harvested. Except for some provinces, municipalities and regions in North China, which sustained a decline in summer grain output, most of South China harvested bumper crops, and it is predicted that total output for the country as a whole will be close to last year's level. Rapeseed output, which has increased for 3 consecutive years, increased by another 4 million dan over last year. Throughout the country spring sowing was completed fairly well. In North China crops harvested in autumn grew well, and in South China paddy rice grew better than in previous years. Growth of economic crops such as cotton was also rather good. Commune and brigade enterprises continued to move forward, and new growth also occurred in forestry, animal husbandry, sideline occupations, and fisheries, output of meat, poultry, milk, and eggs increasing substantially from the same period last year. The entire agricultural production situation continues to develop in a favorable direction.

Now the summer solstice has passed and the crucial time has arrived for growth of autumn crops. The pressing matter of the moment is further mobilization, greater exertions, and the adoption of energetic measures to win a bumper autumn harvest in fulfillment of this year's increased production quotas. It is autumn that is most important for agricultural production in China, both the autumn grain area and output amounting to two-thirds the total for the year. Most economic crops are also harvested in autumn. Not only will the autumn harvest have an extremely great bearing on fulfillment of quotas for the year as a whole, but it will directly affect improvement of the people's livelihood and readjustment of the national economy. During the past more than 10 years the country's grain output has developed rapidly and fairly steadily with average annual incremental increases of 5.7 percent. For fall grain, the average annual incremental increases has been 2.1 percent, the low but steady increase in fall grain output adversely affecting the speed of agricultural development. This year planned gross output requirement amounting to 667 billion jin, a more than 17 billion jin increase over last year. Inasmuch as summer grain production was not all that had been hoped, the autumn grain production quota has been made heavier. In most parts of North China the drought situation continues serious; some autumn crops have been hurt and are not growing well. Consequently a good job of autumn production is extremely important. It has to be realized that many favorable conditions exist for doing a good job of autumn production, and that the potential is very great. In 1970, 1973, and 1979, bumper autumn grain harvests were brought in for an annual increase of 30 to 40 billion jin or more. Therefore, with resolute establishment of confidence and determination in winning a bumper harvest for the year as a whole, attention given crucial measures, and every link in production gripped tightly and completely, it will certainly be possible to win the initiative, assure a bumper autumn harvest, and fulfill increased output quotas.

Question: In order to increase autumn production, what problems in the guiding mentality require solution?

Answer: In order to make autumn production rise, the guiding mentality must fully realize and accurately implement a program of "positively no slackening of grain production while actively developing economic diversification." During the past several years, a readjustment of the structure of agriculture has been carried out. For the country as a whole, today crop patterns tend to be equitable. During the past 3 years the grain growing area has been reduced by about 100 million mu, and the economic crop growing area has been expanded for development of economic diversification. The readjustment of agriculture has been well done and has been successful. In order to insure steady growth in grain, the grain growing area must be stabilized with no further reductions. However, a look at this year's circumstances shows a trend for continued decrease in the grain growing area, which should arouse plenty of serious attention. Grain affects the national economy and people's livelihoods; it bears on issue of 1 billion people having food to eat, and it is also the foundation for all around development of farming, forestry, animal husbandry, sideline

occupations, and fisheries. It is necessary at all times to place grain production in an important position and conscientiously arrange grain production in accordance with the principle of taking the planned economy as the key link with market regulation being supplementary. In areas in which summer grain production dropped, in particular, it is all the more necessary to exert great efforts and give prominence to taking a firm grip on autumn grain crops. South China must take a firm grip on late rice crop plowing preparations, do everything possible to grow a little more, and strive to increase yields per unit of area so that late rice output will make new breakthroughs. In addition, it is also necessary to give diligent care to various economic crops to sustain increases.

Question: In order to make autumn production rise, what key measures should be given attention?

Answer: Agricultural production is strongly regional and strongly seasonal. It has to be done by adapting general methods to specific places and specific crops, by devoting attention to several key measures, and by solving, in a pertinent way, problems existing in production. Because of the protracted drought in North China, there are serious gaps between plants in the crops to be harvested in the fall; plants are small and weak; growth is slow; and the spring sowing on more than 10 million mu had to be delayed until summer. Consequently, it is necessary to take firm grip on the two major links of early care and intensive care, to do much hoeing and much weeding and loosening of the soil, fertilizing sensibly, using fertilizer scientifically, making full use of effective high temperatures and fertilizer and water conditions, promoting early development and fast growth, nurturing sturdy seedlings, and reducing damage from low temperatures or early frost following the growing season to win high yields. In addition to taking good care of the early and intermediate rice in South China, strict attention has to be given the double crop late rice. For the country as a whole, the early and late rice growing area is more or less the same, but yields per unit of area from the late rice crop are low, total output being between 20 and 30 billion jin less than for the early crop. The main reasons for the low late rice output are a shortage of fertilizer, late transplanting, or numerous disasters. Experiences have to be diligently summarized for on time early transplanting and fertilization to advance safe full heading and to avoid or reduce damage from the cold dew winds as well as to prevent and control diseases and insect pests, using every available means to increase late rice yields per unit of area.

It is during the autumn crop growing season that various natural disasters occur most frequently; therefore, one must be prepared to combat disasters to win a bumper harvest. There can be positively no hoping for or trusting to the favors of Mother Nature. The drought, high winds, low temperatures, and in some areas the floods, waterlogging, and snowstorms during the first half of this year caused great losses for agricultural production in many places.

Weather forecasts also call for quite a few disasters during the last half of the year. Between May and August, continuous drought may occur in North China with flooding and waterlogging occurring in areas of the Huang He and Chang Jiang. In South China and most of the southwest, precipitation is likely to be heavy, and in the northeast, temperatures may tend to be low, all of which requires good preparatory work to prevent and combat disasters. The farmland capital construction work that has been done for many years has been tested in combat against disasters and has played a tremendous role. However, China's ability to withstand disasters is still not very strong, and many places have not fully gotten away from relying on heaven to provide food to eat. Preparations must be made mentally and through measures to achieve unflagging efforts, to avert peril through preparation, and to reduce disaster damage to the minimum.

A bumper harvest in autumn requires cooperation among agriculture, industry, and commerce. Agriculture departments need to conscientiously change their work styles, enhance investigation and study, promptly understand new circumstances and new problems, exchange information with all sectors, and gain the support of all trades and industries for agriculture. For the funds, materials, and particularly the fuel, electric power, and other materials needed for disaster rescue, all jurisdictions should make prompt arrangements and ready supplies in order to assure needs for development of agricultural production.

Question: The key to winning a bumper autumn harvest in agriculture lies in strengthening leadership. What work should now be taken in hand?

Answer: Party and government leadership are the basic guarantee of winning a bumper autumn harvest. First of all it is necessary accurately to carry into effect the party's programs and policies. Right now most important is continued perfection of production responsibility systems, and accurate handling of the relationship between "centralization and contracting," production teams, centralizing whatever can be best managed centrally and resolutely contracting to commune members whatever can best be contracted by commune members for full arousal of the enthusiasm of the masses to bring into play the superiority of the collective economy. It is necessary, in addition, to reorganize grassroots level leadership teams. Following institution of production responsibility systems, the load on cadres has become heavier rather than lighter, so there positively can be no throwing up one's hands and not caring. Second is the need to arouse mentalities, making full use of all forms of major efforts to shape public opinion to improve the understanding of the broad masses of cadres and people about the major importance of giving attention to autumn production, directing their attention promptly to doing a good job of autumn production and to suggesting ways and means of winning a bumper autumn harvest. Third, leaders of all levels have to further change their work styles, go down to the grass roots, investigate and study, and give particular attention to discovering

new circumstances, studying new problems, summarizing new experiences, and helping with solutions to problems existing in production. Only if the foregoing tasks are taken firmly in hand and various measures for increasing output translated into reality can a bumper autumn harvest be assured.

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EXPECTED TREND OF DOUBLE CONTRACT RESPONSIBILITY SYSTEMS EXAMINED

Beijing NONGYE JINGJI WENTI [PROBLEMS IN AGRICULTURAL ECONOMICS] in Chinese
No 7, 1982 pp 24-26

[Article by Zhang Guangyou [1728 1684 0645]: "Exploration of Trend of Development of "Double Contract" Responsibility System"]

[Text] Since the Third Plenary Session of the 11th Party Central Committee, rural villages everywhere throughout the country have established and perfected various forms of production responsibility systems that have fully aroused the enthusiasm of the broad masses of peasants to generate a flourishing and heartening situation in the country's agricultural production. As a result of several years of repeated experiences, today the "double contract" form (contracting fixed output quotas to households and contracting work tasks to households) has come to be selected as the production responsibility system that holds a leading position in the country's rural villages; it is the major form of all the responsibility systems. According to incomplete statistics, the "double contract" form of responsibility system is used in more than 70 percent of places throughout the country. This includes places like Guizhou, Gansu, Ningxia and Hunan, where it is used 90 percent of the time, and places like Anhui, Nei Monggol, Fujian, and Jiangxi where it is used more than 80 percent of the time. Among the "double contract" responsibility systems, mostly it is the "contracting of work tasks to individual households" that is used most frequently, and today the trend of development in some provinces and regions is toward use of this form of responsibility system. Consequently, what the trend of future development of this sort of responsibility system will be has become an extremely important question of general concern. I would like to discuss some of my own views on this issue.

Need to Make Clear the Nature of "Double Contract"

In making clear "double contract" particularly the future trend of development of the contracting of work tasks to individual households, it is necessary, first of all, to clarify a premise, namely the nature of "double contracts." A look at realities in some places shows that during the past 3 years, discussion of this issue has been extremely heated, and that serious divergences continue to exist right up to the present time. For this reason there are clear differences in attitude about handling "double contracts." After

the CCP Central Committee forwarded "Minutes of the National Rural Work Conference" this year, the mental perceptions of an overwhelming majority of cadres and the masses became fairly unified. Everyone realized that "double contracting" is not an issue of orientation or line, but that it fits in rather well with realities in most parts of the country and is a form of responsibility system that has been heartily welcomed by the broad masses of peasants. As Comrade Hu Yaobang said during October last year when greeting delegates to the national rural work conference: "Our policies have not shaken the collective economy; land, the most fundamental means of production, is still collectively owned. Contracting in itself causes no change in the nature of the collective ownership system. 'Dividing the fields' is a customary way in which peasants speak, but to say that the contracting of production to households is 'dividing the fields to work them alone' is inaccurate."

A large quantity of facts fully demonstrates that "double contracting" is not 'dividing the fields to work them alone', nor is it individual economy, and much less is it the same thing as the small agricultural economy of the period before Liberation. However, an extremely small number of people even today do not recognize the contracting of work tasks to individual households to be a kind of responsibility system. Or else they acknowledge it in words, but in their thinking they have completely failed to resolve, or they have not completely resolved, the problem. One thing they say is that "'double contracting' causes a separation of land ownership rights and land utilization rights, and that ownership rights do not play a decisive role. Consequently, 'double contracting' is actually working alone." Such a statement obviously does not fit the facts. Among production relationships, it is the ownership of the means of production that plays a decisive role and this is true in any society. In feudal society, ownership of the land is by landlord, and renting it to peasants to farm means utilization rights by the peasants. Can one say that the ownership rights do not play a decisive role? Though our society differs fundamentally from feudal society; nevertheless, utilization rights are still not ownership rights. Production teams may likewise exercise land ownership rights. They may, if needs require, announce that land is to be taken back or readjusted for production, and user would have no rights in disposal of the land. Not matter whether work tasks are contracted to individual households or whether production is contracted to households, the land still is owned by the collective and it is not privately owned. Some people say; "Public ownership of the land is in no way able to decide the nature of "double contracts." Some capitalist countries also practice state ownership of land, but can one say they are socialist in nature?" Those who hold such views have forgotten a fundamental premise, namely that the nature of our country is that of a dictatorship of the proletariat. They have forgotten that the problems we study are problems of socialist China under leadership of the Communist Party. A large number of the masses believe that some cadres, particularly some leading cadres, do not thoroughly investigate and study and do not actively lead the masses in solving some of the problems encountered in going forward, but rather that they work hard at throwing cold water, or are unwilling to take various actions, and that they oppose or boycott the "double contracts" responsibility system. Some people handle "double

contracting" first by opposing it or not permitting its practice, and later by throwing up their hands and having nothing to do with it in an abandonment of leadership. When they see a problem occur, they gloatingly scream and shout, attack one point to the neglect of all others or even seize on this to negate the "double contracts" responsibility system. This has been a great obstacle for many years in the process of promoting agricultural production responsibility systems.

In the implementation of any form of a responsibility system it is impossible to avoid this or that problem, and "double contracting" is no exception. For various reasons, some problems have arisen in carrying out "double contracts" in some places. Such problems included disputes over water or oxen, the division of the land into overly small plots, failure to use machinery fully, improper protection of collective property, or no provisions for the four dependents households [sic] or the households enjoying the five guarantees [childless and inform old persons guarantee food, clothing, medical care, housing, and burial expenses by the people's communes], etc. These problems had to be given serious attention, and they had to be solved. Not to look at problems from this angle would be wrong. However, principal and secondary aspects had to be distinguished too, and seeing that "double contracts" had fully aroused the enthusiasm for production of the broad masses of people was the most important aspect. Moreover, it was also necessary to realize that the aforestated problems were by no means problems of the "double contracts" responsibility system per se, but were work problems. With a strengthening of leadership, the aforestated work problems could be avoided or overcome. For precisely this reason, in the establishment and perfection of agricultural production responsibility systems, a unified ideational understanding and improvement and strengthening of leadership is extremely necessary. We have to realize that the "double contracts" responsibility system has vitality and has been enthusiastically supported by the broad masses of peasants. So long as the broad masses have enthusiasm, there is no hardship or difficulty that cannot be solved.

No Need to Divide Forms of Responsibility Systems Into High Grade and Low Grade

The contract responsibility systems linking calculation of compensation to output that are currently being practiced in rural villages everywhere are of many different forms, and the ways in which they operate are not entirely the same either. In some cases production is contracted to individual households; in other cases work tasks are contracted to individual households; in still other cases output quotas are assigned individual able-bodied laborers; and in yet other cases output quotas are assigned to teams. Sometimes there is specialized contracting, and sometimes several forms are used at the same time or interchanged. This is the normal situation. However, some people have divided responsibility systems into "high grade" and "low grade." They say that the contracting of work tasks to individual households is the "lowest grade," and they advocate "leading" "double contracts" to the contracting of production to individual able-bodied laborers... Thus they take a discriminatory attitude toward the contracting of work tasks.

Are there really distinctions between high grade and low grade in the forms of responsibility systems? I believe that there is no distinction between high grade and low grade in responsibility systems per se. To divide responsibility systems into high grade and low grade not only does not fit in with objective facts, but such a division may easily produce bad results or side effects in actual work. If one were to make distinctions of "high grade" and "low grade" in responsibility systems, that would depend on whether a certain form of responsibility system suited a given area or not. Only if it suited the area, was able to advance development of production, and was supported by an overwhelming majority of people could this form of responsibility system be said to be a high grade one in this particular area. Conversely, no matter the number of people who believed another form of responsibility system to be "high grade," if it did not fit this particular area, did not help development of production, and was disapproved by most people, then that form of responsibility system would also be low grade. As some people in rural He'nan said: "Whether the form is good or not, one's belly keeps a record; and whether the form is high or low, increases in yields bear testimony." Whether they are good or bad depends on whether or not the masses support them and whether they can fully stir the enthusiasm of the masses. No matter how "wonderful" the form, without the enthusiasm of the masses, all is empty talk.

But just how can one determine which form of responsibility system to adopt. In a nutshell, there are two ways. One is to proceed from realities, and to adapt general methods to local situations. Whatever form suits is the one that should be adopted. Second is to genuinely turn over to the peasant masses the power to make a choice, respect their self-determination, and let the masses decide without the leaders making any rigid regulations, running things themselves without consulting others or, much less, giving blind guidance. In the course of our survey, we explored the forms of responsibility systems selected and the trend of development of responsibility systems, and we deeply feel as a result that the suitability of various forms of responsibility systems depends on objective laws that cannot be changed by people's wills. The process of establishing and perfecting responsibility systems is a process of constantly overcoming and eliminating the effects of leftist ideology, and it is also a process of eliminating metaphysical methods of thinking to carry out an ideological line of seeking truth in facts. For all forms of production responsibility systems there is a process of accepting testing through practice, and comparative examination and selection by the broad masses. Leaders at all levels have to be careful to avoid being subjective and one-sided in seeking any given form; they should genuinely turn over the power of decision to the masses. Ours is a vast country in which differences in natural conditions and the economic basis are very great, so insistence on uniformity does not fit in with realities. It is divorced from reality and divorced from the masses, and the blind pursuit of so-called "high grade" forms must inevitably produce undesirable consequences.

Some comrades regard the contracting of work tasks to individual households as the lowest form of responsibility system. Second lowest is the contracting of production to individual households; next is specialized contracting and assigning output quotas to individual able-bodied laborers; next is contracting production to teams....Such rankings reflect the erroneous views of some comrades toward "double contracts" responsibility systems. Such views must lead inevitably to the following conclusion: "Double contracting" is an "expedient measure;" and later on the contracting will be done with work teams, production units....Guided by this thinking, some places emphasize "specialized contracting and assigning output quotas to individual able-bodied laborers" with no regard for conditions. I suppose some places can practice "specialized contracting and assigning output quotas to individual able-bodied laborers" because conditions are ready for it, because there are specialities that can be divided, and because the masses want it. However, in some places where there is virtually only agricultural production or, say, only farming with little economic diversification, and where there is as yet not that much specialization, how can specialized contracting be done? Needed specialized division of labor can increase the labor productivity rate in production, but one must proceed from realities; one cannot make a specialized division of labor for the sake of seeking a "high grade" form.

Several years experience has shown that in most places in the country that have developed responsibility systems the fact is that the peasants have like the contracting of work tasks to individual households as a responsibility system. The main reason has been that as compared with other forms of responsibility system, "benefits are most direct, responsibilities are most concrete, and methods are simplest." In terms of natural and economic conditions prevailing in most parts of China, this form of responsibility system is most suitable. This is another way of saying that it fits in with realities and prevailing levels of administration and management in those areas. In particular, practice of this form of responsibility system entails no evaluation of work and recording of workpoints, and it has been the form most welcomed by the broad masses of peasants. In a certain sense, the contracting of work tasks to individual households is a major administrative and management measure that has been worked out in China's agricultural production in the course of taking the collective path. It has been worked and reworked and a great price has been paid for it. It both takes advantage of the superiority of the collective economy and fully arouses the enthusiasm of the broad masses of peasants. It has solved a fundamental problem that has gone without solution for a long time in the administration and management of agricultural collectivization.

Trend of Development of Contracting Work Tasks to Individual Households

What is the future trend of development of the contracting of work tasks to individual households? Is it true that it will take the same old road of going from households to able-bodied laborers, from able-bodied laborers to work teams, and from work teams to production teams, gradually rising from level to level. I do not believe this is possible, and it will not work.

Well then, just what is the trend of development in the contracting of work tasks to individual households? Following the contracting of work tasks to individual households, mass enthusiasm has been fully aroused, potential for increased production has been tapped, and the labor productivity rate has greatly increased. On the one hand, expansion of reproduction capacity in agriculture itself has increased; on the other hand, some workforces have been gradually separated from agricultural production and transferred elsewhere to open production avenues and to develop economic diversification and commodity production. Working on the principle of voluntary participation for mutual benefit, some of this portion of the workforce has organized new economic collectives; some may be shifted to commune and brigade enterprises to engage in economic diversification and commodity production; and some may go into cultural, scientific, or sanitation work, or else transfer into the service trades. As production develops and the degree of specialization and socialization of production steadily increases, a large part of this portion of the workforce may gradually be removed from agricultural production and take the road of specialized association.

As regards agricultural production, by which is largely meant the farming industry per se, for a majority or an overwhelming majority of households that do farming in a decentralized way there will be no change for a fairly long historical period. A small portion or an extremely small portion may general loose associations or mutual help on the basis of genuine voluntary participation for mutual benefit. The reason is that farming by individual households fits in with the characteristics of agricultural production, and it fits in with the demands of the peasants. The size of production organizations and the number of workers or the number of workers who work together have nothing whatever to do with whether production relationships are progressive or backward, and they do not tell whether labor efficiency is high or low. In China, in particular, where the size of the population is large relative to available cultivated land, peasant production has to take the road of a high degree of intensive farming and succeed through painstaking and meticulous cultivation of the soil. Decentralized farming by individual households also holds possibilities for agricultural mechanization. Modernized socialist agriculture in China proceeding from the country's realities and progressing through exploration can follow its own path.

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PRICING OF AGRICULTURAL, SIDELINE PRODUCTS EXPLORED

Meaning of Price Policies

Guangzhou GUANGZHOU RIBAO in Chinese 29 Jul 82 p 4

[Article by Zhang Changcai [1728 7022 2088]]

[Text] In order to control agricultural and sideline products in a planned way and to make overall arrangements with the needs of all concerned in mind, the state has established categories I, II, and III on the basis of the importance to the national economy and the people's livelihood of various agricultural and sideline products. It has also formulated centralized procurement, assigned procurement, and negotiated procurement policies. Practice has shown this policy to be consistent with the country's circumstances and to play a major role in advancing development of agricultural production, in guaranteeing the needs of society, and in fundamentally stabilizing market prices.

Some comrades suppose that all that is necessary for the formulation of procurement price policies for agricultural and sideline products is to follow the laws of value. We believe, however, that centralized procurement, assigned procurement, and negotiated procurement policies must be decided by the nature of the socialist planned economy, and will have to be followed and carried out for a fairly long time to come. This is because practice of this policy fully reflects the principle of taking the planned economy as the key link with market regulation being supplementary. This is to say that for category I and category II centralized procurement and assigned procurement products that are related to the national economy and the people's livelihood and affect the overall situation, in the macro-economy the state has to strengthen centralized unified planned management and necessary administrative interference. For category III negotiated procurement products, in the micro-economy enterprises and individuals enliven the economy. For example, of all the agricultural and sideline products procured by all supply and marketing departments in the country last year, category I and category II production accounted for 83.9 percent, and category III products accounted for 16.1 percent of the total agricultural and sideline products that state commercial departments procured; the portion purchased at negotiated prices came to only 13.8 percent. From this may be seen that centralized procurement and assigned procurement products controlled by and under the mastery of

state plan constitute the largest portion. This reflects the dominant role of plan with only a small amount being regulated by the market, which plays a role supplementary to plan.

It should be noted that in implementing centralized procurement, assigned procurement, and negotiated procurement policies for agricultural and sideline products, it is not that there is no desire to use the laws of value, but rather that only by taking the planned economy as the key link is it possible to use accurately and bring into play the role of the laws of value. China must still energetically develop commodity production and commodity exchange. Because of the energetically develop commodity production and commodity exchange, the value of commodities continues to be the basis for price. That commodity price has to be generally in accord with value is an objective requirement of the laws of value. Consequently, in carrying out the planned economy, it is necessary to adopt forms of commodity value, and in formulating plan, the state also has to fully use the laws of value. Practice has shown that whenever procurement prices for commodities have been set equitably and are fundamentally in accord with requirements of the laws of value, peasants can obtain fair remuneration of these agricultural and sideline products that they sell; development of these agricultural and sideline products will be rapid, and state procurement plans will be smoothly fulfilled. Whenever procurement prices are set too low in violation of requirements of the laws of value, peasants are unable to get fair remuneration, development of production is impaired, state procurement plans cannot be fulfilled, and a shortage of supply in relation to demand develops in markets. Whenever procurement prices are set too high, blind development of goods may be spurred; state procurement plans cannot be controlled or large overstocking and spoilage of goods may occur occasioning losses in production. In short, agricultural and sideline product procurement must adhere to taking the planned economy as the key link, but the role of the laws of value cannot be ignored either.

Some comrades have asked whether the higher procurement prices paid for agricultural and sideline products the better, or whether there should be a limit. We believe that there surely has to be a limit. Furthermore, at the present time, a relative stability must be maintained within prevailing limits. This is because of the following:

First, prevailing agricultural and sideline product procurement prices are fairly equitable, and they have increased peasant earnings. As a result of almost 3 years of increased prices for agricultural and sideline products, comparison of 1981 with 1978 shows an average annual incremental increase of more than 10 percent in the procurement prices paid for agricultural and sideline products in the country, but that in the 28 year period from 1950 until 1978, the average annual incremental increase for agricultural and sideline products was only 2.8 percent. As a result of increased prices paid for agricultural and sideline products, the average annual per peasant increase in earnings for 1979 and 1980 taken together was somewhat more than 20 yuan. In Guangdong Province, as a result of increases in procurement list prices paid for agricultural and sideline products during the past almost 3 years, peasant earnings have increased by more than 1.4 billion yuan. The

difference between list and negotiated price in money received for agricultural and sideline products peasants sold at negotiated prices was more than 2 billion yuan. It may be seen that following almost 3 years of readjustment, the procurement prices paid for agricultural and sideline products are fairly equitable. This has promoted development of agricultural production, and peasants have also increased their earnings.

Second, great changes have taken place in comparative prices paid for industrial and agricultural products. The comparative price coefficient in the exchange of agricultural and sideline products for industrial products in the country increased by 263 percent in 1981 as compared with 1950, i.e., an equal amount of agricultural products could be exchanged in 1981 for more than one and a half times the industrial goods obtainable in 1950. In addition, yet another major change occurred in the comparative prices of agricultural and industrial products, namely that during the past almost 3 years, as a result of the institution of production responsibility systems in agriculture and the launching of economic diversification, the labor productivity rate has increased and production costs for agricultural and sideline products have decreased. Meanwhile the labor productivity rate in industry has decreased, and production costs have risen in a situation that is just the reverse in agriculture. During the first 11 months of last year, the labor productivity rate for all personnel in industrial enterprises owned by all the people fell 3.2 percent as compared with the same period the year before, and comparable production costs increased 1.1 percent. Because of these changes, the prices for agricultural and sideline products increased relatively and prices for industrial products decreased relatively.

Third, increased prices for agricultural and sideline products also depend on the extent of development of industrial productivity. Increases in agricultural and sideline product prices requires the state to allocate money, and the state's money is provided mostly by industry. More than 90 percent of national revenues come from industry. Consequently, increase in prices for agricultural and sideline products must proceed from the reality of the country's level of development of industrial productivity. On the one hand it is necessary to see whether industry is able to provide corresponding industrial products to satisfy peasant needs. If procurement prices paid for agricultural and sideline products are increased and it is not possible correspondingly to increase the supply of industrial goods, the peasants will still gain no benefit. In addition it is necessary to see the extent to which industrial plants improve economic benefits. This is because in order to increase prices paid for agricultural and sideline products costs for industrial goods produced by plants requiring agricultural and sideline products as raw materials for their manufacture will also increase. Only when industrial plants are able through increase in economic benefits to offset the increased costs occasioned by increased prices paid for agricultural and sideline products can the peasants derive genuine benefits from increases in prices paid for their agricultural and sideline products. Today state price subsidies paid in prices for agricultural and sideline products amount to 32.1 billion yuan. With the increase in agricultural production and the increase in quantities of agricultural and sideline products procured, subsidies will increase annually by 1 billion and several hundred

million yuan. Were the procurement prices paid for agricultural and sideline products to be raised as well, construction funds would be reduced and public deficits increased, thereby impairing national construction.

In summary, for some time in the future it will be impossible to raise the purchase prices paid for agricultural and sideline products. The peasants cannot rely solely on price rises to become prosperous, but rather they must rely on efforts to develop production, lower agricultural production costs, and raise labor productivity on the basis of prevailing price levels for agricultural and sideline products to increase earnings.

Increased State Burden

Beijing CAIZHENG [FINANCE] in Chinese No 8, 5 Aug 82 p 25

[Article by Yun Zhiping [0061 1807 1627]]

[Text] In recent years the state has greatly increased procurement prices paid for agricultural and sideline products. In the 3 year period between 1979 and 1981, they rose by a total of 38 percent (including a 23.5 percent increase in list price) for an annual average increase of 11.4 percent, which was fairly great. As a result of the increase in prices paid for procurement of agricultural and sideline products, the interests of the peasants were fairly well taken care of. This powerfully spurred the enthusiasm for production of the broad masses of peasants and promoted development of agricultural production. These measures were correct without doubt. Right now the main problems are: first, some areas act themselves to increase procurement prices, enlarge the scope of price increases, increase the extent of price increases, increase price differential subsidies, and lose control over negotiated prices. This has meant an increasingly heavy burden for the public treasury. State subsidies from public funds for agricultural and sideline products, for goods used to support agriculture, and for other products increased from 7.9 billion yuan in 1978 to more than 32 billion yuan in 1981, and equalled 32 percent of the national budget. Unless this trend is brought under control, subsidies may exceed the extreme limit that the national budget is able to bear. Second, results have not been very good from payment of increased prices for excess procurement and from procurement at negotiated prices. Total amount of procurement has not increased much, and procurement at list price has become less and less while procurement at increased prices and negotiated prices has increased more and more, adding to the drain on the public coffers. In 1981 quantity of grain procured increased by 15.5 percent over 1978, but quantity procured at list price fell 29.4 percent. Meanwhile procurement at increased prices and negotiated prices doubled and tripled respectively. List price procurement as a ratio of total procurement fell from 69.3 percent in 1978 to 41.7 percent in 1981 while the ratio of added price procurement rose from 24.3 percent to 41.7 percent and the negotiated price procurement ratio rose from 6.4 percent to 16.7 percent. The procurement picture for oil and cotton was similar to that for grain. From 1979 to 1981 funds paid for increased procurement at added price or at negotiated price annually averaged more than 4 billion yuan, adding to the burden on public revenues. In addition, because of differences in state

requisition procurement base figures, vicissitudes became increasingly serious and contradictions more conspicuous from one area to another and between one variety and another in added prices paid for excess procurement.

In order to stabilize agricultural and sideline product prices and control public fund subsidies, the following measures should be adopted:

First of all, procurement prices for agricultural and sideline products should be basically stabilized within what they have been in recent years. Except for individual items, there should be no further price increases, added prices, or subsidies. Increases in prices, added prices, subsidies, rebates of profits, and such methods that jurisdictions have put into practice of their own volition should be cancelled. In addition, negotiated prices should be restructured in a gradual contraction of the scope and numbers of things included in negotiated prices with stabilization of negotiated price levels and control of quantities purchased at negotiated prices and sold at parity prices to reduce the state's burden. Prices for agricultural and sideline products should be handled in accordance with state regulations with adherence to taking plan prices as the key link and market regulation as supplementary with no doing as one pleases.

Second, consideration could be given to changing the prevailing added price paid for excess procurement of grain, oil, and cotton to an added price for fixed proportions. This would mean setting separate proportional state requisition procurement and excess procurement, arriving at price on the basis of the fixed proportions and the extent of added price. Advantages in so doing are as follows: the interests of both the country and peasants would be concurrently cared for. The more grain, oil and cotton sold, the greater the peasants' earnings and the greater the benefits for the country. All the vicissitudes of added prices for excess procurement could also be eliminated. Furthermore, while protecting the peasants' just interests, inequitable expenditures for added prices could be reduced for a lightening of the drain of public coffers.

Third is use of a system of assignment of sole responsibility for added price funds for grain, oil, and cotton. Right now all the added price funds for grain, oil, and cotton are borne by the central government treasury, which makes for difficulty in strengthening management, ease in expansion of the added price proportion, and increase in the extent of added prices. In order to stir all jurisdictions' enthusiasm for managing added price funds, nationally set base figures could be used in making assignments of sole responsibility to individual provinces, autonomous regions, and directly subordinate municipalities. In the case of excess quantities procured, the user would pay. If the central government were the user, the central government treasury would be responsible; if local governments were the users, local government would bear the burden.

BENEFITS OF IMPROVED VARIETIES OF CROPS EXPLAINED

Increased Yield Potential

Beijing ZHONGGUO NONGMIN BAO in Chinese 19 Aug 82 p 2

[Article by Bu Shouchen [6752 1343 5256], Seed Station, Ministry of Agriculture, Animal Husbandry and Fishery]

[Text] General Yield Increases of More Than 10 Percent From Newly-Promoted Varieties

New varieties that have been approved for promotion by the state produce yield increases of more than 10 percent. Though not all yield increases are as much as 10 percent, the varieties possess superior properties of other kinds. For example, quality may be good, they may be early ripening, be highly adaptable, or strongly resistant to diseases and insect pests, making them worth promoting.

Seed departments in all jurisdictions regularly recommend new varieties to the peasants in order to satisfy urgent rural needs. For example, the new cotton variety, Esha 28, that has been promoted in Hubei Province has produced 38.46 percent greater average yields than Eguang stock variety cotton in area experiments at 31 sites (or times). Its fiber quality is rather good; it is widely adaptable, and its shortcomings are rather poor purity and lack of resistance to verticillium wilt. This new breakthrough variety has been promoted over wide areas of Hubei Province, and it will certainly mean tremendously increased yields for that province. New varieties of grain crops such as the new He'nan wheat variety, Bainong 3217, and Hebei's Jimai No 7, etc., are also being rapidly promoted. Nevertheless, generally speaking, in many places no successor varieties are in sight, so the old varieties that have been used for many years cannot be changed. New breakthrough varieties, in particular, are too scarce.

Purified and Rejuvenated Seeds Product 5 to 10 Percent Greater Yields Than Mongrelized and Degenerate Varieties

Seed mongrelization and degeneration is a major element impairing increases in crop output, and purification and rejuvenation for regular renewal of seeds used is a major means of solving this problem. Practice has shown the

following: purified and rejuvenated seeds may increase yields by 5 to 10 percent as compared with mongrelized, degenerate seeds. A survey conducted for 3 years running by the Fengxian County Seed Company in Shanghai Municipality showed yield increases of 6 to 7 percent for wheat, and paddy rice, 10.4 percent for cotton, and 10.2 percent for rape from purified and rejuvenated seeds as compared with seeds of relatively poor purity. In another case, a survey done this year by the Shandong Wheat Inspection Team at Longquan Production Brigade in Laiwu County showed purified and rejuvenated wheat variety, Taishan No 1, produced 92.9 jin per mu, a 14.7 percent increase as compared with unpurified and unrejuvenated seeds of the same variety. In fact, when purification and rejuvenation of varieties is done properly, the varieties are by no means inferior to and may surpass some varieties being newly promoted.

Following Machine Processing and Selection of Seeds, Yield Increases of 5 to 10 Percent

Machine processing and selection of seeds is a new job in China. Use of seeds that have been machine selected can both save on the number of seeds used and on manpower, and can increase yields. Experiments conducted at Jiangling and Jingshan counties in Hubei Province show that after rice and wheat seeds had been selected, the sprouting rate increased by 3 to 5 percent. After defuzzing in sulfuric acid, the cotton seed sprouting rate increased by 10 to 15 percent. Furthermore, according to comparison experiments conducted for many years in Wujin County, Jiangsu Province, and 17 experiments conducted at seven stock variety farms in Changge and Jiyuan counties in He'nan Province, sprouting rates increased by a general 10 percent for seeds that had been selected versus seeds that had not been selected. Under similar production conditions, this meant a 10 percent increase in grain yields from 10 percent fewer seeds.

Today selected and processed seeds account for only about 5 percent of the total volume of seeds used, so a very great potential exists. Were all the country's seeds used for open field crops to be processed and selected as well as mixed with pesticides to prevent diseases and insect pests, a saving of several billion or even tens of billion jin of seeds would be entirely possible to say nothing of the increase in grain output.

Increased Yields of More Than 100 Jin Per Mu From Hybrid Rice

The history of development since founding of the People's Republic has shown the following: each major breakthrough on a crop variety plus other technical measures for increasing yields can result in tremendous increase in outputs. Hybrid rice is one example, with increases in yields of more than 100 jin per mu or even 200 to more than 300 jin in some places.

Hybrid rice has been promoted for 7 years, yet the growing area amounts to only about 16 percent of the total; a very great potential still exists. Currently the situation for the spread of hybrid rice is very uneven. In Sichuan Province the spread has been fairly rapid. As of last year it was being grown on more than 13 million mu with a 2 billion jin increase in grain resulting from this single case alone.

A positive attitude is necessary for development of hybrid rice. Leaders have to make up their minds, see clearly, and then work with determination. A scientific attitude is necessary too. There has to be experimentation and demonstration first, followed by promotion.

Aside from the four aforestated potentials for increased yields, there is still one other. If a superior variety can definitely be grown in a certain area, when grown in another area it may produce decreased yields. A variety may produce increased yields in area A while it will not necessarily produce increased yields in area B or may even produce reduced yields. Today some of the varieties being grown in a place are by no means the optimum varieties for the place, and some places are still giving no concern to local conditions but are blindly advocating the growing of so-called "high yield crops." As to just which crops will produce high yields, only comparative experiments done locally under identical production conditions will show. There has to be an adaptation of general methods to local situations, and if science is not respected, it will be difficult to avoid blind guidance. If this work is done well, increases in yields are possible.

Questions Answered

Beijing ZHONGGUO NONGMIN BAO in Chinese 19 Aug 82 p 2

[Article: "How Can the Peasants' Urgent Needs for Superior Varieties Be Satisfied"]

[Text] Question: What new situations have arisen in seed work since institution of rural production responsibility systems?

Answer: One is that peasant demand for seed quality has gone up. Second, quantities have increased. Third, the scope of seed supply has expanded; not only are grain crop seeds wanted, but economic crop seeds and vegetable seeds are also in demand. Fourth is demand for improvement in the way of doing business that requires seed companies to use flexible methods of many kinds in providing service. Fourth is a requirement for promotion of both superior varieties and superior methods, concern about economic results, and shouldering of economic responsibilities.

Question: How can the peasants' urgent needs for superior varieties be satisfied?

Answer: Production of superior varieties, particularly hybrid seed production, requires strict technical conditions and separation conditions. Only by establishing special concentrated continuous tract seed production bases is it possible to provide peasants seeds of high purity and good quality at low cost. Seed bases include state-owned superior variety farms, seed company bases under special arrangements, commune superior variety farms, and production brigade seed teams. Sole reliance on state-owned superior variety farms cannot satisfy needs. It is necessary to operate commune and brigade seed production bases as well. Because of faulty understanding and abandonment of leadership of production responsibility systems in some places, some commune superior variety farms and production brigade seed teams have been

disbanded. This is wrong. Communes and brigades that have already established seed bases should consolidate and improve them, and those that have not yet established them should do so with all possible speed.

Question: What several forms of seed supply are there today?

Answer: In addition to foreign trade in seeds being centrally handled by the China Seed Company, currently the main forms of supplying seeds are as follows: one is supply by seed companies; a second is centralized seed supply by communes and production brigades; and third is county and commune joint seed supply, and county, commune, and brigade, three-tier joint seed supply. In order to assure seed quality and promote agricultural production, other units and individuals may not take it upon themselves to deal in farm crop seeds. Reports from some places tell of unscrupulous pedlars selling seeds at high prices, some of which have been adulterated to cheat people. It is hoped that production units and commune members will not buy seeds at random from unscrupulous pedlars in the streets.

Question: What are the main seeds that seed companies currently deal in?

Answer: First is seeds that are strongly technical and have high commodity value such as hybrid rice, hybrid corn, and hybrid gaoliang. Second is seeds that easily become mongrelized and degenerate, and seeds that are not sown in large amounts such as cotton, vegetables, millet, and rape. Third is stock seeds that have undergone purification and rejuvenation, and newly bred conventional superior varieties. Fifth is seeds prepared for unusual places. Sixth is superior seeds to provide disaster relief and prepare against natural disasters.

Question: How can the way of doing business be improved to accommodate the masses?

Answer: On the basis of experiences in various places, it is necessary to adopt the following measures: first is to increase the number of seed supply stations and to set up retail stores for close-by supply, or even to deliver seeds to production teams or households. Second, when the masses buy seeds, any amount should be sold them at any time. They should be sold whatever amount they want to buy, and they should be sold then whenever they want to buy them. They should also be permitted to select them and exchange them. Third, in addition to trading grain for seeds, negotiated sales should be permitted to solve the problem of "difficulties in selling grain in exchange for seeds." Fourth is to take the initiative in providing briefings on the special properties, special characteristics, and special qualities of varieties, particularly providing information on growing techniques. Fifth is establishment of a seed salesman system. Sixth is not permitting supply of seeds that are not up to specifications, much less permitting the inferior to be represented as being good in a resort to deception. If it is discovered that varieties supplied were not what was wanted or that quality did not meet requirements, all economic losses resulting therefrom must be indemnified.

NATIONAL

BRIEFS

STATE FORESTRY FARMS--Since 1979, state forestry farms in China have produced an average of 4 million cubic meters of lumber each year, 70 million jin grain, 14 million jin fruit, 1.9 million jin tea and 700,000 jin medicinal herbs. [Text] [OW231311 Beijing Domestic Service in Mandarin 0400 GMT 8 Sep 82]

CSO: 4007/2

ANHUI BEGINS ANTIFLOOD WORK IN STRICKEN AREAS

OW191215 Beijing XINHUA Domestic Service in Chinese 0012 GMT 18 Sep 82

[Text] Hefei, 18 Sep (XINHUA)--The Anhui Provincial CPC Committee and People's Government have organized nearly 200 cadres from units directly under the provincial authorities into 31 work teams to carry out flood relief work. These teams, led by Yang Weiping and Yuan Zhen, secretaries of the Provincial CPC Committee; Meng Fulin, vice governor; and 41 cadres at the bureau and division levels, left for 8 prefectures, 4 cities and 33 counties on 5 September to inspect flood damage and assist local governments in mobilizing the masses to launch self-help activities, resume production and overcome difficulties caused by floods with a view to winning a bumper agricultural harvest for the whole year.

Anhui Province has had good harvests of summer crops including grain and oil-bearing crops as well as early rice. Autumn crops are growing well in most parts of the province and a bumper harvest is in sight. However, some localities have been hit by serious floods and waterlogging. Since early June, continuous and heavy rainstorms hit areas north of the Huai River, between the Changjiang and Huai Rivers and south of the Changjiang River. A total of over 14.9 million mu of crop fields were damaged and 250,000 houses collapsed. The total grain loss is estimated at 2 billion jin.

To minimize the damage, help flood victims arrange production activities and maintain their livelihood with a view to winning victory in the antiflood struggle, the Anhui Provincial CPC Committee and People's Government organized work teams in good time and sent them to the flood-stricken areas to assist local governments in launching self-help production activities. They emphasized that main efforts should be concentrated on developing production by strengthening management of late autumn crop fields, making good preparation for autumn sowing and successfully planting wheat according to the required quality and quantity. At the same time, further measures should be explored to develop diversified economy.

The provincial leadership urged that in the self-help production campaign, major efforts be concentrated on such heavily affected areas as Xiaoxian County in northern Anhui and on the flood drainage and retention areas along the Huai River to enable people there to live a stable life and do production work

without worry. Good-harvest areas should assist disaster areas and mutual help should be initiated among the masses in order to unite their efforts in jointly overcoming difficulties.

At present, inspired by the spirit of the 12th CPC National Congress and led by party organizations and people's governments at all levels, the people in Anhui's disaster areas are working with one mind and with full confidence to wage the struggle to overcome the difficulties caused by natural disasters.

CSO: 4700/2

GRASSROOTS SUPPORT FOR GOVERNMENT, COMMUNE SEPARATION REPORTED

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] in Chinese No 7, 1982 pp 17-18

[Article: "Need For Separation of Government and Communes and Need For Gradualism"]

[Text] Following announcement of the revision of the constitution, the He County CCP Committee and people's government in Anhui Province assembled cadres for study and discussion. Remarks they made in discussion of the issue of separation of government and communes have been selected for publication here.

County Civil Government Bureau Chairman Yang Yucai [2799 3768 2088]: I formerly did rural grassroots work for many years. In 1956 I began as a township leader, later on becoming a commune secretary for the last 10 years. I have had a full taste of the joys and trials of commune work. When the new draft constitution seeks to separate government and communes, I raise both hands in support.

If you compare the separation of government and communes during the period immediately following Liberation with the subsequent combining of government and communes, I feel that the separation of government and communes is the better of the two. During the early 1950's a township had only three officials, a political instructor, a township leader, and an office worker. At that time the political instructor looked after party work and understood programs and policies; the township leader looked after administrative matters; and the office worker worked with the township leader to handle grain taxes, to settle civil disputes, and to perform marriages. The deputy director of the cooperative devoted himself to production. Everybody's duties were clear, the division of labor straightforward, and work was done in an orderly way. After government and communes were combined, the commune CCP Committee secretary took on everything. He both headed the party and headed administration and production. As a result, the party replaced the government and the government replaced communes. There was a lot of hustle and bustle yet work was not done well. In 1975, when I was secretary in Luobai Commune, I realized that though

the soil was very fertile in the 18 production brigades of this commune, nevertheless they had grain sold back to them by the state year in and year out. I was very agitated and right after the new year I quietly made up my mind that if I were to stay in this production brigade for a year, I would change the low production situation. I told other CCP committee members about my idea, and they supported me. But I remained there for only 2 months that year and spent the other 10 months in meetings, in resolving disputes, in writing comments on reports, wasting my times on such trifles. In all matters great and small, the secretary had to be sought out to give the nod. Even the release of emergency rescue funds and the distribution of chemical fertilizer required my approval before they could be done.

Granted that the blind direction given to agricultural production some years ago was caused by the ultraleftist line; still, the lack of separation between government and the communes cannot be said not to have been a cause. The masses of commune members at Luobai Commune had been in the habit of growing one crop of intermediate rice. This had been dictated by this commune's objective water, fertilizer, and work force conditions. In 1976 the county wanted the commune to grow 15,000 mu of two crops of rice, but neither the production leader nor the masses agreed. During discussions by the commune management committee, five out of seven committee members opposed. The commune management committee deputy chairman, who was of peasant origins and had been born and brought up on the soil, likewise advocated either not growing two crops of rice or growing less of it. At that time I was the commune secretary and concurrently chairman of the management committee. In order to resolutely carry out the instructions of higher authority and without concern for the views of the majority, I finally gave the verdict to plant the 15,000 mu. Because this matter had been handled against the wishes of the people, it was resisted by the production team leader and the masses. For this reason I held eight consecutive meetings of the brigade and production team leaders and repeatedly mobilized and forced subordinates to regard the matter as a political task for fulfillment. As a result, because water, fertilizer, and workforces were not equal to the task, the farming season passed with 3,000 mu not being planted, and 6,000 mu were transplanted without any manure at all. Yields averaged only a little more than 200 jin per mu. The masses had wasted their labor and incurred costs for nothing, and they harvested 1.5 million jin less grain. Had government and communes been separate, with production being directed by someone who really understood what he was doing, this loss could have been avoided. The newly revised draft constitution's call for separation of government and communes will help the modernization of agriculture, and it will be heartily welcomed by rural grassroots cadres and the peasant masses.

Bajiao Commune CCP Committee Secretary Hu Kefa [5170 0344 3127]: Following communalization, the party, government, and communes actually ran everything, and the commune secretary was responsible for everything in a chaotic situation in which the party did not look after the party, the government did not look

after the commune. If you said not to do something, everybody did it. If you said to take care of something, because of the unclear division of labor and murky responsibilities, it was never taken care of as it should have been. As a result nothing was taken care of properly. In order to complete promotion of double crops of rice, some years ago we commune secretaries would go separately into production teams around the time of qingming [around 5 April] to supervise the masses soaking of rice seeds, fearing lest the masses not plan according to plan. Where would such a commune secretary find time to give attention to ideological and political work and to build up the party? Now that the revised draft constitution provides for a gradual separation of government and communes, naturally I agree. Nevertheless, change must come gradually; it cannot come too fast. Following Liberation, small townships became large townships, and large townships became communes. In 1963, large communes became small communes; in 1969 administrative divisions were disbanded and combined with communes; in 1971, administrative divisions were re-established and small communes were designated. What with all the changes, no improvement or genuine vigor occurred in production until after the Third Plenary Session [of the 11th Party Central Committee]. This shows that it is not the names of organizations that is important but rather whether or not party programs and policies are correct. Right now the rural situation is better than at any period in the past, and the mass of peasants can say that they live in peace and are happy in their work. Yet they all have fear of "change," and no matter where the "change" comes from, it can cause some mental turmoil. Though communes are said not to be perfect, nevertheless they have been in being for more than 20 years. Cadre systems and farm management systems that have an impact on cadres and the masses should go through pilot projects, be carefully undertaken, and gradually promoted. Practical problems have to be solved well. For example, what is to be done with existing commune and brigade cadres? How will commune and brigade enterprises be managed, and will organizational and administrative cadres be set up below the township (or town) level? If not, will the country provide for expenses or will the masses have to chip in? All these problems have to be given all-around consideration and specific methods worked out. If they are not, problems will occur.

Wujiang Prefecture CCP Deputy Secretary Wang Yuesan [3769 2588 0005]: The combination of government and communes has meant that "superiors look after astronomy and geography while subordinates look after trifles such as chicken feathers and garlic skins," both administration and production being handled exclusively by superiors. When there are a thousand threads above and only one needle below, and everyone wants to thread the needle, the eye of the needle becomes blocked. The reason why commune cadres hurry and hustle, and are constantly weighed down with work lies here. The revised draft constitution stipulates establishment of township (or town) governments with a separation of government and communes, and this is favorable for the modernization of agriculture.

Following institution of production responsibility systems, work will devolve upon households and individuals, and the amount of work will be greater than formerly. How will a single production brigade with as few as 300 or 400 households or as many as 500 or 600 households be able to handle things with only three cadres? The biggest headache today is that a great many departments have been set up by superior authority; there are many meetings, numerous reports to write, and many documents to read too. When, in addition, government and communes are combined, it makes it difficult for subordinate echelons to cope. For example, apart from the county CCP Committee and county government, there are more than 30 first rank bureaus in our country, and if each bureau issues only one document a month, that becomes a large packet for those below. There is not enough time to read them all let alone implement them. Consequently, I feel that no matter how government and communes are divided, it is streamlining of the upper echelons, full staffing of the grassroots level, and strengthening of the frontline that is important. This is the only way to help production and to help work. I hope that when superiors are considering the separation of government and communes that they will give a lot of attention to the characteristics of government at the grassroots level, and that they will spend a little money and do everything possible to send some cadres excused from regular production duties to the grassroots to work at running grassroots government and cooperatives correctly. It does not do to have a heavy head and light feet, with an overlapping of organizations at the top and overstaffing, while at the lower levels people are hustling and bustling trying to cope. If this is the way things are to be, the separation of government and communes will not produce any results either. If central government organization streamlining is done quickly with good results to provide a good model for the lower levels, grassroots level government should also ride the east wind announced by the revised draft constitution for a revival, which would help the modernization of agriculture.

9432

CSO: 4007/532

BEIJING

RENOVATION OF QING HE SEGMENT COMPLETED

Beijing BEIJING RIBAO in Chinese 25 Jul 82 p 1

[Article: "Work Finished and Water Flows on Lower Reaches Segment of Qing He Control Project After 4 Years Work Without Let Up. Solves Drainage of Water From City's Northwestern Suburban Towns and Draining of Waterlogging from Farmlands. More than 30,000 Civilian Laborers and Municipal Capital Construction and Machine Construction Contingents Fulfill Tasks Splendidly"]

[Text] After more than 4 years of arduous and unrelenting effort, the Qing He control project, which was begun to solve drainage in the city's northwestern suburban towns and to drain waterlogging from farmlands, was recently completed and water began to flow through the project segment in the lower reaches.

The Qing He is a main waterway for drainage of Beijing's northwestern suburbs that flows through the four prefectures and counties of Haidian, Chaoyang, Changping, and Shunyi. Because of many years neglect, many segments of the river have collapsed or silted and become choked with wild growth that seriously weakened its drainage capacity and affected normal life in the city and towns, environmental sanitation, and agricultural production. In 1978 the Municipal CCP Committee and municipal government decided to dredge this stream completely and bring it under control, as well as to set up a project command. Work formally got underway in September that year. This project, which was designed by the Municipal Water Conservancy Surveying and Design Academy planned to work from the lower reaches to the upper reaches, one section at a time. The newly designed waterway would be a little more than 4 kilometers shorter than the old one. Straightening of curves would require the dismantling or removal of 1,941 civilian houses and of industrial sideline enterprise units at 10 sites, plus the use of 3,500 mu of farmland. Time was short, the size of the project was large, and it affected many units. It was an arduous task. Comrades in charge of all departments concerned and in the four prefectures and counties proceeded with the overall situation in mind. After earnest exchange of views, they took action to overcome difficulties and finally satisfactorily solved most of the problems related to dismantling and removal of houses and taking over farmland for the project, assuring that the project would move along smoothly.

Once the project began, the prefectures and counties of Chaoyang, Haidian, Changping, and Shunyi assembled more than 30,000 civilian laborers to join in the struggle. The broad masses of civilian workers braved the scorching summer sun and faced the winter wind and snow, tramped through the mud, and put up with arduous conditions for splendid fulfillment of the quotas of earth to be removed assigned them individually. In order to reduce the intensity of labor and hasten progress on the project, in 1980 the project changed to a machine operation. The municipal water conservance, municipal government, and construction system's capital construction and machine construction contingents worked closely together and made concerted efforts to assure quality and progress on the project. The municipal government Second Company, responsible for building locks in the Qing He, lacked experience in water conservancy construction; however, they sought instruction and gained experience as needed from a fraternal unit and world strictly in accordance with design specifications. The quality of the locks they built met design standards and earned the praise of water conservancy departments.

Now dredging and renovation of an 18.47 kilometer section of the watercourse between the Beijing-Baotou railroad bridge and the Wenyu He has been substantially finished, work having been completed on major structures. More than 29,000 trees have been planted on both banks of the new waterway to beautify the environment. As part of the construction, all units used the dredged sustained by nearby production teams.

He Qing He rises in the foothills of the Western Hills and flows past Qinglong Bridge, An He Bridge, Qing He Town, Shenjiafen, and enters the Wenyu He at Shaziying. It totals 28 kilometers in length, and two tributaries--the Wanquan He and the Xiaoyue He--flow into it. It is the main watercourse for drainage of several tens of thousand of farmland in the northwestern suburbs and for the residents, industrial plants and mines, government organizations, and educational institutions in most of the region. In 1958 the people's government organized forces to dredge this river. However, standards were very low at that time, and the stream has long since ceased to meet the ever increasing needs of urban construction. Furthermore, as a result of scouring and silting over the past 30 years, the river bed has become shallower and narrower, and the passageway through rivers and locks along the river have become small and low, seriously impeding the flow and discharge of water. In years of torrential rains, farmlands have been inundated, villages, towns, schools, and enterprises flooded, some houses have collapsed, and communications have been cut.

This control project has included dredging of the main rivercourse, widening and deepening it, straightening out its curves, building of bridges and locks, and dredging of tributaries. Control of the main rivercourse was begun in the west at the An He lock in Haidian and extended to the Wenyu He, a total distance of 23.77 kilometers. More than 20 large bridges and locks were built, and small ones were built at more than 100 places. Following dredging, the main channel is 40 meters wide and is capable of carrying flood waters at a rate of 486 cubic meters per second. During the rainy

season, drainage of more than 30,000 mu on both banks can be assured, and in the northwestern suburbs, the cultural area, government organizations, industrial plants, and mines, as well as more than 20 villages and hamlets will be free from the threat of flooding. During water shortages, water can be provided via a diversion channel from the Miyun reservoir in Beijing, both watering farmlands and improving environmental sanitation.

9432

CSO: 4007/559

PROVINCE MAKES GOOD SHOWING IN AGRICULTURAL QUOTAS

Fuzhou FUJIAN RIBAO in Chinese 26 Jul 82 p 1

[Article: "Procurement of Major Agricultural and Sideline Products in Province Increases Over Last Year. Launching of '432' Indoctrination to Enhance National Conception. Drop From Same Period Last Year in Quantities Procured of Live Hogs, Tung Oil, Honey and Charcoal Fuel. Departments Concerned Must Take Action for Active Organization of Procurement"]

[Text] This year, except for live hogs and tung oil, procurement of the province's major agricultural and sideline products was fulfilled very well. Statistics from units concerned showed that as of the end of June the province's plan quotas for spring grain and rapeseeds had been overfulfilled by 10.8 and 93.4 percent respectively. The total quantity of agricultural and sideline products procured by business and supply and marketing departments have overfulfilled annual procurement plans by 60.4 percent, a 5.4 percent increase over the same period last year. Quantities purchases of fresh eggs, tea, flue-cured tobacco, moso bamboo, and handmade paper increased substantially over the same period last year. Last year some places in the province showed a liberal trend in sales to the state of agricultural and sideline products, caring only for the interests of a part and neglecting state plan. Quantities purchased of some items fell for a time, impairing fulfillment of state procurement plans. Ever since last winter, as a result of transmitting and putting into effect the spirit of the provincial work conference on finance and trade and the launching in rural villages of "432" indoctrination, the socialist consciousness of the masses of commune members everywhere has been heightened and their national conception strengthened. In addition, assigned procurement base figures have been set everywhere for grain and oil, live hogs, eggs, flue-cured tobacco, tea, citrus fruit, handmade paper, dried bamboo shoots, tung oil, longans, and lichees. Various methods, including issuance of state requisition procurement quota notices, certificates showing sales of agriculture and sideline products, and the signing of procurement and marketing agreements, have been adopted so that centralized procurement and assigned procurement quotas will be gradually brought to bear on production units and peasant households to promote agricultural and sideline product production and procurement work. All finance and trade departments have set up network outlets as a convenience for the masses in making sales following the decentralized sales situation resulting from promotion of production responsibility systems.

This year quality of numerous agricultural and sideline products has been strikingly improved over last year. More than 320,000 dan of tea was procured throughout the province during the first half of the year, 8.7 percent more than during the same period last year, and quality was everywhere better than last year. In Samming Prefecture, the quality rating for unfired tea leaf procured, and transported to tea plants for processing between January and May was 70.8 percent better than during 1981. Procurement of flue-cured tobacco in the province also overfulfilled annual plan by 3.9 percent. This included 66 percent high and medium quality tobacco, which was higher than the percentage in ordinary years. However, it must be noted that the quantities procured of agricultural and sideline products such as live hogs, tung oil, honey and charcoal fuel were less than for the same period last year. Departments concerned should take action to strengthen leadership and to organize procurement in an effort to fulfill or overfulfill procurement quotas.

9432

CSO: 4007/553

GUANGDONG REPORT ON TYPHOON DISASTER

HK160829 Guangzhou GUANGDONG Provincial Service in Mandarin 2350 GMT 15 Sep 82

[Text] The 17th typhoon of the year hit the coast of Xuwen County yesterday and caused damage in varying degrees to a number of cities and counties in Zhanjiang Prefecture and Hainan Island. Inspired by the spirit of the 12th CPC National Congress, cadres and masses in the stricken areas actively resisted the typhoon attack and strove to reduce the damage caused by the typhoon to a minimum.

The typhoon hit the coast at Qianshan Commune, Xuwen County at about 0600 on 15 September. The typhoon's force was 7 on the Beaufort scale. The afflicted areas included Xuwen County and Haikang County of Zhanjiang Prefecture and Haikou City, Qiongzhan County, Wenchang County and Qionghai County on Hainan Island. Vast areas in Zhanjiang, Foshan and Zhaoqing Prefectures generally had heavy or intermediate rainfall accompanied by squally showers. Due to its strong power, the typhoon caused damage in varying degrees to human lives, livestock, houses, crops and water conservation facilities.

Before and after the typhoon disaster arose, the CPC Zhanjiang Prefectural Committee, Hainan Regional Committee and Xuwen and Haikang County Committees sent a number of cadres to investigate the effects of the typhoon, express sympathy and solicitude for the people in the disaster areas and organize rescue work.

CS0: 4007/2

HAINAN ISSUES TYPHOON DAMAGE, PREVENTION CIRCULAR

HK180210 Haikou Hainan Island in Mandarin 0330 GMT 17 Sep 82

[Text] The commissioner's office of the Hainan Prefectural CPC Committee held an emergency meeting on the morning of the 15th. It listened to summary reports on the aftermath of the No 17 typhoon and flood prevention work. An urgent circular was issued at the meeting. It urged various areas to show the spirit of being fully responsible to the people. The areas must therefore quickly organize the masses of cadres to go deep into the midst of the front to take up any urgent matters and relief work following the typhoon.

The circular pointed out that the party committees and people's governments at all levels must realistically strengthen leadership over any urgent matters and relief work. They must immediately organize work teams to quickly get to disaster-affected areas to take charge of relief work.

The circular called on various areas to adopt the following effective measures to reduce damage from the typhoon:

1. We must do a good job of storing water to prevent hardships during the flood season. At present, most of the reservoirs in our prefecture are inadequately filled with water. All areas must take advantage of the rainy typhoon season to store more water to ensure an adequate supply for the early rice crop. A small number of areas with reservoirs which are adequately filled with water must make a point of fighting floods. Concerning those irrigation works exposed to danger, we must immediately organize forces to carry out emergency repairs.

2. We must try by every means to save agricultural crops and to reduce damage. At present, we must chiefly pay attention to draining off water and preventing waterlogging following the typhoon. The aim is to restore the affected crops to a normal state of growth. Those late paddies already ripe must be harvested without any delay. Concerning those lodged rice plants in an earing stage, we must strengthen management to guard against insect pests. Concerning sugar cane, pepper, coconut, coffee and other crops that have been lodged by the typhoon, emergency measures must be taken to save them. Those people who take advantage of the opportunity to steal or fell trees must be severely dealt with.

3. Concerning highways, postal and telecommunications facilities, electric power lines and other equipment damaged by the typhoon and floods, we must take emergency measures to ensure the smooth flow of traffic, the normal communication of information and the proper supply of power. This we can bring production and our lives back to normal. To show concern for the suffering of the people in disaster-affected areas, the civil affairs departments must make proper arrangements for the settlement of calamity-affected people and organize them to take up production to help themselves.

CSO: 4007/2

HAIKOU WORKS ON VEGETABLE OUTPUT AFTER TYPHOON

HK201422 Haikou Hainan Island Service in Mandarin 0330 GMT 19 Sep 82

[Summary] "The masses of vegetable-growing peasants in the suburbs of Haikou Municipality have taken emergency measures for the management and growth of vegetables. They are determined to quickly restore vegetable production and ensure the proper supply of vegetables for the market. The No 17 typhoon caused damage to vegetable production in the suburbs of Haikou Municipality. According to incomplete statistics, damaged vegetables reached more than 2,800 mu, affecting the supply of vegetables for the Haikou market. After the typhoon, the masses of vegetable-growing peasants took emergency measures in their rush to tend vegetable fields and to grow vegetables."

The Fantong Commune formed a plan for immediately growing more than 1,000 mu in vegetables to the production teams and peasant households. Immediately after the typhoon, the Liushuike Brigade of the commune mobilized its cadres and commune members to take care of the surviving vegetables, removing weeds, banking up the fields with earth and applying manure.

"In order to help the vegetable-growing peasants in the suburbs to tend vegetable fields and grow vegetables without delay, the seed company of Haikou Municipality has energetically tried to do a good job of providing seeds. The company has sent people to Guangzhou to purchase new vegetable seeds. The relevant department of the municipality has decided to allocate 50 tons of chemical fertilizer for the vegetable peasants to help them restore vegetable production."

The masses of vegetable-growing peasants do not forget the support rendered them by the state. They enthusiastically sell their vegetables to the state. The vegetable-growing peasants of Potou Brigade, which is well known for its production of fine seeds, are signing a purchase and marketing agreement with a vegetable company for the planned sale of 400,000 to 500,000 jin of fine seeds to meet market needs.

CSO: 4007/2

GUANGXI

BRIEFS

GUANGXI PREFECTURE SILKWORM PRODUCTION--Nanning Prefecture in Guangxi region has developed silkworm production and reaped a bumper harvest. By the end of August, the amount of silkworm cocoons procured by the prefecture was some 5,500 dan and was 39.5 percent more than in the corresponding period last year. The prefecture overfulfilled its quota for procurement for the whole year by 28 percent 4 months ahead of schedule. [Text] [Nanning GUANGXI Regional Service in Mandarin 1130 GMT 25 Sep 82 HK]

CSO: 4007/2

GUIZHOU 'RIBAO' EDITORIAL ON INCOME DISTRIBUTION

HK281316 Guiyang GUIZHOU Provincial Service in Mandarin 2315 GMT 25 Sep 82

[Guizhou RIBAO 26 September editorial: "Do a Good Job of Income Distribution by Carrying Out the Contracts Assigning Responsibility to Commune Members"]

[Summary from poor reception] The editorial said: "In the wake of the over-all launching of work in the autumn harvest, the work of distributing income in the rural areas has been put on the agenda. After the system of contracting work tasks to individual households has been generally implemented, the key to promoting the work of income distribution in the rural areas lies in seriously carrying out the contracts of assigning work."

The editorial pointed out: "The central cardinal link of promoting income distribution is to adhere to the principle of three considerations, do a good job of ideological and political work, educate the peasants to establish the idea of cherishing the state and the collective, guarantee to fulfill the state's procurement quotas and the collective's retention quotas and advocate making more contributions to the state. In areas where there are bumper harvests, it is necessary to encourage the peasants to sell more grain produced in excess of quota and more grain at negotiated prices in order to assist the state's construction. Retention by the collective is an important aspect in the consolidation and development of the collective economy and the maintenance of the main economic body of the production teams. The contractor households must also work in accordance with the regulations of the contract and fulfill various essential retention quotas fixed by the production teams. This year, [words indistinct] it is necessary to pay attention to maintaining a certain amount for mutual funds and reserve grain. At present, our agricultural establishment is not strong enough to fight against natural calamities. An efficient method to improve such a situation is to speed up agricultural capital construction. (?In this year's) income distribution, production teams which enjoy more favorable conditions must retain an appropriate amount of money as funds for agricultural capital construction."

The editorial pointed out: "Carrying at the contracts of assigning responsibility to commune members and promoting income distribution is of great significance in examining the production responsibility system of contracting work tasks to individual households and speeding up agricultural development." Party committees at all levels in the rural areas must strengthen

leadership and organize strength to do a good job in this work. First, it is necessary to achieve practical results in grain production and economic revenue. It is necessary to adhere to the principle of seeking truth from facts and refrain from making false reports on production. Second, it is necessary to work in connection with commercial allocation and further perfect the responsibility system of contracting work tasks to individual households. It is necessary to sum up experience in contracting work this year and grasp the signing of contracts or revising the contracts for next year's production. The higher levels must promptly organize strength to help production teams which have not undertaken production tasks this year. The higher levels must also help the production teams solve financial problems and problems of system. It is necessary to promote financial management of the production teams this year and next year, overcome confusion, achieve production increases and expenditure control, and improve the economic return.

CSO: 4007/2

HEBEI

BRIEFS

HEBEI PREFECTURE GRAIN OUTPUT--Tangshan Prefecture in Hebei has increased its annual grain output by 410 million jin. [Text] [OW241441 Beijing Domestic Service in Mandarin 0400 GMT 8 Sep 82]

CSO: 4007/2

BRIEFS

HEILONGJIANG ARTIFICIAL LAKE--(Qinghua) Lake with earthworks totalling 270,000 cubic meters was recently constructed in Dorbod Mongolian Autonomous County in Heilongjiang Province. The completion of this artificial lake can provide 20,000 mu of water surface for fishing, improve 20,000 mu of grassland and supply water for irrigating 108,000 mu of farmland. [Text] [SK061153 Harbin HEILONGJIANG Provincial Service in Mandarin 2200 GMT 5 Sep 82]

HEILONGJIANG WHEAT SALES--As of 1 September, Nehe County, Heilongjiang Province, had handed over to the state 32.56 million jin of new wheat, overfulfilling the procurement task by 72.3 percent. [Text] [Harbin HEILONGJIANG Provincial Service in Mandarin 1100 GMT 1 Sep 82]

HEILONGJIANG STATE FARMS--By 27 August, Heilongjiang's state farms had overfulfilled by 6.6 percent its 600 million jin wheat procurement task. [Text] [Harbin HEILONGJIANG Provincial Service in Mandarin 1100 GMT 30 Aug 82]

HEILONGJIANG FARM MACHANIZATION--Since the Third Plenum of the Party Central Committee, the mechanization of farm work has developed promptly in Heilongjiang Province. As of the end of 1981, the province had 78,000 large and medium-sized tractors, 42,000 handguided tractors, 18,000 combine harvesters and 11,000 motor vehicles for agricultural use. Total irrigation and drainage power was 1 million horsepower. Rural areas throughout the province now have a power total of 12.39 million horsepower, of which, 10.34 million horsepower are machinery power. [Text] [Harbin HEILONGJIANG Provincial Service in Mandarin 1100 GMT 31 Aug 82]

HEILONGJIANG FARM MACHINERY--According to the leading party group of the Heilongjiang Provincial Machinery Administration, the total amount of farm machinery increased in the recent 4 years equalled the total amount produced in the past 26 years, of which large and medium-sized tractors increased 130 percent, small tractors 250 percent and combines 800 percent. This province now has 3.3 million horsepower of tractors and each horsepower of machinery can manage some 28 mu of farmland. Except for applying additional fertilizer and weeding, about 50 percent of the farming operations are done by machinery. This indicates that Heilongjiang Province has changed its mode of farm operations from depending mainly on animal power to machinery. Farm machinery has become Heilongjiang Province's main force for agricultural production. [Text] [Harbin HEILONGJIANG Provincial Service in Mandarin 1100 GMT 5 Sep 82]

HEILONGJIANG FOOD INDUSTRY--Making use of its resources, Heilongjiang Province has become one of the state's major food production bases. It began to build bases to produce raw materials for food, such as beets, milk-producing animals, soybeans and minor oil-bearing crops. In 1981, the procured milk and dairy product output were both 100 percent more than in 1978. The food industry's share of the total industrial output has increased from 11.3 percent in 1978 to its present 15.2 percent. In the past 3 years, rural areas have increased their income by 1 billion yuan by growing beets, oil-bearing crops, tobacco and cows. Thanks to the developed food industry, the state earned 1 billion yuan of revenue and more than 70,000 people found jobs in the past 3 years. [Text] [Harbin HEILONGJIANG Provincial Service in Mandarin 1100 GMT 30 Aug 82 SK]

CSO: 4007/2

EFFECTIVENESS OF RURAL ECONOMIC READJUSTMENT EXPLORED

Beijing NONGYE JINGJI WENTI [PROBLEMS IN AGRICULTURAL ECONOMICS] in Chinese
No 7, 1982 pp 6-11

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Province's Agricultural Readjustment and Agricultural Economic Effective-
ness"]

[Text] Following the Third Plenary Session of the 11th Party Central Committee, what changes occurred in the course of the readjustment of Jiangsu Province's agriculture, what was their economic effectiveness, and how to judge objectively the economic effectiveness of agriculture in an area are all questions that deserve to be explored.

1. Readjustments and Changes in Jiangsu's Agriculture During the Past 3 Years

During the past 3 years Jiangsu's agriculture has been readjusted principally in two ways.

One was readjustment of rural production relationships and distribution policies. In accordance with several CCP Committee documents on agriculture, one after another rural economic policies were instituted that respected the self-determination of production teams, enlarged private plots, developed household sideline occupations, revived country fair trade, increased the value of agricultural sideline products, reduced or exempted agricultural taxes, and strengthened production responsibility systems. In 1978, the province had 5.15 million mu of private plots, which was expanded in 1980 to 5.34 million mu. In the 2 years of 1979 and 1980 peasant earnings for commune and brigade agricultural sideline products sold to the state that derived solely from increases in state procurement list prices and excess procurement prices amounted to more than 2.7 billion yuan, an average per capita increase of 53 yuan for the agricultural population. Production that had established agricultural production responsibility systems numbered 60 percent of the total number in 1978; at the end of 1981 they numbered 97.9 percent.

The second was readjustment of the rural economic structure. Not only was the agricultural production structure readjusted, changes being made in the ratios of grain and economic crops, the farming industry and the forestry, livestock, sideline occupation, and fishing industries, but the rural economic

structure was also readjusted as regards all around dealings in agricultural sideline industries and development of the household economy, etc. During the past 3 years (1979-1981), the area sown to grain averaged about 91 million mu annually, an average of about 4 million mu less annual than for the previous 3 years (1976-1978). The area sown to cotton averaged about 9.4 million mu annually for the past 3 years, an annual average increase of about 600,000 mu as compared with the previous 3 years. The area sown to oil-bearing crops long remained at the low level of the 1950's, but during the past 3 years, it annually averaged about 4 million mu for an all-time high.

Readjustment of rural economic policies and the rural economic structure brought six major changes in their wake.

1. Hastening of agricultural development. For the past 3 years, Jiangsu's harvests have been one bumper, one lean, and one ordinary. The total output value of agriculture averaged an annual 14.6 billion yuan, a 32 percent increase over the 11 billion yuan annual average of the 3 previous years for an annual incremental 6.5 percent rate of increase, which was higher than the national 5 percent increase for the same period, and higher than the province's all time high 5.2 percent annual rate of incremental increase during the previous 29 years.

2. General increase in grain and economic crops. A comparison of the past 3 years with the 3 previous years shows a 12.4 percent increase in grain output, a 16.8 percent increase in cotton output, a 79.1 percent increase in oil-bearing crop output, an increase in output of other economic crops as well. Cotton output for 1979 and 1981 and oil-bearing crops output for 1981 broke the 10 million dan mark to create a new all-time high.

3. Increase in output value of forestry, sideline occupations, and fisheries as a ratio of the output value of agriculture. Output value of farming during the past 3 years as a ratio of the output value of agriculture declined from the about 65 percent of the previous 3 years to about 55 percent. Output value of forestry, livestock raising, sideline occupations, and the fishing industry correspondingly rose from 35 percent to 45 percent. In silkworm mulberry enterprises where no development had occurred for a long time, breakthroughs took place during the past 3 years as well, with silkworm cocoon output annually averaging 720,000 dan, a 35 percent increase over the 3 previous years, and more than the all-time high of 637,000 dan reached before the war in 1931.

4. Swift Development of Commune and Brigade Industry. For the past 3 years output value of commune and brigade industry has averaged an annual 10.44 billion yuan, more than double the 4.95 billion yuan average of the 3 previous years. Output value of commune and brigade enterprises was one-sixth total output value of industry for the province as a whole; income from it was one-half total income from the three tier economy of people's communes for the province as a whole; and tax revenues from it amounted to one-eighth tax revenues from industry and commerce in the province as a whole.

5. Shortening of the Gap In Production Levels Between One Prefecture and Another. The former low producing, poverty stricken Huaiyin Prefecture had

a grain output in 1981 totaling 7.6 billion jin, taking first place in the province. Its cotton and oil-bearing crops output increased by 15.7 percent and 2.2-fold respectively. Following 4 consecutive years of bumper harvests, Xuzhou Prefecture had a grain output in 1981 that broke the 7 billion jin mark. Yancheng Prefecture's cotton output totaled more than that of Nantong Prefecture, and Nantong Prefecture's silkworm cocoon output was more than that of Suzhou Prefecture.

6. Increase in Peasant Earnings and Improvement in Livelihood. In 1981, the total amount of distributions from the collective were 29.4 percent greater than in 1978 for an annual 9 percent incremental rate of increase. Distributions per capita averaged a 19 yuan increase over the previous year. This was the year of greatest increase in earnings for commune members in recent years. Peasant living standards improved strikingly, and consumption patterns changed. During these several years the ratio of food consumption decreased year by year and the ratio of consumption for housing steadily climbed. Annually between 800,000 and 900,000 houses were either newly built or remodeled, and the house construction area amounted to about 40 million cubic meters.

The following problems also appeared in the course of readjustment.

1. Reduction in Green Manure. Because of the overly fast development of the area planted to rape, some of the area that had been planted to winter green manure was taken over. In 1979 this area had been 13.49 million mu. By 1980, it had declined to 12.37 million mu; and in 1981, it again declined to 10.71 million mu. Reduction in the area planted to winter green manure not only adversely affected the source of fertilizer for autumn grain production and caused a delay in crop rotation, which was bad for increased output for the year as a whole, but more importantly the soil was nurtured but little and used a lot. This caused a decline in soil fertility, which was bad for long term increases in agricultural yields.

2. Decline in Hog Raising. Live hogs in inventory at year end numbered 23.56 million head in 1979 for an all-time high. Later on, as a result of changes in hog raising policies, most notably a reduction in collective hog raising, the number of hogs in inventory in the province at the end of 1980 fell to 20.88 million head, and in 1981 the number again fell, this time to 19.46 million head. Unless this declining trend is quickly reversed, it will have a bad effect on manure for use in agriculture, and on market supplies.

3. Successive Years of Reduced Grain Production in Suzhou Prefecture. In 1979 grain output for the prefecture totaled 8.2 billion jin, making it the all-time high year. In the next 2 years, as a result of natural disasters, reductions in the double-cropped rice area, and for reasons associated with work, the decline in output was fairly steep. In 1982, it fell to 6.4 billion jin, and in 1981 it again fell to 5.7 billion jin, which was lower than the 6.9 billion average of the 1970's. This very greatly hurt the province's supply of commodity grain to the state.

4. Increase in Quantity of State Grain Procurement and Reduction in Amounts Tendered. During the past 3 years state grain procurement has averaged 10.5

billion jin per year, a 61.5 percent increase over the 6.5 billion jin "three fixed" state procurement quota, and a 12 percent increase over the average annual quantity of state procurement for the previous 3 years. But the quantity tendered to the state has declined. The annual average of unprocessed food grain tendered for the years 1976 to 1978 was 1.4 billion jin, but the average amount of unprocessed food grain tendered to the state for 1979-1980 was only 1 billion jin.

5. Continued Fairly Great Expenses for Agricultural Production, Which Began to Turn Around Only in 1981. A comparison of the past 3 years with the previous 3 years shows a 32.9 percent increase in total agricultural earnings and a 33.8 percent increase in total agricultural expenses, total expenses exceeding total earnings. Total expenses as a proportion of total earnings was 39.7 percent during the past 3 years, and 39.5 percent for the previous 3 years. They were slightly higher for the past 3 years than for the previous 3 years. Total distributable earnings by basic level accounting units in the province in 1981 increased by 9.6 percent over the previous year; total expenses declined 2.7 percent, and net income increased 18.7 percent for the beginning of a turn around.

Economic Effectiveness of Agriculture in Jiangsu For the Past 2 or 3 Years

The changes, problems, and pertinent data given above about Jiangsu's agriculture during readjustment represent only a general economic analysis and indicators related to it; it does not represent an analysis of economic effectiveness and indicators related to it. Economic effectiveness of agriculture means the comparison of the expenditure of labor (including the position held by labor) in the agricultural field and its production processes and the fruits of that labor, i.e., the frequently stated comparison of expenses and income. It is also a comparison of investment and output.

In the agricultural production process, numerous factors play a role in the economic effectiveness of agricultural production. The major ones are natural factors, economic factors, and scientific and technological factors. Apart from the natural factors, the major investments in agricultural production may be summarized as land, labor, and capital. The ultimate goal of agricultural production is to satisfy the needs of the material life and cultural life of all the people including the peasants. Therefore, in accordance with existing conditions, in the evaluation of the economic effectiveness of agriculture, five indicators may be applied, namely soil productivity rate, labor productivity rate, funds productivity rate, agricultural products commodity rate, and peasant benefits rate. In a society in which commodity production exists, not only can quantities of actual goods produced in agriculture be used as an indicator, but the amount of their value can also be used as an indicator. For convenience in making unified measurements, in evaluating the economic benefits of agriculture in an area, the value indicators should be paramount and the actual goods indicators ancillary.

1. Soil Productivity Rate. Soil is a basic means of production in agriculture for which there can be no substitute. It is both a natural resource and the production of human labor. It is a special form that embodies labor

that possesses very disparate characteristics of being a fixed asset created by human labor and being a means of labor. The soil's utilization value can never be completely depleted, and the soil's "value" can never be completely transferred. In agricultural production, the economic benefits derived from the use of living labor and embodied labor are determined, to a very great extent, by the level of soil utilization. In evaluating the economic effectiveness of agriculture in an area, it is necessary, first of all, to examine the effectiveness of soil utilization, i.e., to make a comparison of the land used with the fruits of labor. In order to reflect in an overall sense the state of utilization of agricultural land resources throughout the province to explain the labor created value per unit of land area used for agriculture, we used the two indicators of gross output value per unit of land area used for agriculture and net output value per unit of land area used for agriculture. The readjustments of the past 3 years in Jiangsu Province as reflected in economic benefits of land utilization have increased remarkably in comparison with the 3 years prior to readjustment. The land productivity rate for the 3 years of readjustment annually averaged a 17.3 percent increase, and the land net productivity rate averaged a 32.3 percent increase.

	Gross Output Value Per Unit of Land Area Used for Agri- culture (Yuan)	Net Output Value Per Unit of Land Area Used for Agri- culture (Yuan)
1976-1978 average figure	85.2	44.2
1979-1981 average figure	99.9	58.5
Percentage Increase	17.3	32.3

Note: Gross output values and net output values shown in the table do not include output value of commune and brigade industry, and have been figured on the basis of 1970 constant prices.

2. Labor Productivity Rate. Development of agricultural production is determined not only by the total amount of labor invested in the production process, but also by the quantity (or output value) of farm products that a quantity of labor per unit of area is able to produce, i.e., the labor productivity rate. Because it is impossible in actual work to make a breakdown of working time, and difficult to calculate total amount of labor consumed, generally only the living labor productivity rate can be calculated. On the basis of extent statistical data, there is no way to separate the number of work days devoted to industry and the number of work days devoted to agriculture. For convenience in calculations, we used the indicators of output value, net output value and grain produced in a year per unit of agricultural labor, i.e., the "man year" indicator. Use of the indicator of net labor productivity rate holds extremely real significance for rational use of embodied labor and living labor, particularly in increasing the living labor productivity rate. During the past 3 years, Jiangsu's surplus agricultural labor has been further

shifted to commune and brigade industries, so the total amount of the labor force invested in collective agriculture (including forestry, livestock raising, sideline occupation and fisheries) has gradually declined. Comparison of 1981 with 1978 shows a 10 percent decline. As a result of implementation of the party's various rural economic policies and the increasing upsurge in the enthusiasm of producers, the labor productivity rate has strikingly increased. Weighted average calculations show an annual increase during the past 3 years as compared with the previous 3 years of 22.8 percent, 14 percent, and 16.9 percent respectively in output value, net output value, and grain production per unit of agricultural labor. That the rate of increase in output value per "man year" is higher than the rate of increase in net output value per "man year" shows that simultaneous with the increase in the living labor productivity rate during the past 3 years has been a greater investment of embodied labor.

	Agricultural Labor Productivity Rate		Agricultural Worker Net Output Rate, Net
	Output Value Per Worker (Yuan)	Grain Output Per Worker (Jin)	Output Value Per Worker (Yuan)
1976-1978 weighted average	446	2,055	295
1979-1981 weighted average	549	2,403	337
Rate of increase (%)	22.8	16.9	14.0

3. Funds Productivity Rate. As with other sectors of the national economy, the labor expended in the process of agricultural production is compensated by funds, and funds are an expression of the past value of labor. Therefore, the fund productivity rate indicator can reflect in an overall way the economic effectiveness of labor expenditure and funds expenditure. The reciprocal of the product rate for funds expended, i.e., cost per unit of product, is an overall indicator that is particularly widely used. However, since the fiscal statistical system currently in use in the country's rural communes and production brigades calculates only material expenses and does not calculate cost of completed goods, and does not calculate depreciation expenses on fixed assets in figuring the costs of materials, therefore, in judging effectiveness of funds utilization, only available data could be used to proceed from realities as they existed, with the selection of the indicator of net earnings per 100 yuan of production expenses invested. Calculations based on weighted averages show that the Jiangsu Province during the past 3 years effectiveness from the investment of each 100 yuan of production expenses was generally the same as for the previous 3 years, with just a slight decline, and very much lower than the all-time high level of 1957. This shows that in the process of agricultural production in Jiangsu Province, loss and waste of embodied labor continues very great, and that the speed of increase in net earnings cannot keep up with the speed of increase of embodied labor invested. However, looked at in other terms, despite the decline in effectiveness from investment

in agricultural production, as a result of the fuller and more equitable use of land and labor plus the increase in prices paid for agricultural products, net earnings from agriculture in the province during the past 3 years have averaged a 32.3 percent increase in absolute figures, which was no small rate of increase. Increase in the net income absolute figure provided the funds for expanding reproduction and for increasing peasant income, and increased the economic strength of communes and brigades.

	Average Annual Net Income (100 Million Yuan)	Average Weighted Net Income Per 100 Yuan of Production Expenses (Yuan)
1976-1978	47.1	154
1979-1981	62.3	152
1957	17.9	252
Percent Increase (+) or Decrease (-) Fol- lowing Readjustment vs. Before Readjust- ment	+32.3	-1.3
Percent Increase (+) or Decrease (-) Fol- lowing Readjustment vs. Before Readjust- ment	+246.1	-38.8

4. Agricultural Product Commodity Rate. Aside from satisfying peasant self-sufficiency needs, agricultural production also satisfies national economic development needs. Economic effectiveness of an area's social production may be measured by how well it satisfies society. The degree of which it satisfies society is determined by the quantity of agricultural commodities it is able to supply and by the commodity rate. Since the composition of agricultural production varies from place to place, the quantity of several kinds of agricultural commodities cannot completely portray the degree to which an area has become a commodity producer. For this reason, we based our measurements on actual commune and brigade earnings from the sale of agricultural products as a proportion of total earnings and the amount of commodities such as grain, cotton, oil-bearing crops, hogs, and silkworm cocoons provided by each member of the agricultural population. During the past 3 years, with the readjustment of the structure of agricultural production the province has made the most of its advantages in producing grain, cotton, oil-bearing crops, hogs, and silkworm cocoons. Output of oil-bearing crops has developed rapidly, an all around increase has occurred in the commodity output of principal agricultural products; the commodity rate has risen correspondingly, and the ratio of average annual income from commodities rose 5 percent over the average for the previous 3 years.

	Ratio of Commodity Earnings to Gross Earnings (%)	Amount of Commodities Provided For Member of Agricultural Population				
		Grain (Jin)	Cotton (Jin)	Oil (Jin)	Hogs (Jin)	Cocoons (Jin)
1976-1978	35.1	173	16.4	2.1	0.20	1.1
1979-1981	38.7	211	19.2	3.3	0.35	1.4
Percent of In- crease or De- crease after Re- adjustment vs. Before Reaad- justment	+10.2	+22	+17.1	+57.1	+75	+27.3

Peasant Benefits Rate. Whether the peasants increase output and earnings is a major aspect of the economic effectiveness of agricultural production. Greater material benefits from production for the peasants is one of the goals of increased economic effectiveness of agricultural production. Thus, the level of peasant earnings is a major indicator for measuring an area's economic effectiveness in agricultural production. As a result of all around growth of agricultural production in the province during the past 3 years, plus state increases in procurement prices for agricultural products, commune member cash and grain ration distributions from the collective have increased fairly rapidly. In 1981 total amount of distributions to commune members were up 29.4 percent from 1978 for an annual incremental increase of 9 percent. Thanks to the correct handling of the proportional relationship between accumulation and consumption, commune member distributions as a ratio of total earnings increased during the past 3 years from the 47.5 percent of the 3 previous years to 48.3 percent. Peasant earnings derived from private plots and household sideline occupations increased most rapidly, and actual earnings levels were about 50 percent higher than the level of collective distributions. Peasant consumption goods purchasing power also increased remarkably. Average per capita consumption goods purchasing power increased by 62.7 percent in 1980 as compared with 1978.

	Commune Member Distributions as a Percentage of Total Earnings	Collective Distributions (Yuan per Person)	Grain Ration Distributions (Jin per Person)	Average Per Capita Consumption Goods Pur- chasing Power (Yuan per Person)
1976	47.3	79	456	*
1977	46.8	75	431	67.4
1978	48.3	94	462	77.7
1979	47.4	110	488	104.2
1980	46.0	106	476	126.4
1981	50.5	130		*

Note: * means statistical data lacking

To summarize the foregoing, economic effectiveness of agriculture in Jiangsu Province during readjustment has been good in an overall sense. Land productivity rate, labor productivity rate, agricultural product commodity rate, and peasant benefit rate have all increased.

Take the land productivity rate, for example. On the basis of the situation in Jiangsu Province where land is scarce relative to population, development of agricultural production requires even greater emphasis on intensive farming. Increase in land productivity rate means increase in the level of intensivity of farming. First must be further equitable use of existing cultivated land. In some medium yield and low yield farmlands in central and northern prefectures in Jiangsu, despite fairly substantial increases in output during recent years, a great potential still remains. Increase in yields from the fields of southern Jiangsu can be done through diligent summarization of experience and through perseverance in high yields from multiple cropping. Resumption of a rise in output there is entirely possible. Second is the need for full use of water surface resources. For the existing 5.4 million mu of water surfaces, all that is needed is further implementation of policies on water surface ownership and use rights and the province's output of aquatic products will be able to increase greatly within a short period of time for fine economic benefits. It is also necessary to strictly control illegal taking over of cultivated land. Strict procedures of examination and approval must be used for both the requisitioning of land and urban and town enterprises and for the building of buildings by commune and brigade enterprises or commune members to bring to a halt the unbridled taking over of land and use of land.

A look at the labor productivity rate shows that during the past few years, thanks to the shift of some excess rural workforces to industrial sideline production, the labor productivity rate has definitely increased. However, there is still a surplus of agricultural labor. For the province as a whole, the agricultural workforce is responsible for an average of about 4 mu of cultivated land per capita, but under prevailing conditions, each member of the workforce could be responsible for 6 mu of cultivated land. Extrapolation produces a surplus labor force of about 5 million for the province as a whole. If the labor productivity rate is to be further increased, it will be necessary to resolve further the problem of a transfer of surplus workforces. On the basis of experiences for the past several years, only when the thinking of leaders is clear and organization done well for the continued, planned, local shifting of surplus labor into economic diversification and into service trades can the labor productivity rate and agricultural products commodity rate be further raised and the peasants able to gain greater material benefits.

During readjustment, the agricultural funds productivity rate not only did not increase, but rather declined 1.3 percent as compared with the previous 3 years, and by 38.8 percent as compared with 1957. According to a survey of 57 production teams in six counties carried out by departments concerned, in 1979 losses incurred from failure to assure proper use of materials of various kinds used in agriculture and from unreasonable expenditures for entertaining ran at 6 percent for an average of 904 yuan per production team. A general increase occurred in material expenditures per mu of grain fields

throughout the province. Figured on the basis of area sown to grain, quantity of seeds used in 1957 was 14.2 jin per mu; in 1965, 25.5 jin per mu; and in 1979, 44 jin per mu. Quantity of fertilizer used on cultivated land was 2.8 jin per mu in 1975, 18.8 jin per mu in 1965, and 133.8 jin per mu in 1979. Quantity of pesticide used on cultivated land was 0.2 jin per mu in 1957, 1.8 jin per mu in 1965, and 5.7 jin per mu in 1979.

In short, the key to increase in the economic effectiveness of agriculture in a region lies in all around development and comprehensive operations so that the structure of the rural economy will become rationalized. In addition, it is necessary to give attention to improving management of agricultural enterprises, being careful about economic accounting, and conserving expenditures of materials and labor. This is a weak link in Jiangsu Province's agricultural production and the place of emphasis in current efforts to increase the economic effectiveness of agriculture.

3. Several Problems Existing in Measuring Economic Effectiveness of an Area's Agriculture

1. Agricultural production is a combination of natural reproduction and economic reproduction. The essence of the natural reproductive process in agriculture is the transformation of energy and the material cycle between biological organisms and the external environment. In the process of agricultural production, investment of energy and materials must be done in accordance with natural laws and with adoption of proper techniques. This entails the constant maintenance of a balance in the exchange of materials and energy in the production process as the only way in which the amount of output of living things can become greater and greater, forming a benevolent cycle in nature. This requires maintenance of ecological balance. Conversely, if for the sake of immediate benefit people do things that overtax nature's ability to automatically revive and regulate, and that interfere with the normal functioning of the material cycle and energy transformation, in the end this will lead to decline in the quantity of living things, and the structure and function of the ecological system will become imbalanced. Consequently in examining the economic effectiveness of agriculture, one cannot simply look at a single year, but rather at 3 years, 5 years, or a longer period of time. Even more important is the need to study how to use specific indicators to analyze the ecological balance.

2. The process of economic reproduction in agriculture is a social production process repeatedly carried out by people in conjunction with certain production methods through joint work and exchange of work. In the process of economic reproduction, the material cycle and energy transformation change into exchange of social products, i.e., to be replaced by an exchange of the quantities of labor congealed in products to form a repetitive cycle containing the four links of production, distribution, exchange, and consumption. If any of the links of the economic reproduction process become blocked making impossible for a long period of time an exchange between quantities of labor, or a comparatively long imbalance between the agricultural economic sector and key elements, this will lead finally to atrophy and withering of the agricultural economy and to collapse of national economy. Consequently, to examine

effectiveness of the agricultural economy through analysis of only a single production link is not enough. An all around analysis of the four links of production, distribution, exchange, and consumption and their inter-relationships is necessary. This problem awaits study for solution.

3. Accompanying development of production and readjustment of policies has been the appearance of many layers in the structure of the rural economy. Take the structure of production, for example. There is a production structure for grain and economic crops, a production structure for farming, forestry, livestock raising, sideline production, and fisheries, and a production structure for agricultural sideline industries. A look at the structure of ownership shows that although the collective economy is still dominant, the ratio of the household economy is steadily expanding. State-owned farms also have their own important position. Therefore, in examining the effectiveness of the agricultural economy, it is necessary to make a comprehensive analysis of farming, of agriculture, forestry, livestock raising, sideline occupations, and fisheries, and of agricultural sideline industries. It is also necessary to make a comprehensive analysis of the state-owned economy, the collective economy, and the household economy. Analysis of only a single aspect cannot reflect the overall situation of the actual economy. Statistical data is currently not complete in this regard, and specifications for making calculations not unified. This increases difficulties in making an all around and comprehensive analysis of agricultural economic effectiveness, and this requires accurate study and solution.

4. The agricultural economy is a major integral part of the national economy. Development of agriculture was to be done in accordance with socialist planned proportional economic laws; it must accurately handle the relationships among the country, the collective, and individuals, and take concurrent account of the interests of all three rather than be concerned with the interests of one. Today it is necessary to emphasize planned management of the country and to establish as an overall concept a mentality of "the entire country as a chessboard." Consequently, in examining agricultural economic effectiveness, one has to look at only an effectiveness of the micro-economy but even more so at the effectiveness of the macro-economy, and to unify the two. Under ordinary circumstances, the economic effectiveness of an area and the economic effectiveness of society are synonymous, but sometimes contradictions may occur. This becomes a question of who submits to whom. Without doubt the economic benefits of an area have to be subordinate to the economic benefit of the society at large. The problem requiring solution now is to find a unified method of evaluation and unified criteria for evaluation.

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WAYS TO GROW LEANER HOGS EXPLAINED

Nanjing XINHUA RIBAO in Chinese 8 Aug 82 p 2

[Article: "Ways to Increase Live Hog Lean Meat Rate"]

[Text] Editor's Note: After page 2 of the 30 May edition of this newspaper carried the news of Provincial Food Company experiments in "How To Make Hogs Grow More Lean Pork," many letters were received from readers asking for specific methods to make hogs grow more lean pork. In this connection, we have asked Comrade Chen Hongzhao [7115 7703 6856], doctor of veterinary medicine of the Animal Husbandry Bureau of the Provincial Department of Agriculture and Forestry, to provide a briefing.

A high or a low lean pork rate in live hogs results from the mutual role of internal and external factors. The major internal factor is the genetic traits of the breed. Because the genetic trait for lean pork rate is fairly strong, it is controlled by additive genes, so only by increasing the lean pork rate and purity of the hybrid parent pair is it possible to increase rapidly the lean meat rate in succeeding hybrid generations. Consequently, selective breeding to purify sows of local superior hog breeds in planned establishment of a lean pork line seems to be particularly important. However, increasing lean pork within a short period of time can be done at present only through economic hybrid methods with vigorous promotion of lean pork type hog hybridization for use. Hog breeds in Jiangsu Province are the fairly late maturing Huai hogs (including mountain hogs, kitchen hogs, and old Huai hogs) with a fairly high lean pork rate. Therefore, the crossing of Huai hogs with superior lean pork type boars should yield a 52 percent lean pork rate in their posterity. Moreover, because of their high fecundity rate and well known early maturation, Lake Tai hogs should achieve this level rapidly. It is necessary to run a ternary cross using "two foreign and one indigenous" breed of hog, i.e., use of a first generation hybrid sow resulting from the breeding of a local breed of sow with a foreign breed of boar for breeding with yet another breed of boar.

In considering external factors for improving the lean pork rate, most important is improving livestock feed, feeding techniques, and the right time for slaughtering. The element in livestock feed that most affects the lean pork

rate is the protein level. Hog growth and development follows definite laws, and physiological properties such as bone, skin, flesh, and fatty tissues are differently balanced at different stages of growth and development. In the course of a long period of production experience, the Chinese people have summarized from experiences the laws of hog fattening as follows: "Small pigs grow bones; medium size pigs grow skin, large pigs grow meat; and fat pigs grow lard." Generally speaking from 3 to 6 months of age, the muscles grow most quickly. The main constituent of lean meat is protein; consequently, if full nutrients are given at this time, particularly compound feeds with a 70 percent coarse protein content, increase in the lean pork rate will benefit. During the large stage of fattened hog growth, limited feeding should be done, by which is meant restricting the energy concentration of feed and restricting the quantity fed to control nutrient density. This entails reducing the energy level of each kilogram of feed to about 2,800 kilocalories. The way of doing this is much feeding of green feeds to increase the proportion of ruffage. Limiting the amount of feeding entails reducing to 85 percent the amount of feed given in each feeding. This method of giving different levels of nutrients at different stages on the basis of the laws of hog growth and development, taking full advantage of lean pork growth heterosis, and controlling growth of fat meat, together with slaughtering at the right time are the only ways in which to increase the lean pork rate more rapidly.

In view of the specific circumstances of Jiangsu Province, in order to produce more lean pork, the following technical problems have to be solved:

1. Need for improvement in quality of dressed carcasses of all local hog breeds with increase in the lean pork rate being the main objective. Launching of experiments in the economic hybridization of combinations of lean pork type hogs, and use of economic hybridization (binary or ternary hybridization) for selection of the finest hybrid combinations that put on weight fast, consume little feed, and have both a high slaughter rate and high lean pork rate, and then establishing lean pork hog bases in suburbs to go into production rapidly.
2. Use of the province's superior breed breeding system to develop a specialized lean pork strain and to establish a breeding system for lean pork hogs. The genetic trait for a lean pork rate in hogs is a fairly strong one, and results derived from selective breeding are remarkable (the current degree of change in Jiangsu Province's lean pork rate for porkers being between 30 to 50 percent). There is a great difference in lean pork rate from one breed to another, and the individual variations between one animal and another within a breed are extremely striking, so this provides a good basis for our selection of lean pork type specialized strains. It also provides a foundation for future faster production of finer quality lean pork, and this is one of the basic measures for solving the problem of lean pork hog production.
3. Improvements in irrational feeding and care methods. An urgent problem of the moment is publicizing to the masses changes in feeding techniques so that the feeding of porkers with mixed concentrated feed is done during the early and mid periods of their growth, with limited feeding being done during

the last stages of hog growth. The emphasis on "fattening up" during the late stage of "building the frame" should be changed to increased feeding during the early and mid stages of hog growth and "withdrawal at the tail end," so that fattened hogs are not feed to exceed 200 jin.

4. Widening the source of supply of protein feeds. Jiangsu Province annually produces more than 1 billion jin of rapeseed cake and cottonseed cake, yet only about 13 percent of all of the "two cakes" are used for feed. Most of it is put on the fields for use as fertilizer, and this is a very great waste. When the cake residue from the pressing of oil is used as fertilizer, plants can use only 50 percent of its nitrates. Were it to be used as a livestock feed first, the manure then being used on the fields, nitrate utilization might amount to 90 percent. Protein is the material foundation for the growth of lean pork. If 100 jin of seed cake residue is in the compound feed used to raise a lean pork hog, requirements for growing lean pork will be substantially satisfied.

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CSO: 4007/580

JIANGXI

BRIEFS

JIANGXI COUNTY GRAIN--From 1979 to 1981 Jiangxi's Yongxiu County delivered to the state 133.6 million jin of grain in excess of quota. This year it produced 115 million jin of early rice, setting new records in total output and per-mu yield. In 1981 total agricultural output value was 48 million yuan and revenues from diversified economy reached 17 million yuan. Per capita income of rural population rose to 108 yuan last year. The county has procured more than 50 million jin of early rice. [Text] [Nanchang JIANGXI Provincial Service in Mandarin 1100 GMT 9 Sep 82]

CSO: 4007/2

'LIAONING RADIO' ON MISUNDERSTANDING OF RESPONSIBILITY SYSTEMS

SK210517 Shenyang LIAONING Provincial Service in Mandarin 1100 GMT 20 Sep 82

[Station commentary: "Correctly Understand the Responsibility System of Signing Contracts with Households or Groups for Specialized Production and the Responsibility System of Letting Households or Specialized Groups Assume Full Responsibility for Farm Work"]

[Excerpt] In places where the responsibility system of signing contracts with households or groups for specialized production and the system of letting households or groups assume full responsibility for farm work are implemented, not only have commune members received benefits and asked for stabilizing and improving the systems, but also some cadres who went to the realities of life have clearly seen the advantages. Some comrades have put it well that the systems have boosted the enthusiasm of laborers and successfully displayed the superiority of the collective economy, and that they can promote both grain production and a diversified economy and can satisfy the needs of the livelihood of commune members and enable them to concentrate their efforts on the production of commodities.

Then, why is it necessary to call for correct understanding of the systems? First, because there are still some people who do not clearly understand or even have a bias against them. Some comrades always think that the systems mean retrogression and are not necessary in large, sparsely populated areas where the collective economy is substantially developed.

People with such an understanding should go to where the systems are enforced to see if peasants are really dividing up the land for individual farming or are taking the road back. If they earnestly investigate and study, it is not difficult for them to discover the essence of the issue. The systems are established on the basis that the major means of production belong to the collective. They are production responsibility systems allowing peasant households to do farm work individually and to take responsibility for their own profits and losses. They are contract systems under which unified management is conducted. Although labor organizations at all levels are divided and become smaller under the systems, commune members' material benefits are reflected more directly in the systems and their production enthusiasm is further aroused. The systems are a great leap forward in terms of development of production forces. They are far better than the equalitarian way of managing

farm work. Despite serious drought this year, commune members who work under the systems combat the drought from dawn till dusk. They manage the lands, forests and orchards assigned to them as diligently as they do their private plots. This is a very good proof. Besides, we have only 2 or 3 years of experience in implementing the systems. The potential of the systems has not been fully displayed in this short period and our understanding of them is yet to be deepened.

Second, because some comrades often attribute current problems in rural areas--such as some commune members refusing to plant in accordance with state plans, some damaging collective property and natural resources and collective leadership being weakened--to the wrong causes.

These problems are objective existence. However, their existence is not the essence and main stream of current rural situation, nor the inevitable result of the systems. The resolution of these problems depends on nothing else than our efforts to educate commune members often on the consistency of the interests of the state, the collective and the individual and to imbue them often with communist ideas. [passage omitted]

CSO: 4007/2

BRIEFS

NEI MONGGOL COLD WAVE--According to the report of the Nei Monggol Autonomous Regional Meteorological Station, a cold wave from Central Siberia arrived at the northern areas of the region on the morning of 3 September. Thus, most areas in northern and eastern Nei Monggol will have sustained low temperatures in the days to come. On the morning of 9 September, most areas in Xilin Gol League, northern areas in Ju Ud League, northern areas in Jirem League, northern areas in Ulanqab League and northern areas in Bayannur League will have a frost; and southern areas in Jirem, Ju Ud and Ulanqab Leagues and eastern areas in Ih Ju League will have a light frost. [Text] [SK110731 Hohhot NEI MONGGOL Regional Service in Mandarin 1100 GMT 8 Sep 82]

NEI MONGGOL GRAIN OUTPUT--In the past, owing to the overconcentration of grain production and excessive reliance on the unitary way of operation, the ecological balance in Nei Monggol Region's Jirem League was destroyed and grain production developed slowly. After readjusting the agricultural structure and building many commodity grain bases since the 3d Plenary Session of the 11th Party Central Committee, the league's agriculture, animal husbandry and forestry have been developed in coordination. In 1981 the league hit records in production of grain, oil-bearing crops and sugar. Total grain output reached 2.2 billion jin, up 32.5 percent over 1977. Output of oil-bearing crops, increased 70 million jin, almost quadruple the 1977 figure. Commodity grain sold to the state totalled 530 million jin, topping the previous records. According to a tentative plan, in 1985, commodity grain bases in the league should build 4 million mu of fields with high and stable yield. Per-mu yield should average 400 jin. Total output should reach 1.6 billion jin and 600 million jin should be marketed to the state. [Text] [Hohhot NEI MONGGOL Regional Service in Mandarin 1100 GMT 7 Sep 82]

CSO: 4007/2

IMPORTANCE OF INCREASING REGION'S GROUND COVER STRESSED

Yinchuan NINGXIA RIBAO in Chinese 5 Aug 82 p 2

[Article by Ge Zhenhe [2047 2182 0678]: "Planting of Trees, Grass, and Bushes Is the Region's Most Important Agricultural Capital Construction"]

[Text] When the forest area of any country or any region amounts to 30 percent or more of total area and is evenly distributed, it can function in regulating climate, conserving water, holding back winds and stabilizing sand, conserving soil, purifying the air, and protecting the environment. It is a lever and a pivot for various ecological systems and the foundation for agricultural and livestock industry production.

Forests are an overall system composed of trees, bushes, and ground covers, the trees, bushes, and grasses having an inseparable inherent connection. However, each possesses its own characteristics, and in the maintenance of ecological balance and providing products, each plays a mutually irreplaceable role.

Trees with tall trunks and well developed branches form the main body of forests. They play a great protective role when mature, and their economic benefits are high. Each hectare of broadleaf forest transpires as much as 2,400 to 2,800 tons of water in a growing season. This is 15 times the amount of evaporation from the same area of ocean, so the relative humidity of the air above a forested area increases by a general 7 percent. In some forest areas, average wind velocity is reduced by 20 to 40 percent and the frost-free period is increased by from 6 to 10 days. In addition, trees are the source of lumber for national construction and civilian use. However, trees have a long growing cycle and their environmental requirements are strict. If eroded areas are afforested with trees alone, it will be very difficult for them to play a role in breaking the wind and stabilizing sand and in conserving soil and water.

Though bushes and shrubs do not provide the useful material that trees provide, their production cycle is short; they are strongly resistant; and they present good prospects for growth even under harsh conditions. For example, feeder roots on sand willows [*Salix gordejewii*] number 60 to 100. One year's root growth for shandingzi [1472 0002 1311] is more than 800 meters long. Eight years growth of *Caragana korshinskii* will cover a

4 square meter area, will reduce by 73 percent sandy soil runoff, will reduce by 66 percent scouring of surface soil, and will restrain movement of 0.15 cubic meters of sand. Bushes and shrubs will generally grow in places in which the environment is harsh. *Hedysarum scoparium*, for example, is able to establish colonies on shifting sand; Chinese tamarisk can grow in heavily salinated soil with a 1 percent salt content; and *Heci* [7815 0459] frequently grows in swaths on deserts or rocks, and its roots have nodules. Chemical experiments have shown that the protein content of 1,000 jin of dried false indigo leaves is 23.7 kilograms, and the crude fat content is 31 kilograms. *Caragana microphylla* is also rich in nutrients, and it makes a fine feed for livestock such as cattle, goats, and sheep. For this reason, people call shrubs "three dimensional prairies" or "grazing areas in the air." A single mu of bushes and shrubs is equal to 10 mu of grass. The branches and leaves of bushes and shrubs contains considerable amounts of nitrogen, phosphate, and potash, which are fine organic fertilizers.

Shrubs and bushes have an even greater advantage, namely their strong sprouting ability. When snipped to the ground, they are able to regenerate, and they live for as long as 70 or 80 years. Cut down once every 5 to 7 years, *Hippophae ramnoides* yields from 3,500 to 4,000 kilograms of firewood. This is of real value to southern mountain regions in the Ningxia-Hui Autonomous Region where fuel is in extremely short supply. In addition, many bushes have long, thin, and pliable branches, which make a fine raw material for plaiting. The dried branches of many bushes are strong and hard; they can be used to make paper, or to manufacture farm implements, furniture, and fiber board.

The multiple potential of bushes and shrubs has yet to be effectively utilized. Many bush and shrub seeds, for example, contain large amounts of fat; they are trees that are "sources of nectar." The fat content and the oily taste of *aiyueyunzi* [7093 2588 1926 1311] seeds, for example, rivals that of peanuts. The high oil content of the seeds of shiny-leaved yellowhorn [*Xanthoceras sorbifolia*] is well known to all. Mountain peaches and mountain apricot pits may be used for beverages, and they are also sources of supply for beverages made by food processing companies. Sichuan peppercorns may be pressed to yield oil and are a commonly used condiment. The parasitic saline *cistanche* [*Cistanche salsa*] and *suoyang* [3851 7122] on the fruit of Chinese wolfberry [*Lycium chinense*] and the roots of *Baici* [4101 5412] are rare medicinal herbs.

Herbaceous plants are small and weak, and people frequently underestimate their role and value. In fact, grass cover is also an integral part of the forest vegetation cover. Its stems and leaves grow luxuriantly; plants are dense; and the roots form a network, all of which plays a powerful role in keeping soil in place and improving the soil. For example, the granular structure of soil on which sweet clover has grown for a year may be increased by 20.6 percent, and within two years the soil's granular structure is twice as good as that of most farmland. Soil granules capable of holding water may amount to 3.0 percent of the total, and the rate of percolation in and out may increase 51 percent, runoff decline by 37.5 percent, and scouring of soil decline by 47.2 percent.

The following sentence may be used to explain experiences in establishing forest plant cover: "The trees rise to the heavens; the bushes fill empty space in the air; and alfalfa crawls all over the top of the ground." Only when trees, bushes and shrubs, and grasses are used in combination can they function to advance and support the growth of each other.

The Ningxia-Hui Autonomous Region located on the northwest frontier lacks trees and forests. The forest cover rate is only 2.2 percent of the total land area, and the natural ecological system is extremely brittle. For long agricultural and livestock industry production have been held back by natural factors, and the life of the people is fairly hard. For this reason the planting of trees, grasses, shrubs and bushes is the region's most important agricultural capital construction. Only by undertaking capital construction of this kind can the region's agricultural economy genuinely make a new start.

The region has a complex topography, and the growing of a forest cover will require strict adherence to natural laws and economic laws. It will be necessary to carry out a program of adapting general methods to local situations, to build defenses against specific dangers, combine the planting of trees, bushes, shrubs, and grasses, and grow them in strips, on tracts, and in networks to serve agricultural and livestock industry production and to serve the livelihood of the people.

The CCP Central Committee and the State Council have called upon the people throughout the country to increase the forest cover rate to 30 percent, making this a long term object of struggle in the building of socialism and in creating prosperity for posterity. Efforts should be made so that by the end of this century the country's forest cover rate will be 20 percent. For the Ningxia-Hui Autonomous Region this task will be most arduous, and the time is extremely short. We must prepare for the long haul while taking firm grip on the present; persevere in a scientific attitude, and strive to fulfill the strategic task of planting trees, grasses, shrubs and bushes so that the region will become a prosperous, burgeoning and cultured one.

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CSO: 4007/559

SHANDONG

BRIEFS

SHANDONG RAINFALL--From 30 August to 3 September there was successive rainfall from the west to east across Shandong Province. There was a 30-80-mm rainfall in Laiocheng, Dezhou, Humin, Taian, Heze, Jinan and Zibo Prefectures and Municipalities, as well as in most areas of Linyi Prefecture, eastern areas of Jining Prefecture and western areas of Weifang Prefecture. There was a 15-30-mm rainfall in Zaozhuang and Qingdao Municipalities, western areas of Jining Prefecture, eastern areas of Weifang Prefecture, southeastern areas of Linyi Prefecture and in northwestern areas of Yantai Prefecture. There was a less than 10-mm rainfall in southern and eastern areas of Yantai Prefecture. There are 45 counties in the province that have had a rainfall of over 50-mm, 21 counties with a 30-50-mm rainfall and 49 counties with a rainfall of less than 30-mm. This rainfall greatly contributes to the growth of late-autumn crops. [Text] [SK040744 Jinan SHANDONG Provincial Service in Mandarin 2300 GMT 3 Sep 82]

CSO: 4007/2

SHANGHAI

BRIEFS

SHANGHAI SUBURBAN ECONOMIC GROWTH--At a meeting held on 10 September, (Yan Min), deputy head of the Shanghai Municipal Agricultural Commission, noted that the total value in agricultural, sideline and industrial production in Shanghai's suburbs rose from 1976's 2.61 billion yuan to 1981's 5.419 billion yuan and that the average income for each peasant rose from 1976's 174 yuan to 1981's 288 yuan. [Text] [Shanghai City Service in Mandarin 2300 GMT 10 Sep 82]

CSO: 4007/2

EASTERN SICHUAN FLOOD-FIGHTING EFFORT DESCRIBED

HK150727 Chengdu SICHUAN RIBAO in Chinese 6 Sep 82 p 3

[Report: "Responsible Person of Provincial Command for Fighting Floods and Drought Answers SICHUAN RIBAO Reporter's Questions on Flood-Fighting in Eastern Sichuan"]

[Text] Eastern Sichuan was hit by rainstorms from mid to late July this year. People throughout Sichuan Province have shown great concern for flood-fighting in this flood-stricken region. A responsible person of the provincial command for fighting floods and drought recently briefed a reporter of this paper on flood-fighting in the flood-stricken region.

Question: Can you tell me the extent of this year's rainstorms in eastern Sichuan?

Answer: Historical records show that the July-August period in eastern Sichuan has always been a dry period. However, from mid to late July this year, Daxian, Wanxian and Fuling Prefectures were hit by rainstorms and catastrophic torrential rains three times in succession. Generally speaking, the rainfall ranged from 400-600 millimeters during this period. Yuelai Commune in Shizhu County received the heaviest rainfall, amounting to 913 millimeters. As to the intensity of the rainfall, we can see that during this period, the heaviest hourly rainfall reached 100 millimeters and the heaviest daily rainfall reached 411 millimeters. These are very rare figures for this region.

This first rainstorms occurred from 15-18 July and primarily hit Tongjiang, Wanyuan, Xuanhan, Kaijiang, Daxian, Kaixian, Wanxian, Liangping, Yunyang, Zhongxian and Shizhu Counties and Municipalities. This was followed by more rainstorms and catastrophic torrential rains from 19-24 July and 26-29 July. The third rainstorms, which occurred from 26-29 July, covered a large area as compared with the first and second rainstorms. More than 190,000 square kilometers of land were hit by the third rainstorms. As a result, the daily rainfall in 25 counties (stations) [Zhan 4541] ranged from 100-279 millimeters. As a result of continuous rainstorms and catastrophic torrential rains, torrents of water rushed down the mountains, the rivers overflowed their banks and large areas of eroding hills, cave-ins and land slips were created. According to a preliminary investigation, there are more than 10 eroding hills, cave-ins and mud slips in the 3 prefectures.

Question: What are the conditions of those areas in eastern Sichuan which have been hit by the natural adversity this year?

Answer: Prior to the arrival of the rainstorms, meteorological departments had timely forecast the rainfall; all areas fully mobilized the masses to make many preparations against floods, and the masses and goods and materials in areas liable to be flooded were transferred to other areas without delay, thus reducing losses. Because the rainstorms broke with tremendous force and intensity and lasted a long period of time, they still caused great losses in people's lives and property; a total of 30 counties and municipalities in Daxian, Wanxian and Fuling Prefectures were hit by the natural adversity. A total of 22 counties (municipalities) in the 3 prefectures were severely hit by the natural adversity. They are: Wanxian Prefecture's Wanxian Municipality, Wanxian, Kaixian, Yunyang, Liangping, Zhongxian, Chengkou, Fengjie, and Wuxi; Daxian Prefecture's Daxian, Daxian Municipality, Xuanhan, Kaijiang, Pingchang, Quxian and Wanyuan; and Fuling Prefecture's Shizhu, Qianjiang, Fengdu, Dianjiang, Pengshui and Wulong. A total of 13 county towns, namely, Xuanhan, Dixian Municipality, Kaijiang, Daxian, Quxian, Wanyuan, Kaixian, Wuxi, Shizhu, Dianjiang, Fengdu, Pengshui and Qianjiang, and 184 farms and townships either suffered waterlogging or were submerged. The Shizhu County town was submerged three times. During the third submergence, the average depth of water was 1.5 meters; with the exception of a highland where the county CPC committee, the county people's government and the county people's armed forces department were situated. All other parts of the county town were submerged. The county towns of Daxian, Xuanhan, Quxian, Kaijiang and Kaixian were all submerged twice and suffered great losses. In the three prefectures, there are more than 6.23 million victims of the natural calamity, more than 210,000 people are homeless, more than 240,000 houses either collapsed or were washed away by the flood; over 7 million mu of farmland were hit by the natural calamity, 630,000 mu of cultivated land were destroyed by the flood, over 34 million jin of grain of the state and commune members and more than 20,000 domestic animals were washed away by the flood. The flood also destroyed 12,000 embankments, warehouses and weirs, 1,501 kilometers of irrigation ditches, over 300 hydroelectric power stations and nearly 1,000 highway bridges. The big land slip in Yunyang County's Baota Commune is 3 kilometers long and over 1 kilometer wide. Due to the flood, the houses, food stations, breeding farms, retail shops, district hospitals, commune clinics and cold storages belonging to 400 commune households and 29 production teams slipped away through the land slip and some of them slipped into the Changjiang River. Due to the emergence of a big land slip in Zhong County's Shaoxi Commune, 6 brigades and 24 production teams suffered the following losses: nearly 2,000 mu of farmland were damaged; 758 houses belonging to 244 households were destroyed, thus making 1,114 people homeless. In the fourth Tuoxiang Brigade, Hujia Commune, Yuexi District, Kai County, more than 300 mu of land subsided; and 310 houses owned by a commune unit, a supply and marketing cooperative, 10 units and 16 commune households all subsided. It is true that the scale of this year's flood in eastern Sichuan was smaller than the large-scale flood in the province last year. However, as far as eastern Sichuan is concerned, this year's flood has created very serious conditions.

Question: What kind of flood-fighting tasks have been carried out and what achievements have been scored by the flood-stricken region? What is the current situation?

Answer: You have recently issued separate reports on the flood-fighting work in the three prefectures. In short, following the emergency of this flood, the stricken region's party committees and government at all levels quickly adopted effective measures in leading the struggle against the flood. Responsible comrades of party committees and governments at all levels promptly hurried to the flood-fighting front, and directed and organized work of saving the flood-stricken masses, the goods and materials of the state and the masses' property. PLA commanders and fighters also actively participated in the flood-fighting struggle, thus promptly saving many people who were besieged by the flood. Party committees and governments at all levels promptly sent powerful work teams to the flood-stricken areas to help promote work there. In line with the principle of self-reliance and the principle of offering mutual help among the masses and collectives with the support of the state, they organized and mobilized the masses to quickly carry out the struggle to provide for and help oneself by engaging in production and to rebuild their villages and towns. At present, proper arrangements have been basically made for the livelihood of severely afflicted households, flooded crops have been salvaged, field management has been strengthened and some late-autumn crops have been planted. The great majority of flood-stricken factories, mines, enterprises and shops have restored production and resumed business.

All areas have adopted measures to readjust the economic policy toward severely afflicted communes and brigades and have mobilized the masses' enthusiasm for flood-fighting and for providing for and helping themselves. For example, Xuanhan County, the most severely afflicted county in Daxian Prefecture, has reclaimed and restored more than 22,000 mu of cultivated land which are all sown to sweet potatoes, taros, vegetables and other late-autumn crops.

Question: What measures have been adopted by the provincial authorities to assist the people of the eastern Sichuan's flooded areas in restoring production and rebuilding their villages and towns?

Answer: The provincial CPC committee and the provincial people's government have attached major importance to the flood in eastern Sichuan. On behalf of the provincial CPC committee and the provincial government, Provincial CPC Committee Secretary Yang Rudai and Provincial Vice Governor Liu Haiquan went to the flood-stricken areas to express sympathy and solicitude for the people there and to direct the flood-fighting work. Moreover, the provincial CPC committee and the provincial government sent three groups to the flood-stricken areas to express sympathy and solicitude for the people there and to assist them in their flood-fighting. They also held several meetings of responsible comrades of provincial organs, mobilized all departments to tap the potentials of goods and materials and financial potentials, tried in every possible way to help the flood-stricken areas, and allocated a lot

of chemical fertilizers, steel products, cement, gasoline, diesel oil, kerosene and relief funds to the flood-stricken areas. Moreover, the provincial agricultural bank promptly granted subsistence loans to victims of the flood. At present, some goods and materials are still being allocated and transported to the flood-stricken areas. The loving care shown by the provincial CPC committee and the provincial people's government is a great inspiration to people of the flood-stricken areas.

Under the leadership of party committees and governments at all levels, people in the flood-stricken areas have bravely waged an arduous struggle for more than a month and have scored initial achievements in flood-fighting. In today's flood-stricken areas, the masses are in a stable mood, prices remain stable, public order is fine, and the fervent upsurge in providing for and helping oneself by engaging in production is in the making. They have this fighting slogan: Flood-free areas try in every possible way to achieve a greater production output; areas hit by minor floods try in every possible way to realize a production increase; areas hit by severe floods try in every possible way to reduce losses to the slightest degree; and great the victorious opening of the 12th CPC National Congress with achievements in fighting floods and reaping bumper harvest.

CSO: 4007/2

'SICHUAN RIBAO' ON ENRICHING RURAL AREAS

HK241056 Chengdu SICHUAN Provincial Service in Mandarin 0030 GMT 24 Sep 82

[Excerpts of SICHUAN RIBAO commentator's article: "Get Mobilized and Create a Situation of Going from Poverty to Affluence"]

[Text] SICHUAN RIBAO 24 September carried a commentator's article entitled "Get Mobilized and Create a Situation of Going from Poverty to Affluence" on how to enrich the rural areas in Sichuan as soon as possible.

The article said: The 12th Party Congress has taught us to strive for creating a new situation in all fields of socialist modernization. The great goal put forth by the congress concerning economic construction is to strive to redouble the gross national industrial and agricultural output in the 20 years from 1981 to the turn of the century, under the premise of incessantly improving economic returns. In a short time to come, in accordance with the actual situation of our province's agricultural front, we must realize the target of struggle formulated by the provincial CPC committee. In the next 5 years we must strive to increase the total grain output by an average of 2-3 billion jin each year and the per capita income of people in the rural areas by 20-30 yuan. We must increase the province's total grain output to 80 billion jin and the per capita income of rural inhabitants to 200, 300 and 400 yuan, respectively, in one-third of the production teams. In the next several years to come, rural party organizations at all levels must comprehensively implement the spirit of the 12th Party Congress, do a better job of ideological and political work, and mobilize the masses to proceed from poverty to affluence, thus laying a solid foundation for realizing the strategic goal of economic development in the coming 20 years.

The commentator's article said: The provincial CPC committee work meeting held in June decided to accelerate the goal and measures for enriching the rural areas in our province. The decision by the provincial CPC completely complies with the strategic decision made by the 12th Party Congress concerning economic construction for 20 years and is an important step in implementing the national decision in our province.

Whether or not the realization of the target of struggle for the next 5 years, decided upon by the provincial CPC committee, can be accelerated is an important question which must be answered in ideological and political work in

the rural areas. During the past several years, agricultural development in our province has been relatively fast and the rural situation has become more promising. However, the understanding of certain grassroots cadres is still backward. Ideologically speaking, they do not quite understand the new situation after implementing the production responsibility system, and some of their work is not on the right track. In addition, they do not have an adequate understanding of the role of the great readjustments such as the readjustment of production relations. Thus, it is necessary to help them correctly understand, by means of ideological and political education, the relationship between realizing the targets of struggle for a fixed time to come and the target of carrying out economic construction for 20 years. We must make them understand that by probing in many ways into the past 20 years since agricultural collectivization, we have finally worked out the production responsibility system, agricultural management and methods of distribution which on the one hand adhere to the socialist path, and on the other hand, suit the level of development of the productive forces and the level of awareness of the peasants. As the central leading comrades pointed out, the rural situation of implementing the production responsibility system is very promising and is in the ascendant.

Recently, the provincial CPC committee introduced 20 examples of increased production in bringing about affluence in rural areas in the northern part of Sichuan. These are persuasive examples of the implementation of the production responsibility system, emancipating the productive force and giving play to the initiative of the collective and the individual.

The commentator's article also pointed out: In order to guarantee the realization of the target of struggle put forth by the provincial CPC committee, we must still continue to encourage certain peasants to take [words indistinct] into consideration and strive to enrich by relying on the collective and on labor, thus benefitting both the collective and the individual. Simultaneously, we must still vigorously popularize the policy of "three considerations," popularize the principle of taking planned economy as the key and market regulation as the supplementary, and educate the peasants to be concerned with the interest of the state and the collective, thus properly handling the relationship between the interest of the state, the collective and the individual.

The commentator's article stressed: At present, it is necessary to strengthen education in the "two no-changes" and help the grassroots cadres, on the basis of summing up the experiences of the masses, gradually perfect the agricultural [words indistinct].

In conclusion, the SICHUAN RIBAO commentator's article said: Carrying out ideological and political work in the rural areas, we must firmly grasp the building of socialist civilization focusing on communist ideology, enabling the broad masses of commune members to proceed along the socialist path and become true [words indistinct] and socialist peasants who have cultural cultivation and who observe discipline.

CSO: 4007/2

NEED FOR LONG RANGE PLANNING STRESSED

Chengdu SICHUAN RIBAO in Chinese 16 Jul 82 pp 1,2

[Article by Commentator: "Do a Good Job of Longrange Planning for Rural Construction"]

[Text] Development of the rural economy and hastening the construction of mountain regions requires accurate programs, policies, and measures; it also requires formulation of longrange construction plans. The recently convened Provincial CCP Committee work conference required all jurisdictions to come up with well defined 5 to 10 year targets to be achieved in rural economic and social development to give the masses something to strive for.

As long ago as the 1950's Comrade Mao Zedong personally presided over the formulation of long range plans such as an outline for national agricultural development. He said: "This plan is useful as a longrange objective so that people's vision will not be limited to the steps they are taking at a particular moment." Today we have both central government programs and plans, society is stable; people have many ideas, and what is urgently needed is a clear and fairly longrange concrete target toward which the masses may be mobilized for struggle. The Provincial CCP Committee has proposed that for the next 5 years Sichuan Province should achieve an annual average increase in total grain output of from 2 to 3 billion jin, and that rural commune member income (including income from collective distributions, wages from commune and brigade enterprises and income from rebates, and net income from household sideline occupations) should average annual increase of 20 to 30 yuan so that after 5 years of effort, the province's total grain production will stand at 80 billion jin, and average per capita commune member earnings as derived from the three aforementioned sources in a production team will be 200 yuan, 300 yuan, and 400 yuan, with the next step being to strive for a national production gross output value averaging \$1,000 per capita. These several major economic norms collectively reflect the level of rural economic development. Naturally, our goal is to build flourishing, prosperous, democratic and civilized new socialist rural villages. The content of longrange planning has to be somewhat all encompassing and the building of the two civilizations [material and spiritual civilization] has to be considered part of it. The Provincial CCP Committee's raising of

such an objective is extraordinarily necessary, and it constitutes an extremely great encouragement for the cadres and masses of the entire province. We realize that during the past several years many places, communes, and production brigades have made plans and that after 3 to 5 years of effort, production has developed very rapidly and the livelihood of the masses has improved. Though some started a little late, they have taken the first steps and the future looks hopeful. Some, however, have yet to make any longrange calculations; they lack much will; they do whatever is required; and the years come and go. Practice has shown there is a very great difference in zeal for work and economic results when there is planning and when there is not. Even when plans are a little rough, they are better than none.

Is realization of the foregoing conception possible? After investigation and study, discussion with the masses, item by item calculations about local grain production and major economic diversification, many prefecture and county leadership comrades and prefecture and commune cadres believe that though the task is an arduous one, with effort it is entirely possible to achievement. They think ahead and are full of confidence. However, there are also a small number of comrades who see difficulties as being more numerous, and their confidence is not that great. One major reason is that our comrades' thinking is not broad; they do not have many ways of doing things; they are seriously prone to doing things in conventional ways; and they do not know how to use ingenuity to broaden avenues. We might organize our comrades to look a little more at advanced models and to seek instruction from the masses to widen their horizons and strengthen their confidence. Though conditions differ from place to place, everything depends on human effort and one has to make the most of conditions as he finds them. Everyone has his own strengths and each person walks his own path. The crucial point lies in the level of our leadership and the state of morale.

Formulating longrange plans requires not only a battle objective but also requires vigorous measures, based on local natural and human resources, the adaptation of general methods to specific situations, the use of strengths and the avoidance of weaknesses, and making the most of advantages. In the field of grain production, it is necessary to proceed from the basis of a fixed grain sowing area to organize a scientific attack to increase yields per unit of area and to carry out needed agricultural capital construction, to strengthen ability to withstand natural disasters, and to assure steady annual increases in total grain output. Since Sichuan Province has a large population relative to available land, sole reliance on grain will not make it possible to make a new start and become prosperous. While taking a firm grip on grain production, full use will have to be made of the province's bountiful natural resources and the mass workforce for vigorous development of economic diversification and industrial sideline occupations. The potential in this regard is very great. Rural average per capita earnings increases of 20 to 30 yuan depend primarily on this. Development of economic diversification requires bringing into play

the enthusiasm of both the collective and commune members individually. The opportunities that commune member household sideline occupations provide are very great, and even more can be done in the field of collective economic diversification and industrial sideline occupations. Today, in a substantial number of production teams, nothing has been done about economic diversification, or else a start is just being made. Commune member earnings are very low. The main reasons are: first, no rational utilization of resources and human talent; second, insufficient perfection of production responsibility systems. Tasks that should be done by specialists have not been specialized, and tasks that should be performed jointly are not being performed jointly; third, leadership teams have problems of one kind or another. Leaders at higher level should give them pertinent assistance in solving these problems so that economic diversification can get underway.

Planning definitely requires proceeding from realities and following the mass line. Provincial and prefectural plans provide a rough guide, but most important is that from the county on down, particularly in communes and brigades, concrete planning and implementation be done. While giving attention to current production, individual communes and production brigades should simultaneously arouse cadres and the masses to full discussion, tap the potential resources, human talent and workforces provide, broaden production avenues, single out key items, and propose concrete objectives and measures for local communes and brigades so that plans will embody the desires of cadres and commune members and become converted into their conscious actions. Positively there can be no superiors subjectively coming up with standards that are imposed on those below. In the processing of formulating production plans, Shigang Commune in Wanyuan County launched three checks and three sees: First was to check the strength in resources of local brigades and to see how to use them sensibly; second was to check on skilled craftsmen and surplus workforces and to see how to make the most of the special abilities of human talent; and third was to check the potential for production of grain and economic diversification and to see how to tap it fully. Through such activities, they expanded their horizons, found avenues, and opened up new sources of revenue, this year adding an additional eight or nine production items and increasing earnings over original plan by more than 200,000 yuan. Their experience is good and merits promotion.

When formulating plans, cadres and the masses have to be taught to rely on increases in production to become prosperous and to become prosperous through labor, to institute a program of taking the planned economy as the key link with market regulation being supplementary, and to be concurrently concerned with the interests of the country, the collective, and commune members individually. While increasing individual income levels, it is necessary to make a greater contribution to the country, to assure required collective withholdings, and not to engage in dishonest practices. Longrange planning has to be linked to surveys of natural agricultural resources and to the zoning of agriculture with everything being done in accordance with natural laws and

economic laws. After longrange plans have been formulated, revisions will have to be made through annual plans and their translation into reality, as well as through practice so that they better accord with reality. Once a plan has been devised it must be persevered in, followed to the full, and instituted step by step so that one's own locale changes year by year.

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'SICHUAN RIBAO' DEVOTES NEW COLUMN TO RURAL PROSPERITY

HK28k3k9 Chengdu SICHUAN Provincial Service in Mandarin 0830 GMT 26 Sep 82

[Excerpt] On the opening of a new column on how to bring prosperity to the rural areas in Sichuan Province as soon as possible, Sichuan RIBAO published an editorial note today on the front page.

The editorial note says: In order to implement the spirit of the 12th CPC Congress on our province's agricultural front, to encourage the vast number of cadres and the masses to contribute their initiatives and suggestions and devote their efforts to speeding up the development of agricultural production with one heart and one mind, to realize the aim of increasing production and income in rural areas in 5 years put forth by the provincial CPC committee, and to materialize the goal of struggle for the next 20 years before the turn of the century put forth by Comrade Hu Yaobang in his report to the 12th CPC Congress, our newspaper now specially opens, at the suggestion of the provincial CPC committee, a new column to start off the discussion on how to bring prosperity to the rural areas in Sichuan Province as soon as possible.

This discussion is started today, the editorial note says, the general ideological guideline for this discussion is to adhere to the spirit of the 12th CPC Congress and the party's principle of being practical and realistic and proceeding with everything based on the actual situation, to give full play to the spirit of boldly blazing new trails in carrying out rural economic reform, to further emancipate the productive force and to mobilize all positive factors to increase production and income in rural areas so as to help the peasants to get rich as soon as possible and make more contributions to the state. [passage omitted]

CSO: 4007/2

TIANJIN

BRIEFS

TIANJIN CHANNEL PROJECT--On 6 September, the Tianjian Garrison District held a mobilization rally to mark the initiation of digging the last section of a channel to divert Luanhe River water to Tianjin City. All commanders and fighters attending the rally pledged to complete the project by 15 June 1983 in response to the socialist modernization set forth at the 12th Party Congress. Wu Zhiyuan, deputy commander of the Tianjin Garrison District, spoke at the rally. [Text] [Tianjin City Service in Mandarin 0030 GMT 8 Sep 82 SK]

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BRIEFS

XINJIANG WORKERS' LIVELIHOOD IMPROVES--The investigation of the living conditions of 220 worker households in Urumqi, Karamay, Yining and Kashi Municipalities has revealed that the average per capita income of workers' households per month in 1981 was 37.18 percent more than in 1979 and that the average per capita income for living expenses increased by 13.6 yuan, an increase of 31.13 percent. The investigation has also revealed that in the first half of this year, for every 100 households, there were 7.73 bicycles, 2.71 sewing machines, 11.82 watches, 9.09 radios, 16.37 television sets, 4.55 recorders, 0.91 cameras and 6.36 electric fans more than in the first half of last year. The workers' living conditions have also improved. [Text] [Urumqi XINJIANG Regional Service in Mandarin 1300 GMT 6 Sep 82 HK]

XINJIANG GEOLOGICAL WORK--Since the 3d Plenary Session of the 11th CPC Central Committee, Xinjiang Region has achieved outstanding results in geological work. Over the past 3 years, the region has discovered 48 ore deposits and points and built 13 large- and medium-sized reserve prospecting bases. After further working and expanding shafts, 11 old mining areas have increased their workable reserves. Since 1980, the region has discovered a large gold deposit and a sulphur deposit. Over the past 3 years, geological workers in the region have discovered a number of gem and jade production places in south and north Xinjiang. Moreover, they have actively conducted surveys to serve agriculture, animal husbandry, industry and urban construction in the region. [Text] [Urumqi XINJIANG Regional Service in Mandarin 1300 GMT 6 Sep 82 HK]

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