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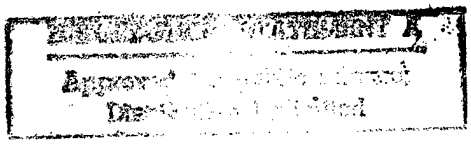
China Report

AGRICULTURE



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CHINA REPORT

AGRICULTURE

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FODDER INDUSTRY MEASURES IN FOUR EUROPEAN COUNTRIES

Beijing JINGJI RIBAO in Chinese 25 Dec 84 p 4

[Article: "Concrete Measures on Fodder Industry Outlined"]

[Text] Development of the fodder industry promotes the growth of livestock-rearing enterprises; the growth of livestock-rearing enterprises promotes the development of the food industry, light industry and textile industry. The development of the food industry, light industry and textile industry, however, put further new demands on livestock-rearing enterprises to start and create new conditions for the great development of the fodder industry. Thus, the effects of promoting each other have formed a benign cycle. The function of this rational material cycle and energy conversion is very clear both in the capitalist countries of West Europe and in the socialist countries of East Europe. The concrete measures and experiences are as follows:

1. The Fodder Industry Develops Simultaneously With Livestock Enterprise. The four countries (Britain, Germany, Yugoslavia and Romania) have different social and administrative systems, but they all arrange their production according to changes in market demand both at home and abroad. Livestock raisers plan the animal and poultry production according to market information. Fodder producers plan fodder varieties and output according to the needs of animal husbandry, having carried out coordination of production, supply and sales through their corresponding organizational structures (fodder industry associations in England, Germany and Yugoslavia, National Integrated Enterprise Compound Fodder Trust in Romania).

Regarding production generally more attention is paid the rationality of the overall arrangement of network outlets. The West European countries established the fodder industry at the beginning of this century. In the past 20 years, because the import of large quantities of grain fodder is no longer necessary, the fodder industry has gradually shifted from a large-scale "port industry" to a raw materials base or stock-breeding base. Since most of the processing factories are medium or small in size with a radius of service of about 30 to 50 km, this service not only gives convenience to the user but also reduces cost. Both the fodder factory and the stock farm in Yugoslavia are conducted by the joint enterprises of agriculture, industry and commerce; one farm and one factory form a complete set for local production and local supply.

2. S & T Progress. All four countries have complete scientific research organizations for fodder, advanced technological equipment, considerably strong technological forces, complete monitoring measures and the demonstrating experiments to popularize the new products and new techniques. In order to know correctly the nutritious needs of animals and poultry, to examine and coordinate the economic results of fodder and to teach the peasants to use the new techniques and popularize them, the British Government transfers special funds to establish 12 farms in the whole country for experiments and demonstrations; the FRG has founded 13 special research institutes in different localities to undertake the experimental projects which are too difficult for the peasants to carry out.

The fodder mix should not only meet the nutrition needs but also consider taste and physics. The fodder factories we visited generally use electronic computers to determine and endlessly improve the mix; the technological process utilizes program control, electronic weighing, stirring and mixing by numerical control and high-temperature compacting. To avoid having the animals become choosy in food and to reduce waste in transportation and feeding, now, all the countries have universally changed from powdered fodder to granular fodder. Furthermore, in order to develop the resources of protein fodder, all those countries have given major impetus to scientific research.

3. The Establishment of a Sound Fodder Industry System. The fodder industry is a rising industry which involves many departments and many subjects of learning; each of the four countries has taken different types of organization to form its own fodder industry system. This system possesses the following characteristics: the combination of scientific research with production, the combination of development with popularization, the combination of popularization with service and the combination of domestic subjects with international subjects. (This combination includes market information, materials, import and export business of products and economical cooperation, technological exchange). The fodder industry associations of Britain and Germany are branches of the Fodder Industry Association of the EEC, which is voluntarily organized by the fodder producers and part of the scientific research institutions. In Romania, the Trust of the National Integrated Complex of Compound Fodder is directly under the nation's Agriculture Department and Food Industry Department; it has a vertical leadership over the 72 fodder industry enterprises. The fodder industrial materials and products of the four countries are either ordered and purchased through contract or purchased directly without going through commercial links; there is direct contact between products and sales; thus, the products are marketable and the customers are satisfied.

4. The Government Encourages Fodder Industry Development by Economic Technological Policy. In order to guarantee the quality of fodder products, to protect the profits of breeders, to safeguard the reputation of the fodder industry, the governments of the four countries have determined the appropriate policies. This is explained by the following examples. There is a low-tax policy for the fodder industry for low-profit products. Romania collects an income tax at only 0.1 percent for fodder enterprises; the state invests in basic contruction, and the period for repayment is 40 years. The FRG reduces or exempts from custom duties the annual imports of 2 million tons of fodder grains. In recent years, Britain has continuous bumper grain harvests: In order to encourage the use of grain in fodder, the authority has taken a policy of limiting corn, cassava and other substitutes imported from foreign countries, thus the quantity of imports has a decreased every year.

12705
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PROBLEMS IN LIVESTOCK ENTERPRISE ANALYZED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 3, 23 Mar 85 pp 37-39

[Article by Cheng Xu [4453 1645] of the Comprehensive Agricultural Development Research Department of the Beijing Municipal Institute of Agricultural and Forestry Science: "Three Problems Worth Considering in Developing Breeding Industries"]

[Text] At present the vigorous development of breeding industries is an important component of the reform of the structure of the agriculture industry. How to consider thoroughly the economic results of grain conversion and improve as much as possible the economic results of the breeding industry are questions of great significance in correctly guiding the new changes in the villages. Using the practical experience in combining agriculture and animal husbandry acquired over the past few years by the Doudian Brigade on the outskirts of Beijing, I will attempt to explore the three following problems.

I. In Determining the Guiding Ideology for the Development of Animal Husbandry, It Is Necessary Both To Stress Economic Results and Emphasize Ecological Results.

Since grain has become more plentiful, from the point of view of the balance of economic results, whether or not the surplus grain can be converted into meat, eggs, and milk, or whether some of the grain fields can be spared to use in growing forage crops, is mainly determined by whether or not using grain as feed can bring in the same income as selling the same amount as surplus grain ["exceeding-sale grain"--grain left after the required amount has been sold to the state; sold at a higher price]; or it is determined by whether the land used to plant forage can maintain the net income level of when the same amount of land was used for planting grain. The logic of this is being recognized by more and more people.

However, while we are stressing economic results, we should prevent the neglect of ecological results and the tendency to regard solving the "difficulty of selling grain" as the one and only motivation for developing breeding industries. We must thoroughly analyze economic results and overcome both the passive waiting for the price of animal products to rise and the

attitude that nothing can be done about the present low economic results from breeding and the difficulty in developing the industry. We must correctly guide the peasants into consciously carrying out the integration of agriculture and animal husbandry and creating benign production and ecological cycles.

Animal husbandry in the Doudian Brigade on the outskirts of Beijing began its major development during the successive years of large-scale increases in grain production before and after 1980; when the commodities background was still such that no one "worried about marrying off" grain. Until 1979 the economic results of this brigade's animal husbandry were still very poor. The collective raising of pigs lost more than 30,000 yuan every year. In a situation like this, it was very natural for the majority of cadres and commune members to promote selling more of the surplus grain. However, scientific and technical personnel assigned to the brigade saw, in the signs of declining soil fertility following these successive large-scale grain production increases, the potential for an ecological crisis in the fields. Calculating the inflow and outflow of soil nutrients, they discovered that in the case of a unit of area with a per-mu yield of 1500 jin, with a per-mu application of 350 jin of nitrogen and phosphorous chemical fertilizer, and the sale of all the grain, the rates of return of nitrogen and phosphorous to the soil were, respectively, only 78% and 50%, even with all the straw returned to the soil. Obviously, if this situation were not promptly changed, it would be difficult to maintain high, steady production. Secondly, the whole brigade's expenses for chemical fertilizer were quite high, about 32% of money spent on grain crops. Where the per-unit grain yields had already reached a certain high level, the additional grain yield produced per jin of chemical fertilizer dropped from the approximately 3 jin of the past few years to between 1 and 2 jin. Obviously, if the one hand got money by selling surplus grain while the other hand bought large amounts of chemical fertilizer, the economic results weren't likely to be ideal. If, on the contrary, the grain were converted into feed, excellent quality farmyard manure would be available. The combination of organic and chemical fertilizer is of crucial importance in obtaining even higher yields from high-yield grain crops, especially wheat. In addition, the scientific and technical personnel explained that in consideration of the location of the Doudian Brigade, what the Beijing market needed was not unprocessed grain, but rather meat, eggs, and milk. The instructions from the central government on work to be done in the capital demanded that, in regard to the development of the food industry, village communes and brigades should truly develop the food industry and realize the integration of agriculture, industry, and commerce; a developed breeding industry is a necessary precondition for all this.

After the Doudian Brigade leaders had clarified the reasons behind this, they took decisive measures to utilize in breeding the 1.30 million jin of surplus grain which they could have sold. In addition, they ruled that the sum returned to the brigade from the profit of the factory and sideline industries should be allotted to a fund to reward animal husbandry production. This gave reliable guarantees to the whole brigade's animal husbandry at a time when the economic results had not been greatly improved setting it on the road to conscious development. Following the period from 1980 to 1982, of

major development of animal production (the value of animal production increased from 100,000 yuan to 729,000 yuan), the whole brigade's soil fertility improved significantly; the per-unit grain yield, which for years had hovered around 1,200-plus jin, increased sharply in 1983 and 1984 to about 1,560 jin; and annual fertilizer expenditures decreased 40,000 yuan: a relatively benign ecological cycle was beginning to take shape.

II. The Thorough Technical Reform of Traditional Animal Husbandry Is the Fundamental Road to Improving Economic Results.

Since elimination of the directive style of planning in animal husbandry production in agricultural areas, and the use of executive measures to reward commune members with grain for raising pigs and chickens, the scale of development of animal husbandry has is largely been determined by the economic results of raising animals. For a long time, animal husbandry has been a self-sufficient appendage to the small-scale farm economy (as in the use of leftover food, using spare money to earn more, and accumulating fertilizer). It wasen't possible to carry out a thoroughgoing technical reform, and this created the vicious circle wherein the worse the economic results, the less respect it received, and the less respect it received, the harder it was to change the situation. Throughout the entire process of developing animal production, the Doudian Brigade from beginning to end made economic results the focus of its efforts, and thought of every possible way to use advanced techniques and achievements in breed improvement, mixing feed, management style, and preventing epidemics. The net income from animal husbandry was 230,000 yuan in 1979; in 1983 it reached 510,000 yuan.

For the past several years, Doudian Brigade's reform of animal production, including pre-, during-, and post-production techniques, can be grouped into the following six areas.

1. Change the "small but complete" management style into technical specialization. In the past, the main characteristic of raising animals and poultry was that it was "small but complete." The primary source of young pigs, calves, and chicks was mother animals breeding their own offspring. But because the scale was too small, the breeding techniques too primitive, the facilities poor, and for many other reasons, this self-propagation often became a significant money-losing factor. A few animal and poultry breeding farms in the outskirts of Beijing have attained quite a superior level in their breeding techniques and experience, equipment, breeds, and epidemic prevention; they depend upon breeding young animals and poultry for sale, and not only do they not lose money, they can actually make a profit. In order to develop their strnegths and avoid their weak points, the Doudian Brigade adopted the method of bringing in for fattening batches of weaned pigs from state-run pig farms. Although the purchase costs were rather high, the breeds (hybrid pigs) were guaranteed, the physical quality of the young pigs was high, and after immunization and fattening they gained weight more quickly and seldom got sick, so that the final economic results exceeded those of self-bred pigs. For beef cattle they also adopted the method of "fattening in a different place." In cooperation with livestock areas, they brought in feeder cows. Using their strengths--the plentiful concentrate and roughage

resources of farm areas, their better climate, and their relatively more ideal pens and sheds--the profit on fattening one beef cow can be around 100 yuan.

2. They built their own combined feed processing mill, replacing the unscientific feed of the past, a single grain (corn) or mixed feeding of roughage to pigs, with high-quality combined feed. According to experiments, the use of 1 jin of combined feed can equal the increase in weight gained from 2.5 to 3 jin of the old-style feed; feeding laying hens can give the same egg yield as 2 jin of the old-style feed. From these two items alone, the whole brigade each year can save 980,000 jin of feed grain.

3. They improved breeds, made use of hybrid vigor, and developed the production of pigs with more lean meat. By 1983, the brigade had built its own artificial insemination facility, raised lean-meat strains of pigs, and renewed the strains of pigs for the whole brigade. The norms for the return on feed, the daily gain in weight, and the grade assigned at the time of sale were all significantly improved. In the production of laying hens, they also used widely "Liangza 288" and the red-shelled laying hen breed ("Liangza 579"), known for their outstanding egg production performance, with marked economic results.

4. They tapped the power of mechanization, and reformed the methods for collecting and processing (storing) straw and silage. Doudian Brigade collected all the straw (wheat and corn stalks), and returned it to the fields after it had been fed to cows and passed through their stomachs. But the high-pressure farming season does not permit spending long hours on gathering straw. Because of this, they brought in mechanical balers to collect the straw, compressers, and harvesters to bring in the corn silage (both with and without the ears). Within a short period of time they collected and took away all the wheat straw. It was very valuable for raising livestock, and the output of dry stalk corn silage (without the ears) has also increased year by year.

5. They did a good job of anti-epidemic community service. Doudian Brigade set up a professional anti-epidemic office for immunization and prevention of epidemics, and brought their services directly to the collectives and households. Due to the healthy, disease-free condition of the chicken flocks, the foundation for the brooding period was well laid. After entering the peak egg production period, the egg production rate was high (above 80%), and it continued for a long period.

6. They have taken the first steps toward developing the slaughtering and processing of post-production animals and poultry, and the comprehensive use of side products. Doudian Brigade in 1984 built a slaughterhouse that can hold 150 tons in cold storage, and started to supply prime cuts of meat to joint-investment tourist hotels in Beijing. They also plan to develop the complete processing of cowhide, cow blood, cow bones, organs, and other by products.

Based on the experiences of countries with developed livestock and poultry-raising industries, the main thing is to stress the two major links,

the production and supply of combined feed and the comprehensive use of post-production processing, thereby allowing the economic results of animal rearing to maintain a high level. It would be worth our while to learn from these methods and experiences.

III. Gradually Improve the Degree of Intensiveness in the Livestock and Poultry Industries.

A few years ago, communes and brigades in the Beijing suburbs suffered as a result of blindly constructing large mechanized or semi-mechanized double-row style [shuanglie 7175 0441] pig farms, such that many people view these with trepidation. In the process of developing its livestock and poultry industries, Doudian Brigade did not blindly copy the methods of foreign mechanized pig farms; it also continually evaluated its experiences, and proposed a plan for intensifed animal raising that better accorded with realty. This allowed it to meet every need of the technical reform, benefitting the improvement of the economic results of animal raising. Using laying hens as an example, at the beginning period of development hens were raised by both households and production teams. After more than a year of practical experience, they discovered that although the results of raising hens in the household were high, because the reserve supplies of hens were lacking, there was no way to weed out and replace those hens that had passed their period of peak egg production, and the consequence was that the results dropped greatly. On the other hand, because the production team's facilities for raising chicks were primitive, the temperature was poorly controlled, and everything was too scattered, it was difficult to prevent epidemics. As a result, the survival rate for chicks was low. Not merely was the cost high, they also were unable to satisfy the demands of the chicken-raising households. The temas set up battery chicken farms, but in the same way, because the buildings were poor and the labor production rate was low, the economic results were not ideal.

For this reason the scientific-technical personnel and the brigade drafted a reform plan. In 1984 they closed the production teams' chicken farms; the brigade put up a high-birth mechanized (feeding) building for 10,000 battery chickens. At one time they brought in more than 20,000 incubated, graded chicks. Due to superior brooding conditions, high survival rate, and the relatively high labor production rate (altogether a labor force of 11 full-time and part-time people), and because in addition they showed a willingness to shave down the profits in order to increase sales, they predict that by the end of the year they will have recovered within the same year the cost of capital construction and brooding. Next year they can enter the stage of net profits. They have also started to intensify pig raising. In the past the team pig farms could only fatten up for slaughter one batch of pigs. Scientific and technical personnel discovered through experiments that using the techniques of raising pigs in stages and fast-fattening, one batch of pigs needed only 5 months. Fattening pigs in the winter has the advantages of being safer (pigs very seldom get sick), the ease of selling products, and the certainty of excellent prices (live pigs are rare in spring), so they carried out the method of fattening pigs twice each year. This improved the

usage rate for the pens and the work time for the animal workers doubled. Even though they can only earn a few yuan on each pig, the total number is greater and the costs of raising pigs (depreciation, wages, drugs, etc.) are lower, so the economic results are still higher. In 1985 Doudian Brigade will also build a laying hen brooding house. When completed it will provide 120-day-old chicks to specialized households, achieving low costs (this year, based on the accounting for the 10,000 chicken farm the brooding costs per chicken will be about 1.5 yuan lower than the previous costs in the teams and households), no risk (of disease), and quick realization of profits; in addition it will relieve the worries of specialized chicken-raising households which lack high quality breeding reserves.

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NATIONAL

GROWERS, AUTHORITIES COOPERATE FOR BUMPER HARVEST

Shijiazhuang HEBEI RIBAO in Chinese 22 Dec 84 p 1

[Article: "Bumper Cotton Harvest Reported"]

[Text] This year in our province, cotton production continues to increase on a large scale. The gross yield of ginned cotton has increased over 30 percent compared with last year, and yield per unit area continues to exceed 100 jin. Moreover, many high-yield varieties have improved their yield and low-yield varieties have become high-yield varieties. According to the comprehensive data report from all localities, the total number of fields over 3 mu with an average ginned cotton yield over 300 jin per mu is 411, with a gross area of more than 1,840 mu.

The climate this year is ordinary, being both advantageous and disadvantageous to the growth and development of cotton. The drought in the hot summer and the abundant rain in the early autumn are harmful to the cotton production. However, due to the deep influence of the party's policy, cotton growers have high enthusiasm in growing cotton, they learn science and practice it actively. In every cotton-growing households of the province, there are one or two persons who have gone through systematic technical training to guide the whole household to grow cotton with scientific methods and scientific management. There is also greater progress in forming a complete set of improved varieties and improved methods for cotton growing. According to statistics for the whole province, the area growing good-quality Jimian No 8 cotton has reached 950,000 mu, with an average yield of ginned cotton per unit area of-about 200 jin. The work done by governments of all levels and agriculture departments in service for cotton production is also better than that of last year. They have supplied drought-resistant materials, pesticides, chemical fertilizers, improved varietites, earth membrane and techniques to cotton growers in a timely manner.

12705
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NEW PESTICIDE SOLVES KEY PROBLEMS IN COTTON PRODUCTION

Beijing RENMIN RIBAO in Chinese 26 Jan 85 p 1

[Article by Wei Yanan [7614 0068 0589] : "Pesticide Used in Cotton Planting Succeeds"]

[Text] The research project "Seed-coating pesticide used in cotton planting prevents and controls plant diseases and insect pests in cotton seedling state" participated by the scientific research personnel of the Chinese Academy of Agricultural Sciences and Beijing Agricultural University, chaired by Shen Qiyi [3476 0366 4135], the famous agronomist and plant protection specialist in China, after 4 years of preparation, experimentation and demonstration, has passed the scientific research achievement appraisal of the Ministry of Agriculture, Animal Husbandry and Fishery and the Ministry of Chemical Industry. This is the first successful preparation of seed-coating pesticides and the diversified prescription in China used in treating good breeding cotton for the prevention and control of plant disease and insect pests in cotton seedling stage. Proven by the experimentation and demonstration indoors, in small areas and the 30,000 mu of fields of the 12 provinces and municipalities, using the seed-coating pesticide in cotton planting will guarantee the seedlings to be whole and strong and protect the normal growth of the cotton, generally, there will be about a 15 percent increase of ginned cotton.

Due to the problem of cotton seeds, it is common that during the seedling stage, there is a shortage of seedlings or no seedlings. It is a great loss for our country to reseed, replant, use more seeds, requiring much labor and pesticides. Also, it is hard to kill verticillium wilt germs on dried cotton, which has caused lodging in cotton plant stems. The decrease in output caused by insect pests is often over 30 percent. To establish a system of breeding good seeds, to supply good commodity seeds for cotton growers and to prevent the mixing and deteriorating of cotton seeds to influence cotton quality are the long-term, unsettled problems of cotton production. The key is the unsatisfactory technical treatment of cotton seeds. When the newly prepared pesticide is used for the cotton seeds, the pesticide will adhere strongly to the seeds to sustain a lasting effect to protect effectively that part of the cotton above ground against insects and pests. Thus, for the purpose of eliminating plant disease and insect pests, coordination will be created between chemical prevention and control and the biological prevention and control. The good cotton seed coating is made of high efficiency pesticide and high efficiency germicide. Its characteristics

are: it is strong in permeability and in prevention, it is quick to form a membrane, it suits different cotton areas and prevents and controls various insects and pests. This pesticide not only can raise the sowing quality of good seeds effectively, but also save the seeds and guarantee the seedlings to be whole and strong with normal growth, it definitely gives economic results.

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CONTRACT GRAIN PURCHASE, FIXED QUOTA PROBLEMS REVEALED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 4, 23 Apr 85 pp 3-7

[Article by Xu Dejun [1776 1795 0193] and Men Gaoyu [7024 7559 4416] of the Yanbei, Shanxi, Prefectural Committee Rural Work Commission: "Several Problems Requiring Resolution Concerning Implementation of Fixed Grain Procurement Contracts"]

[Text] The CPC central leadership and the State Council have decided that, beginning this year, unified grain procurement will be eliminated, to be replaced by contract procurement. This is a major economic policy toward continuing to intensify rural economic reforms, promoting readjustments in the makeup of rural enterprise, and moving rural production onto the commodity economy track, and an extremely significant one.

The shift from a unified to a contract procurement system is a major one from the rural standpoint. It is a new topic and contains several real problems and concrete methods which need to be conscientiously studied.

Problem I: Setting Overall Fixed Grain Quotas

One basic reason for the change from unified to contract grain procurement is that the state must purchase less grain than it did in the past. But seen from the point of view of the farmer and his needs, he looks for an increase of some sort in overall fixed grain quotas, so that taking out increases in commodity grain resulting from development of production, annual sales of commodity grain should at the very least hold steady. This farm need is a reflection of the long years in which the centralized grain procurement system was in operation. Farmers are not viewing the elimination of unified procurement and implementation of fixed-quota contracts from the perspective of the commodity economy in mind. Implementation of a unified grain procurement system was a special policy which suited specific historical conditions. In the past, when farm production levels and grain output were rather low, the state had to take control over limited grain

resources and make overall plans to assure that basic state planning and public welfare needs would be met. This was entirely necessary in the past and really played a positive role in ensuring supplies and supporting construction. But with the rural economic reforms of the past few years, farm production has been developing rapidly and there have been great changes in the socioeconomic situation. As grain yields went up, the unified grain procurement system lost its positive role. In fact, its faults became more and more obvious, so that if timely reforms were not effected, the developing needs of the rural commodity economy could not be met and the farmer could not be guided to arrange for vigorously developed commodity production based on society's needs with an eye on the marketplace. Reforms in procurement systems were made to eliminate these faults and create conditions for development of a rural commodity economy.

Once we understand overall fixed grain quotas from this perspective, we can see that more is not better; quite the contrary, s relative reduction hms its advantages. This is for the following reasons. First, if fixed quotas are too high and roughly the same as actual levels for unified procurement, the state would still be purchasing as much as the farmer produced and unified procurement reforms would be meaningless. Second, high fixed quotas would not play any role in directing the farmer toward arranging to produce what society and the market need. Whatever and however much the farmer planted, the state would purchase. The rural economy would come to a halt. Third, with high fixed quotas, the farmer inevitably sets his sights on increasing volume, with net results that do nothing to improve grain types, or help to readjust either the internal structure of farming or the structure of rural enterprise.

Overall, high fixed grain quotas may have some partial, temporary advantages for the farmer planting grain, but in the long-term overall picture, it will ultimately have an impact on the farmer's own economic interests and benefit neither the farmer nor the state. Right now, farm production is entering a new stage in development of a commodity economy. Developing rural commodity production carries a strong requirement that the old structure of agriculture production be changed and that the structure of rural enterprise be made rational. Transformation of grain is the key to a breakthrough in the readjustment of the structure of rural enterprise; and that transformation has as its focal point the countryside. So it is said that if the old natural economy mindset is going to be replaced with the new ideology of the commodity economy, the only scientific attitude which seeks truth from facts is one which sets its sights on structural adjustments and grain transformation.

Problem II: Types of Grain For Fixed Quotas

For a long time while unified procurement prevailed, all grains were within the purview of the system, with controls which were extremely oppressive. In the early period of implementation of the output-related responsibility system, unified procurement quotas for grains

other than wheat or rice and beans other than soybeans were very strict, down to the jin and ounce per household. The scope of unified procurement has been reduced in some areas over the past couple of years, but the number of types with quotas is still upwards of six or seven. Once unified procurement is abolished, all farm products except those for which the state will implement fixed procurement contracts, such as wheat, rice, and corn, and soybeans, in the producing regions can be freely marketed. This is a big liberalization over types. Generally speaking, the relaxed products are products that are in short supply and that have a market price higher than state procurement price (being the average inverted 3:7 price ratio). Relaxation of controls helps to increase production, improve the composition of grain types, and increase farm earnings. But concrete conditions in a particular region may vary. Regions producing grains other than wheat and rice are a special case. So types of grain under fixed quotas should be suited to the producing regions.

Yanbei Prefecture is such a region, with natural conditions suited respectively for production of several grain crops. So different grain types all share in the overall yield. Gross grain output in the region in 1984 was 2.27 billion jin, of which corn was 730 million or 32 percent, wheat 150 million jin or 6.6 percent, rice was 390,000 [as published] jin or 0.9 percent, soybeans were 38 million jin or 1.7 percent, millet was 330 million jin or 14.5 percent, legumes and discount grain 390 million jin or 17.2 percent, and other grains 460 million jin, or 20.2 percent. Considering the special makeup of grain types in this prefecture and their various proportions, there is no reason to stick to the fixed quota types used nationally; rather, major types should be specified. In Yanbei, this would put millet and naked oats within the domain of fixed quotas while rice could be left out. The advantages of this are first, a rational use of the region's natural resources, and second, a recognition of traditional living customs. This will ensure that the prefecture's nonfarm population has its needs supplied. Third, it will give Yanbei's grain sectors sufficient assurances of specific amounts of their special grains, which will help them make up for surpluses and shortfalls in other regions. Fourth, through favorable and market-supplementary pricing, farm earnings in regions producing grains other than wheat and rice can be increased to spur enthusiasm for their production.

Problem III: Ascertaining Fixed Quota Targets

This is a major question in implementing a contract fixed-quota system. It primarily refers to the question of whether the target regions should be those where grain production is concentrated or should be all regions targeted separately and proportionally. Should target households be the specialized--and especially the large-scale specialized--households or should quotas be assigned to all households? Our surveys have solicited several different opinions. Average assignments to each and every household will mean that the grain produced by specialized commodity grain households will not be able to be sold; and this will

have an impact on specialized production. Focus on specialized commodity grain households will exacerbate the disparities between these and ordinary households. What can be done? We feel that the fixed quotas should be targeted to the grain-producing regions and the specialized grain households. This is because from a theoretical point of view elimination of the unified grain procurement system and its replacement with a contract system fits the needs of developing rural commodity production; and commodity production is related to specialized production. Without development of specialized production, there can be no upgrading of commodity production. Therefore, the implementation of the contract fixed-quota system should be based on promoting specialization of rural production. If quotas are dealt out to all regions and all households proportionally, they will play no role in spurring development of farm production specialization. Consequently, it will not promote the development of rural commodity production as a whole either. If specialized households in grain-producing regions are targeted, it will promote the differentiation of industries in these regions, push the concentration of land in the hands of those best at farming, aid in moving grain production toward intensive farming, and raise the land-to-production and utilization rates. At the same time, it can promote some labor force to leave the land and engage in diversified businesses and open up new production avenues for advancing the intensity and range of production. Conversely, if limited grain quota directives are indiscriminately dispersed on the basis of average assignment, this will superficially appear to be in the interests of all households, but the resulting long-term perspective is extremely unfavorable. It would not help either in specialization of production, readjustment of production structures, or in the transformation of grain. In a word, it would mean turning back from the road we have now taken.

Experience has shown that targeting grain-producing regions and specialized households is feasible. Per capita farm production in Yanbei in 1984 reached 1,043 jin. In the specialized commodity grain households (numbering 51,041 and constituting 9.1 percent of all households), the same figure was 2,540 jin. Specialized commodity grain households sold more than 400 million jin of commodity grain to the state, 57.1 percent of the total 700 million jin sold to the state throughout the province as a whole. This fact fully demonstrates that the role of specialized commodity grain households in developing production is an important one. Development of specialized commodity grain households will not impact on the enthusiasm of ordinary households for production. The objective fact that average per capita earnings are going up year after year is clear evidence of the fact.

Targeting grain-producing regions and specialized commodity grain households for fixed procurement quotas does not mean that these regions and households will be fully contracted, nor less that no grain will be procured in ordinary regions. No matter what the case, the amounts sold under the fixed procurement system are going to go down. Thus, all levels of government must be vigorous in their work on market

projections to arrange for production which meets market demand. They should especially tackle rural township enterprise and facilitate diversified businsses, to that some of the labor force now engaged in agriculture will gradually leave the land, go into product manufacturing and services, and open up secondary and tertiary industries.

Problem IV: Executing the Fixed Procurement Contract

Elimination of unified procurement and its reaplcement with contract fixed-quota procurement is a major change in the agricultural planning management system. The goal of this change is to move state agricultural planning away from its past dependence on administrative measures toward one which relies primarily on market measures. When unified procurement of grain was in effect, the state issued unified procurement quotas to the farmers through administrative organs. With unified procurement eliminated, a contractual system should be broadly implemented. One new question raised in current work on agricultural planning management is how the fixed grain-procurement contract is to be executed. There are two different views. One is that grain departments sign contracts directly with farmers. A secons is that as fixed-procurement directives are sent out to the various regions, contracts in the name of government administration will be signed which gradually reach down to the household. We lean more toward the former view for the following reasons. First, a contractual system is a form which combines autonomous farm household operations with the leadership of state planning. Grain enterprises engage in consultation with farmers and sign contracts with them based on state fixed procurement planning. It is a process of mutual exchange of information, with the farmer knowing in a timely fashion about state planning requirements and market changes, and the state gaining timely control over the direction farm production is taking, so that there will be a sound foundation for planning. Second, with a contract system, the buying and selling parties come into direct contact on an equal footing. The farmer has status as a legal person equal to that of the grain enterprise in signing the contract, without any outside intervention. This both preserves the farmer's autonomy over production and exchange and thoroughly overcome the flaws of the unified procurement system; it also strengthens state guidance of agricultural planning and attunes the farmer's production and exchange activities to state planning requirements. But with administrative execution of the contract, the buying and selling parties do not see each other, exchange of information is slow, and moreover, the compulsory elements of administration enter in, so that what superficially appears to be a form of economic contract is in essence still just another administrative order which can neither realize its intended directive function nor retain the character of a contract.

Once the fixed-procurement contract system is implemented, there is the further question of whether grain production planning directives should be drafted and issued. We are of the opinion that grain

production planning directives, such as planting plans and output goals, are still needed. They should be drafted as goals for development of agricultural production and for readjustment of the makeup of rural enterprise. Issuance should maintain the character of providing guidance and act as a reference for leading organs at all levels in their work of guiding the rural economy. They msut not be rigid in their stress. Production plans can only go as far as the lowest rural level, but not as far as the household.

Problem V: The Relation Between the Fixed Procurement Contract and the Household Contract

After the household responsibility system was put into effect in the countryside, farmers signed household contracts with collectives. After unified procurement is eliminated, farmers will sign fixed procurement contracts with grain enterprises. What, then, is the relationship between these two types of contract? In our view, the two are related but different from each other. From the point of view of the significance and the function of the contract, the two are related: both preserve the autonomy of the farmer and the economic interests of the state, the collective and the farmer. But from the point of view of content, the two differ in that the household contract reflects the relationship between the rights and obligations of the farmer and those of the collective, while the fixed procurement contract reflects the relationship between the rights and obligations of the farmer and those of thestate or the grain enterprise. In actual practice, these two contract types should be clearly differentiated and should not be lumped together. The household contract should not be brought into the fixed procurement contract. The collective should not be involved in or a party to the fixed procurement contract between the farmer and the grain enterprise. Consultation, execution and performance should take place between the farmer and the grain enterprise directly. The state grain quota directives formerly incorporated into household contracts should be deleted. The portion for withholding by the collective may continue to be retained in order to ensure collective needs are met. No matter which form of contract, once it is signed and sealed by notarization, it has legal effect which gives it a character which is both directive and compulsory. The parties must abide strictly by its terms and fulfill the contract conscientiously. Any party which fails to fulfill the contract for an illegitimate reason will shoulder economic and legal liability when losses to the other party occur, thereby preserving the strictness and legal effect of the contract.

Problem VI: Participation in Market Adjustments by State-Run Commercial Enterprises

Once fixed grain procurement is implemented, grain departments will purchase wheat, corn, rice, and soybeans in their production regions at a price fixed by the state. Once the farmer has fulfilled the

contract by selling the amount specified therein, he may sell the rest on his own, with the price determined by the market. If that price is lower than the former unified purchase price, the state will still open up procurement at the unified procurement price. Grain departments should affirmatively handle grain going to the free markets and make purchases in the markets. If the market price falls below the former unified purchase price, the state will still open up procurement at the former unified procurement price. This will give the state its leadership role in market pricing through the fixec procurement contract. It will keep the market grain price from fluctuating too much and guarantee the farmer's legitimate earnings and the rights of the consumer. Once unified procurement is eliminated and grain controls are relaxed, state-run commerce should affirmatively participate in market adjustment. A precondition for this participation is control of commodity resources and establishment of requisite circulation and storage facilities, and on this foundation regulating the flow of grain to stabilize market supplies and keep market prices low. According to our surveys, commercial sectors are fretting over how to take care of circulation and storage facilities. Without storage there can be no circulation, and storage means that warehouses must be built, which means that funds must be invested. Storage and circulation both require capital. A further consideration is that grain is different from other commodities. If storage facilities are inadequate, there will not be enough to take in or let out when the time comes, which hinders the role of market pricing. Storage facilities which are large in volume mean increased operating expenses down the line and can even lead to operating losses. We feel that the commercial sectors taking part in market adjustment now should be primarily grain sectors. Other commercial departments will run into trouble with grain storage. There must not be an overemphasis on storage; priorities should be on operating purchases and sales. Depending on the market demand, as much as possible of what is procured should be moved out and what comes in should be sold. There should not be blind storage with some let out only under special circumstances to lower or stabilize grain prices. In addition, grain sectors should move to make appropriate product lineup adjustments. Grain departments with specific storage capabilities should take responsibility for specific amounts of grain, using it as a material lever which comes into a commanding role in controlling what comes in or is let out in adjustment when major changes in the relationship between market supply and demand occur. They should also be aggressive in running businesses processing, transforming, purchasing and selling grain and cannot simply engage in procuring, storing, managing or supplying grain. They must improve economic returns be expanding operations and improving management. As far as possible, they should utilize their grain profits to supplement their grain storage losses. Grain departments in Huairen County altogether lost 600,000 yuan in 1984 (including reverse purchase and sale subsidies, price increase tariffs on excess procurement, and operating expenses.) Operating return was 390,000 yuan, so the real loss was 210,000 yuan. So it seems there is great potential for grain departments to make up for losses by expanding operations and using

profits. All in all, participation by state-run commerce in grain market adjustment should not overstress department profits and cannot loosen their heavy burdens. The focus should be on revitalizing and gaining control over grain markets, protecting the interests of the consumer, and promoting the transformation and increase in value of grain, thereby spurring grain production.

Problem VII: Capital Assistance to Grain Production

When unified procurement was in effect, the state provided grain producers with low-interest loans and grain departments allocated a specific amount of funds for advance procurement each year. After the production responsibility system was implemented, some areas where industry and sidelines are well developed used industry to subsidize agriculture and support grain production. The Wu clan's Yao Village in Huairen County has used industry to subsidize farming for years, with an average subsidy of 5 fen for each jin of grain. The measures mentioned above proved very effective in promoting grain production. A common farm worry about what is going to happen after unified procurement is eliminated is how capital assistance will be handled. This is even more the problem for specialized grain households who are concerned about the relinquishment of assistance from the collective. It appears that this question of capital assistance to grain production is one requiring conscientious attention. We feel that elimination of unified procurement does not equal relaxing controls on grain production. Even less should investment be curtailed. Capital assistance is still needed for grain production. Otherwise, curtailments in funds might result in curtailment of production. However, in the new procurement system, assistance funds will be handled differently. First, grain production loans will not distinguish whether a fixed procurement contract is in effect or how large output or profits are--all will be handled equally, with specialized commodity grain households having preference. Second, advance grain purchases will be targeted, depending on the needs of the masses, with amounts reaching up to one-third of production costs. Third, in areas with more industrial and sideline earnings, industry will still be used to subsidize agriculture. As to the way that subsidy will be handled and how much of a subsidy there will be, the general rule is that earnings for households planting grain should not be lower than those for average levels for all lines of work. In this way, grain production will not be affected, and will develop in a graduated fashion.

Problem VIII: Information

With the elimination of unified procurement of grain, information takes on extremely great significance for the farmer. In the past, with production and procurement plans going from the top down, the farmer just had to produce what came in the quota and had no need to worry about the demands of society or the market. Information seemed to be irrelevant. But now, with farmers no longer producing grain under

administrative orders but rather managing commodity production, they must arrange their production and operation economy and society. The special features of agricultural production require that the information provided be thorough and systematic. It cannot be fragmented or scattered. This is especially true prior to arranging production. The farmer must have command over a mass of information which is compared, analyzed and selected before any decisions are made. Elimination of unified grain procurement shattered the exclusive operations of grain departments. Factors involved in social and market demand are extremely complex, with many channels of circulation. Farmers producing grain must consider all of these many factors. Therefore, information services are a key requirement.

As far as how farmers are to be provided with systematic information before they arrange for production, we feel there should be a specific service department for them to rely on. A special mechanism should be set up with broad information links to all trades and departments which relate to rural economic activities. This would gather information on all aspects of demand for grain and other larm products, process the information, and pass it on to all areas based on their production conditions. In this way, farmers will have systematic information before planting which will make it easier for them to arrange their production and operations activities in accordance with the demands of society and in response to the market. Given the current concrete rural situation, the work of developing information services through rural economic service organizations is quite feasible.

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NATIONAL

AGRICULTURAL TYPE OF KNOWLEDGE-INTENSIVE INDUSTRY URGED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
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[Excerpts from the report by Qian Xuesen [6929 1331 2773], who did not check and approve this article: "Establishing an Agricultural Type of Knowledge-Intensive Industry; the Famous Scientist Qian Xuesen Discusses the Sixth Industrial Revolution"]

[Text] On 23 December 1984 at the second academic committee meeting of the Chinese Academy of Agricultural Sciences, the famous scientist Qian Xuesen gave an important talk on the problems of developing Chinese agriculture.

Qian Xuesen said: In the history of human society, there have already been four industrial revolutions. We are now meeting the fifth industrial revolution, with information as its core, and at the same time should foresee the sixth industrial revolution. The sixth industrial revolution has especially close ties to agricultural science and technology. At present, every new day brings changes to Chinese villages, and so this mental preparation is of even greater necessity.

What is the sixth industrial revolution? He believes that it is the establishment of an agriculture type of knowledge-intensive industry. Industry of the knowledge-intensive type is the use of all science and technology for production, depending upon high-level science and technology to carry out production. The agricultural type of industry refers to the system of producing goods that uses as in traditional agriculture, sunlight as the direct source of energy and the photosynthesis of plants on land and in the sea as the foundation. Sunlight is a powerful energy source. In China, each mu annually receives energy from the sun equivalent to 114 to 190 tons of standard coal. This bountiful natural gift gives a great advantage to the agricultural type of industry. Of course, this doesn't mean that all of this solar energy is used in plant photosynthesis to synthesize products. Limited by the supply of water and fertilizer, limited by the concentration in the atmosphere of carbon dioxide necessary for photosynthesis, limited by the plant's own capabilities, only a very small portion of the immense solar energy described above is converted into plant products. The percentage does not reach one percent, and often is only one tenth of one percent. The solar energy unused by plants can be converted on the earth into the natural

resources of wind and water power, which the agricultural type of industry should use to generate electricity for use in production.

In order to improve the results of agriculture, while making full use of the products of plant photosynthesis, one must insert as many intermediate links as possible, using them to produce useful products. For example, use straw, leaves, and grass to process compound feeds and develop the husbandry of cows, sheep, rabbits, and so on. In addition, cow manure can be used to plant mushrooms and raise earthworms. Earthworms are a high protein feed additive. Their waste products can also be re-used by processing them into feed for fish ponds or sending them to methane-generating pits to produce gas for fuel. The mud from ponds and the residue from methane-generating pits can finally be used to fertilize fields. This adds a lot of intermediate links that are used to produce things, some of high nutritional value, which people need.

In this way, we on the one hand fully utilize biological resources, including plants, animals, and microorganisms. On the other hand we also use modern industrial production techniques, utilizing modern science and technology, the achievements of the new technical revolution. Not only is production technology modernized, the production procedure is organized very well, each step of the process coordinated precisely: i.e., the assembly line-style of production. This is the agricultural type of knowledge-intensive industry. It is no longer traditional agriculture, it is not one-sided production, but is a kind of production system, a kind of industry, and its characteristic is that, with sunlight as its direct energy source, it uses plants and animals to carry out comprehensive, highly-effective production.

Qian Xuesen divided the agricultural type of knowledge-intensive industry into five categories:

The first category is agricultural industry, with planting grain and cash crops as its basis. This includes not only the agriculture of planting crops, but also reforestation, raising livestock, raising domestic fowl, and keeping bees and earthworms, as well as cultivating mushrooms and micro-organisms (methane gas, unicellular protein). Of course there is also sideline production and factory production industry. Thus the 10 fields develop together as an agricultural production system. According to statistics, at present there are 1.5 billion mu of farmland, but the real figure is even larger.

The second category is the forestry industry. Forestry here is not merely planting trees, but is another category of the agriculture type of knowledge-intensive industry. If barren hills suitable for forests are included, the forestry area in China could reach 4.5 billion mu, more than twice the area of farmland.

The main feature of the forestry industry is the processing of timber and the use of forest branches and leaves. The present practice of transporting logs from the forest regions into the city for processing is worth reviewing. Would it be possible in the forest region to process the lumber into semi-finished or finhed products? Would it be possible to directly transport

paper out ot the forest regions? In this way the products of processing--wood chips, sawdust, and waste fluids from pulp--could all be used. If we include the use of branches and leaves, then the forestry industry could produce feed in a major way and develop animal husbandry. The livestock manure could then be used to raise earthworms, obtaining protein additives for the feed. The large quantities of organic waste fluid excreted by livestock could be used to produce methane gas, serving as a fuel product in forestry. In this way, China's forestry would not only provide edible oil, industrial-use oil, wood products, paper, meat, milk products, and so on, but it could also annually provide the methane gas energy equivalent of 100 million tons or more of standard coal.

The third category is the grassland industry, production from the management of grasslands. If the area of China's grass lands includes some desertified areas which can be restored to their original condition, there is a total of 4.3 billion mu, more than twice the area of farmland. However, at present the utilization of grasslands is completely extensive with very low results. We should make a break with the traditional methods of herding animals, and use science and technology to turn the grassland industry into a knowledge-intensive industry.

How can we use modern science and technology to develop the grassland industry? We still have to begin by using the energy source of sunlight and making use of photosynthesis. That is, we must meticulously plant grass and let the grasslands grow large amounts of high quality, highly nutritional forage grass. If animals aren't put out to graze the grass should be harvested at the right time and sent to feed processing mills for the addition of nutrients and the manufacture of compound feeds. Since the production of feed is concentrated in factories, raising livestock is also concentrated in factories. Milk and livestock taken from pens to be slaughtered should be sent for further processing to centralized processing factories, and used to their fullest extent. But some of the products from these factories, such as dried blood and bone powder, should also be sent back to the scattered feed mills to be made into additives. The waste products of feed processing and the livestock manure from feed lots should also be fully utilized for growing mushrooms, raising earthworms, raising fish, making methane gas, and so on.

This conception of grassland industry is more than planting grass, but is opening up stretches of grassland regions, forming a comprehensive, multi-layered industrial production; planting grass is just the foundation. Animal husbandry and providing milk and meat products is developed on this foundation of planting grass.

The fourth agricultural type of knowledge-intensive industry is the marine industry, the industry using the ocean's beaches. China has 7 billion mu of ocean beaches, of which 2.2 billion mu are low tide beaches. This is certainly an enormous resource. Of course in this case, we are primarily depending on the photosynthesis products of the natural organisms in the ocean, which serve as food for the fish, shrimp, and shellfish which are bred and caught through human management.

In the past people did not consider the marine industry to be an industry with a system of its own, but rather regarded it as "fishing" or a part of agriculture. Recently signs of change have begun to appear. When Rongcheng County of Shandong Province realized that it had more than 300 kilometers of coast line, with 500,000 mu of low tide beaches available for use, and that its aquatic products accounted for one-third of the Shandong's production, it understood that it should establish a number of small port towns which would focus on the breeding and processing of aquatic products. In these towns there would be factories for processing aquatic products, secondary food products, plastics, valves, and building and repairing fishing boats, as well as shrimp breeding grounds. This would form the initial stage of an industrial system. This is a great leap in understanding, namely, to truly understand the value of complete use of ocean beaches.

We should go a step further, transforming the marine fishing industry into "marine animal husbandry." This means using the characteristic of some fish--to migrate back to fresh water to spawn and hatch their eggs--in order to create the conditions for growing fry in river ports. When the fry grow into fingerlings, they naturally enter the ocean; after maturing they naturally swim back from the ocean, which is just right for catching them.

Within the sphere of marine industry there is also the breeding of kelp and seaweed, shrimp, shellfish, and so on. There are many marine products, and it is necessary to develop processing and multiple-processing in order to make complete and comprehensive use. If a genuine knowledge-intensive type of industry is to be formed, we should give careful consideration to multilevel processing and auxiliary installations.

The fifth category of the agricultural type of knowledge-intensive industry is using the deserts and gobis for arid land industry. The size of China's deserts and gobis is approximately 1.6 billion mu, as large as the farm land area. It is not true that nothing will grow in the desert and gobi. Only a small number are so dry that no plants will grow; the majority receive some precipitation and can sustain plants, and some even support small perennial plants. A small number of dry lands are turning into desert, and there the possibility of bringing in water for irrigation should be considered.

At present what people get from the desert and gobi is limited to medicinal materials special to each place, but they are only gathered, not planted. We have no management concept, and in fact the potential of the 100 million mu of desert and gobi is very far from being realized. Medicinal plants should be gathered and planted in arid land industry and production increased. Recently I read a research report which said that there is a certain inorganic substance which in the desert can use the energy of sunlight to fix ammonium. There is plenty of sunlight in the desert, yet we are very far from using this potential energy. In foreign countries there are now some people studying the planting of a kind of drought-resistant "petroleum plant" in deserts. After it is harvested it can be refined into a product resembling crude oil. In this way the desert and gobi become inexhaustible surface oil

fields. There are still other things that can be done. This truly is the major development of arid land industry.

Qian Xuesen said: Nowadays when we discuss the fifth industrial revolution, foreign things are mentioned most often, because they are at the forefront of science and technology. But the Chinese path of agricultural development and the path they have taken are different. Since the 3d Plenum of the 11th CPC Central Committee and under the leadership of the Chinese Communist Party, the hundreds of millions of peasants in socialist China have invented and created their own paths. Of course there are many areas in which we can learn directly from foreign countries, but we cannot learn from every aspect of foreign agricultural development. For this reason, we should create the agricultural type of knowledge-intensive industry, which is the knowledge-intensive type of the agriculture industry, the grassland industry, the marine industry and the arid land industry. If we can reach that step, it's very possible that we will have eliminated the three great differences. First, the difference between city and countryside will no longer exist. The towns and residential areas built in the future will all have a rather high cultural level and complete cultural facilities. Second, the difference between industry and agriculture will be eliminated. This is because the production of knowledge-intensive industries will be the same as that of major industries in the thoroughness of its organization. Because knowledge-intensive industrial production will eliminate the differences between city and countryside, and industry and agriculture, it will also eliminate differences between physical labor and mental labor. It seems that the elimination of the three great differences will very likely appear in socialist China's 21st century.

We should use completely the achievements of modern science and technology, including the fourth industrial revolution's techniques for organization of large-scale production and the fifth industrial revolution's information and intelligence techniques and techniques for division of labor and organization in society. Nowadays everyone is talking about the information society. We should make up for lost time and catch up, using the achievements of the fourth industrial revolution and then welcome the fifth revolution. This is in order to complete the sixth industrial revolution by the middle of the next century. If we start now and look ahead 60 years and formulate a 60-year strategy, this is what Comrade [Deng] Xiaoping has spoken about by realizing the sixth industrial revolution in 50 years. In more far-reaching terms, we will use 70 years to go through the development process that took the world several hundred years. This is actually the long-range plan for socialist development, and the range of its implication is very large.

In order to carry out the agricultural form of high-level knowledge-intensive industry, we must raise the question of vigorously educating the specialized personnel for the agricultural form of industry. Qian Xuesen suggested setting up a new form of advanced institute--a "Comprehensive University of Theoretical Agriculture," believing this was necessary to change social attitudes.

In order to adjust to the needs of the future sixth industrial revolution, he believes that the scope of agricultural science should not simply be what

we formerly regarded as its traditional content and scope; we should look at every aspect, at all five industries within the agricultural type of knowledge-intensive industry to recognize the concepts of agricultural science and technology; strengthen the total investigation and study of plant and animal resources; and develop in this new technical revolution bio-engineering techniques, biochemical engineering, agricultural systems engineering, and other sciences.

Establishing the agricultural type of knowledge-intensive industry is not merely a question for these industries themselves. Industry and mining must keep up, as well as the transportation and shipping industry, the communications industry, cultural and educational institutions, the circulation of commodities, construction in the city and countryside, human services, and so on. Thus there will be very large adjustments in production relationships, a research subject for political economics. The changes in the organization of production forces will be even greater, and this great reorganization will be a problem that the economic study of production forces will have to solve. To establish knowledge-intensive types of these five large industries will require the investment of vast sums of money. Where will these funds come from? How should international financial capital be used? These also are problems for financial economics. Establishing these new forms of industry will greatly promote the development of China's social sciences.

Finally, Qian Xuesen said: In order to study thoroughly and to develop this kind of industrial system, it is necessary to set up testing sites in different areas with different natural conditions, assemble scientific and technical manpower, accumulate experiences, and open new paths.

12919
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NATURE, INFLUENCE, FORMS, ADJUSTMENT OF PROCUREMENT PRICES

Beijing JINGJI RIBAO in Chinese 3 Jan 85 p 3

[Article by Wang Hongxiu [3769 3163 4423]: "Procurement Prices of Farm Products Reviewed"]

[Text] 1. An Important Link in the Worker-Peasant Relationship
The procurement prices of farm products are the prices by which the state procures farm products from peasants, state farms and state pastures. It has an important position and function in the national economy.

First, the procurement prices of farm products are connected with both classes: workers and peasants. A rational price for farm products should consider producers, consumer and state benefits. If prices of farm products tend to be very low, it is not only unfavorable for the growth of agricultural production and the improvement of the standard of living of peasants but also influential in the development of industry or even the whole national economy. Conversely, if procurement prices of farm products are too high, they are also unfavorable for the national economy, especially under the condition that it is hard to adjust the selling price of consumer goods, this would be a heavy burden on national finances.

Second, the procurement prices of farm products determine to a degree the price level of goods on the market. In adjusting procurement prices of farm products special consideration needs to be given to both the future and the past because the procurement prices of farm products not only directly determine food prices for flour, rice, edible oils, etc., but also to a large degree influence the prices of industrial consumer goods using farm products as raw material, such as cotton material, products made of wood; also, in many aspects, it will influence the prices of industrial products as the means of production. For example, in the lumbering, felling, and cutting departments, since wages occupy a larger proportion of costs, the increase in the procurement price and selling prices of farm products will necessitate increases in the expenses of wages, thus the costs and prices of the products of these departments will be influenced accordingly. The procurement prices of farm products also influence the level of communications, transportation and service trade charges.

2. The Procurement Prices of Farm Products
Generally speaking, the procurement price of farm products, under normal situations, is formed on the foundation of the production cost of a rational operation

plus the agriculture tax and proper gains. Among farm products, grain is the major crop, the important means of livelihood of the people of our country. Without the development of grain production, the development of other crops and the national economy will be limited. A reasonable grain price is not only a condition for protecting the normal development of grain production but also the base for rationalizing the price system of farm products. Therefore, it is necessary to set procurement prices of major farm products with the price of grain as a focus.

In determining the prices of various farm products, the main thing is to set correctly the price parities between grain crops and major industrial crops, because both the means of production, such as cultivated land, etc., and the agricultural labor force are employed mainly in the production of these two types of crops. Since the output-related contracted responsibility system was implemented, the regulation of production has been very sensitive to price. Grain development would be suppressed by a low grain price; conversely, if the prices of industrial crops tend to be low, the development of industrial crops will also be influenced. It is necessary to arrange price parities between the two rationally according to the demands of the law of value. They must also be based on the national plan and the supply and demand situation in the market to cause the price parities between grain and industrial crops and their cost proportion adapt to each other. Thus, grain and industrial crops can be produced for a similar profit, and the rationality and stability of the production structure will be secure.

At the same time, stress must be put on the correct settlement of the proportion between the procurement price of grain and the procurement price of livestock products. This is because fodder expenses, with grain as a major element, is a main component part of the cost of most livestock products; the value of meat, milk, leather are mainly determined by the value of fodder and the labor expenditure of breeding, thus the latter is also connected with the grain price. So, the price of grain is the base to form the price of livestock products. If the price of grain is too high, livestock products will have small profits or even losses, the output will decrease and will be unable to meet market supply needs. Determination of rational price parities between grain and livestock products should be based on the principle of exchange of equal values to consider the relation between demand and supply. Under normal circumstances, grain and livestock products must gain a similar profit.

3. A Variety of Price Forms

Our country is practicing a variety of price forms in the procurement of important farm products.

The centralized procurement price is a planned price form practiced in the procurement of the main farm products to guarantee the construction of the state and the needs of people's basic needs. The producers of all commodities of centralized procurement determined by the state, such as grain, oil material, cotton, etc. should be sold with the state-determined varieties, quantities and prices to the commercial unit assigned by the state. The state practices the policy of assigned procurement on the farm products of the second category, such as flue-cured tobacco, jute, bluish dogbane, etc. The assigned procurement price is the price of the farm products procured when the state gives the assignment to

producers; it is also a form of planned price. The state practices negotiated procurement for farm products of the third category which is also called small special local products. Farm products of the first and second categories, having fulfilled assigned sales to the state, can also be sold in fair markets. Furthermore, when farm products sold by farm laborers exceed the procurement base, the state will pay an above-quota increase of price. For example, in recent years, when grain sold to the state by peasant households exceeded the procurement base originally determined there has been an increase of 50 percent in procurement prices.

4. Before Liberation, Prices of Our Country's Farm Products Were Very Low, Peasants Were Very Poor and Agricultural Production Was in a Stagnant Situation

After the liberation, the party and government set a policy of raising the procurement price of farm products gradually and narrowing down the scissors differential in the prices of industrial products and farm products. In more than 30 years, there were two changes of prices on a large scale and many changes of prices in smaller scales. The first time was in 1961, when procurement prices of farm products were raised about 28 percent; the second time was in 1979, when there was a raise of 22 percent. Based on the raise of price in 1979, there was another raise in the procurement price of some farm products in 1980 and 1981. Comparing 1981 with 1978, there was a raise of 38.5 percent. These two adjustments of prices in bigger scope and bigger scale have increased the peasants' incomes, improved the peasants' standard of living, narrowed the difference between workers and peasants, greatly aroused the productive enthusiasm of the peasants and finally created advantageous conditions for development of the rural economy.

12705
CSO: 4007/191

PROCESSING TECHNOLOGY, FACILITIES URGENT FOR RURAL AREAS

Beijing RENMIN RIBAO in Chinese 6 Feb 85 p 5

[Article by Wu Fanglin [0702 2455 2651]: "Technology and Facilities of Processing Industries Are Desired in Rural Areas: Based on the Present Trend of the Nation's Rural Areas, Technology and Facilities For Livestock, Fodder and Food-Processing Industry Are Most Needed"]

[Text] Recently, during a rural scientific survey citation conference held by the Science Association of China, an investigation on the peasants' need for scientific technology was conducted by us. The representatives reflected that with the readjustment in the rural industrial structure, the peasants' need for technology is urgent. They are no longer content with the technology of farming and they want some technology and information on processing industries.

Northeast Region: It is one of the major grain-producing regions. With the bumper harvest in foodgrain and in order to bring a radical solution to the problem of grain sales and storage, it is necessary to develop a fodder industry and a food industry so that foodgrain can be transformed locally, thus enhancing its value. Therefore, representatives from the northeast put forward the following suggestions: first, it is hoped that the related departments can supply the peasants with modern small-sized fodder-processing machinery and facilities that are suitable for domestic uses. A fodder plant in a county of Liaoning purchased a fodder-processing machine, which was not only very cumbersome but had to be driven by wind; it could hardly meet their needs. The machinery used in rural areas should be light and modern. Second, the northeast is productive in corn and soybean. It is wished that the technology and machinery and facilities for processing corn and soybean at a higher level could be resolved. Third, the northeast is relatively rich in timber. Technicians and design plans for high- and medium-quality timber products are needed. They are willing to run a joint operation with other prefectures. Fourth, it is hoped that based on the present conditions of the northeast, industry will be established around the villages and towns, information and technology will be provided and aid will be granted for building factories.

Northwest Region: It is rich in gorwing potatoes, and orders from foreign countries are large. Due to the unsolved dehydration problem of potatoes, export and shipment are affected, thus potato dehydrators are urgently needed. In addition, the representatives stated that potato- and vermicelli-processing technology and noodle machines are needed. Animal husbandry makes up a relatively large proportion in the northwest region; therefore, in the area of food processing, the representatives requested the following supplies: fast-food-processing technology and facilities; rice-pastry-processing technology and facilities; canned-beef-processing machinery and technology; the technology and facilities for processing yogurt, cheese and casein; the technology and facilities for preserving vegetables and fruits; the technology and facilities for processing fresh milk (powdered milk), etc. The representatives of Ningxia requested the provision of technology for building wool-washing factories and processing wool and coal.

North China Region: It is also a major grain-producing region of our nation. Besides the needs for new technology and facilities in the fodder and coal-processing industry, in the area of food processing, higher-level technology and facilities for processing foodgrain and fructose are needed, e.g., the technology and facilities for processing powdered milk; the technology and facilities for processing peanut, egg white and meat; meat- and poultry-processing technology; comprehensive processing technology for yams; preservation and dehydration technology for vegetables, etc. In addition, small-sized sowing drills, brickmaking machines, humidifier-dehumidifers, high-speed soil testing cans, etc. are needed.

East China and Central and South Region: Due to the convenient transport and the relatively efficient information, the developing rate of rural commodity production is relatively rapid. The operation of rural and urban enterprises is quite good, thus requests suggested by them are mostly for technology and facilities at a relatively high level. For instance, Xiaogan Prefecture of Hubei requested the provision of technology for developing an industrial system for dairy cattle. Some prefectures wished to obtain information on various areas, e.g., international trends in and marketing of edible mushrooms, production technology and the new product designs and patterns of good-quality woolen textiles, technology and burden for tinted glass, new technology and techniques for yarn-dyed fabric mills, and new technological products for the court yard economy. Some representatives put forward the wish for aid in fund-raising to build minor food-processing plants or higher level processing plants for transforming grain and oil and enhancing their value. In addition, the representatives of Hubei said that their local cotton textile was depressed and there were no marketing outlets for products. They wished that information could be provided.

Southwest Region: This is a region with a dense concentration of minority nationalities. The mass of peasants eagerly wish to speed up the pace of commodity production via scientific technology. Tropical fruit is abundant in this region, but cannot be shipped out, and the technical force and facilities for processing local preserved fruit, jam and canned food are needed. Timber resources in the mountainous region are rich, and weaving craftmanship and techniques for bamboo and straw, marble mining, etc. are

needed. There are many places in this region where the energy problem has not yet been solved. Some small factories depend on burning only wood. The technology in the development and utilization of small-scale hydro-electricity and the technology and facilities for developing solar energy and methane are needed desparately. In the field of food industry, better and higher level production lines for processing raw and cooked fast food and design plans and technology for efficient fast food are urgently needed in local prefectures.

To sum up, based on the present situation of the nation's rural areas, technology and facilities are most needed in the processing industries of livestock products, fodder and food. It is hoped that all related departments and units, based on the different trends of different prefectures, will define various goals and will select their own breakthrough outlets so as to provide the rural areas with more appropriate and new technology. Concerning the readjustment in the production structure of the outlying districts and depressed prefectures, not only technical aid should be granted, but certain favorable measures should be adopted so that they may quickly reach the level of the rest of the nation.

12726
CSO: 4007/253

NATIONAL

AGRICULTURAL SIDELINE SUPPLY, DEMAND ANALYZED

Taiyuan SHANXI NONGMIN in Chinese 18 Jan 85 p 2

[Article: Excerpt from JINGJI XIAOXI: "Market Trends of Supply, Demand of the Nation's Major Agricultural Sideline Products"]

[Text] Recently, supply and demand market trends for 116 major agricultural sideline products were categorized and ranked by the related departments. The results indicated that supply and demand trends for our nation's agricultural sideline products were as follows:

I. Varieties Whose Supply Falls Short of Demand

Fats and edible oils (all of them were the planned supply portion, excluding the negotiated price portion): peanuts (excess above the negotiated price portion), peanut kernels (same as above), peanut oil, rapeseed, sesame oil, cottonseed oil, linseed oil, safflower oil and tung oil.

Cotton and hemp and flax varieties: third to fourth grade and fifth to sixth grade of general cotton yarn.

Tea varieties: scented teas (top grade), Wulong tea and Nanlubian tea.

Livestock product varieties: cowhide (oxhide), local sheep fleece, semifine sheep fleece, woolen textiles, rabbit fur, fox fur, racoon skin and expensive fine mixed fur.

Local specialities: Zamugun [7177 2606 2760], insect wax, kapok, oaken bowls and red root [hong gen 4767 2704].

Meat, egg and poultry: egg products, beef, mutton and poultry.

Dried fruit: bananas

II. Varieties Enjoying Balance of Supply and Demand

Foodgrain varieties (referring to parity): polished japonica rice, bean cake, millet, coarse cereals, barley, mixed bean and green gram.

Fats and edible oils: rapeseed oil, sesame oil, distilled sesame oil, tea-seed oil, soybean oil and castor oil.

Cotton and flax and hemp varieties: Huanghong [7806 4767] hemp, ramie, and hemp.

Tea varieties: Red tea

Livestock product varieties: feather, goat fleece, hog bristles, hog casing, sheep casing, lambskin, xiaohu [1420 3275] lambskin, sheepskin and North China goatskin.

Local specialties: Mao bamboo, Hao [5548] bamboo, bamboo sheet, charcoal, woolen materials, straw bags, Chinese alpine rush, rattan mats and rattan products.

Dried fruit varieties: apple, tangerine, red date, pear, walnut, chrysanthemum, edible fungus (Auricularia auricula-judae), aniseed and Chinese prickly ash.

III. Surplus Varieties

Foodgrain varieties (including both parity and negotiated price): wheat, long-shaped rice, glutenous rice, soybean, corn, potato and yam varieties, kaoliang and broad bean.

Fats and edible oils: sunflower seeds, sunflower oil and Chinese tallow tree oil.

Cotton and flax and hemp varieties: cotton, long-staple cotton, first to second grade and seventh grade general cotton yarn, substandard cotton and short-staple cotton.

Tea varieties: roasted green tea [chao lü cha 3509 4845 5420].

Livestock product varieties: fine fleece (affected by large import quantity), goat casing, fox skin, other mixed furs, dog skin, horse's mane, rabbit fur (mainly grass rabbit fur and mix-colored rabbit fur).

Local specialties: palm, raw lacquer, honey (mainly concentrated in the producing areas of North China), beeswax Xiangziren [2895 1311 0088] diamond shards Jingangci [6855 0474 0459], Manggan [5345 2616] oil.

Dried fruit varieties: hot pickled mustard tuber and pepper.

12726
CSO: 4007/253

RURAL INTEGRATED ECONOMIC ESTABLISHMENTS ABOUND

OW240405 Beijing XINHUA Domestic Service in Chinese 1248 GMT 22 May 85

[Text] Beijing, 22 May (XINHUA)--According to the latest information released by the Department of Agriculture under the State Statistical Bureau, in 1984 the number of new integrated economic establishments set up by Chinese peasants in the rural areas on a voluntary basis increased to 467,000, employing a total of 3.55 million people, and owning 3.37 billion yuan of fixed assets.

These integrated economic establishments are institutions set up in recent years by rural households on their own initiative, under the principle of voluntary participation, mutual benefit, joint operation, and shared management. The development shows that these establishments had the following special features:

--Most belonged to secondary or tertiary industry. Of all the integrated establishments, 70,000, or 15 percent, were from primary industry (including agriculture, forestry, animal husbandry and fishery); 232,000, or 49.7 percent, belonged to secondary industry (including manufacturing industry, construction); and 165,000, or 35.3 percent, belonged to tertiary industry (including transport, commercial, food and drink, service, and other trades). On the payroll of secondary and tertiary industries were a total of 3,094,600 people, or 87 percent of the total number of workers employed by all integrated economic establishments.

In terms of revenue, secondary industry's exceeded 5.15 billion yuan, or 62.8 percent of these establishments' total revenues of 8.2 billion yuan; tertiary industry's revenues exceeded 2.22 billion yuan, or 27.1 percent; and primary industry's revenue was some 820 million yuan, or 1.1 percent.

--The economic returns of the integrated economic establishments were relatively high. Last year, the total income of each employee of these integrated economic establishments was 2,205 yuan, or 24 percent higher than that of those engaged in specialized production. The per capita income of those in tertiary industry was the highest, reaching 2,972 yuan.

The average net proceeds from each 100 yuan these integrated establishments spent last year was 91 yuan, with that of integrated establishments in primary industry being the highest, reaching 141.6 yuan.

--The distribution of net proceeds was fairly reasonable. Last year, total net profits was 3,907 million yuan, or 47 percent of their total revenues. Of the total profits, 9.2 percent was paid to the state as taxes, 9.8 percent was retained as collective funds, and the remaining 81 percent was shared by the employees, averaging some 1,100 yuan per capita.

The current development of these new rural integrated economic establishments was still uneven. Regionally speaking, development along coastal areas was much faster than that in the interior, as over 60 percent of these integrated economic establishments were located in coastal areas. In terms of trade, industrial, and transport establishments were growing faster than the others, representing respectively, 38 and 17 percent of the total number of these establishments; and the forestry and animal husbandry establishments were slowest to develop. Seen from the angle of current market needs and future development, the peasants should be guided to set up more integrated economic establishments engaging in forestry production, animal husbandry, and processing business, in order to produce more meat, dairy products, poultry, eggs, fruit, and other commodities for the markets in the urban and rural areas.

CSO: 4007/351

NATIONAL

PRC EXPANDS AGRICULTURAL, TECHNICAL COOPERATION

OW260514 Beijing Domestic Service in Mandarin 1200 GMT 23 May 85

[Text] China has made progress in economic and technological cooperation with foreign countries in agriculture, animal husbandry, and fishery. Contacts with foreign countries have shifted from foreign aid in general, to scientific and technological exchange, research in cooperation, intellectual development, and economic cooperation.

In scientific and technological exchange, the Ministry of Agriculture, Animal Husbandry and Fishery has so far signed bilateral exchange and cooperation agreements with the agricultural departments of 19 countries, including France, Britain, the United States, Japan, Yugoslavia, and Romania. It has also established cooperative relations with 13 international agricultural scientific research centers.

China has achieved initial results in the breeding test for a new cold-resistant, disease-resistant, high-yield rice hybrid conducted in Yunnan in cooperation with Japan, and the sorghum breeding test concluded in Shanxi in cooperation with an international drought research institute. China has developed a variety of forms of economic cooperation in processing of farm produce, fodder, fishery, and seeds.

Over the past few years, China has paid attention to expanding investments in intellectual development. There are now more than 1,100 students studying agriculture abroad. Some of the trainees, graduate students, and visiting scholars sent abroad have achieved remarkable results.

CSO: 4007/351

NATIONAL

REFORM URGED IN FARM SCIENCE, TECHNOLOGY SYSTEM

Tianjin KEXUEXUE YU KEXUE JISHU GUANLI [SCIENTIOLOGY AND MANAGEMENT OF SCIENCE AND TECHNOLOGY] in Chinese No 3, 12 Mar 85 pp 5-6

[Article by Lu Liangnu [4151 5328 1829], Director of the Chinese Academy of Agricultural Sciences: "The Agricultural Science and Technology System Must Be Reformed"]

[Text] Current work in science and technology is sadly incapable of suiting the needs of rural economic specialization, commoditization and modern development. We must institute reforms in the agricultural science and technology system, vigorously develop the rural technological market and accelerate the rate at which technological achievements are transformed into production capabilities. At the county level we must strive to augment extension and development services in agricultural technology. At present more than 300 counties have established experimentation, demonstration, extension and training centers. Within the period of the Seventh 5-Year Plan we must build up these kinds of comprehensive technical service centers in the various counties, expand the scope of services and the number of projects and integrate them with township agricultural technology extension stations, village agricultural technologists, specialized households, key households and science and technology experimentation households. We must change our past method of exclusive reliance on the state for operating expenses to carry on extension work. We must integrate technological extension with operations and develop technical contracts and other various forms of compensatory technical and advisory services. We must actively increase income, progressively raise the level of funding self-sufficiency, improve working and living conditions and stabilize and strengthen the basic ranks in agricultural science and technology.

The commercialization of achievements in agricultural science and technology can roughly be divided into three forms. One type is in the form of materialized achievements such as good seed, nursery stock, stud stock and breeding poultry, as well as new agricultural chemicals, vaccines, farm machinery and testing instruments. These kinds of achievements can reap direct economic benefits in the form of commodities to be marketed. A second type is in the form of nonmaterialized achievements such as crop cultivation techniques, the management of

livestock and poultry breeding, epidemic disease prevention and control techniques and so forth. These can achieve commoditization through technical contracts, technical consultation and other avenues. However, this kind of technology is broadly involved with testing, demonstration and extension processes, and for the most part passing it on does not bring easy returns. The direct incomes of science and technology units are generally a little less than those of other units. An additional type is in the form of scientific and technical achievements that are generally in the nature of services or public welfare. This includes, for example, natural resources surveys, farm district sectioning, collection and arrangement of breed sources, survey reports on plant diseases and insect pests, information monitoring of livestock and poultry epidemics and strategic research in agricultural development.

It is generally difficult to form a technical market from this kind of achievement. Taking into consideration the still undeveloped rural commodity economy in China and the unevenness of developmental levels among various areas, there must be a processual formation and development of the rural technology market. Therefore, we must adopt different methods and measures according to the different forms of commercialization of scientific and technical achievements in agriculture and according to the different conditions in various regions.

In reforming the scientific and technological system we must pay close attention to the characteristics of agricultural science and put into practice the principle of directed classification and establishment of administrative levels. The major research targets in agricultural science are living plants and animals; the scope is broad, the quantities are large, the character is strongly regional and testing periods are extended. According to statistics, projects garnering 1st prize in transforming agricultural technology have been 13 years in the making, 2d prize projects have spent 9.5 years, 3d prize projects have been underway for 6 years and 4th prize projects have taken 3 years. The vast majority of research achievements in agricultural science are utilized by the peasant masses. In addition to some achievements that can be passed along for direct returns, there are also many that are primarily reflected in overall social benefits after they are popularized in production. For example, hybrid rice paddy has been extended over a total of more than 500 million mu and has raised yields by over 50 billion jin altogether. The overall benefits accruing to the state and to farmers total 5 to 6 billion yuan, but the several tens of scientific research units across the nation that participated in this research project won special state prizes of only 100,000 yuan.

Today, as science and technology develop at full speed, we must further enhance research work in agricultural science, stress fundamental work in basic research and applications research and preserve the "after-effects" of developmental research and technological extension in

order to benefit development of the range and quality of production. Through reform of the system, agricultural scientific research organizations at all levels must cultivate a management ideology, readjust orientation tasks, clear up problems, improve administration, build a closer relationship to production and enhance vitality and momentum. We must change the way research institutes draw funds, put into effect funding systems and contract systems for basic and applied research and support a group of major projects based on excellence, need and importance. We must institute a contract compensation system for developmental research. Based on the different characteritics of scientific research problems we should implement "one institute, two systems" [yisuo liangzhi 0001 2076 0357 0455] and "one institute, three systems" [yisuo sanzhi 0001 2076 0005 0455]. We should encourage advancement, develop competition, cease to maintain backwardness, and overcome the abuses of the "big common pot" and equalitarianism.

I believe that in reforming the funding administration system we must collect a certain proportion for the cost of technological improvements from total sales, purchases and exports of farm, livestock and fishery products, to be used primarily for developing agricultural science research and improving technology. In addition, we must collect a certain proportion of the amount from increased yields and increased income in overall state agricultural production and form a fund for scientific and technological developments in agriculture in support of major agricultural science projects and foundation work.

12510
CSO: 4007/325

BRIEFS

FARM SIDELINE DEVELOPMENT CATEGORIES--In the first category, products which have a ready market and which we can vigorously develop are as follows: ramie, citrus, mushrooms and tuber crops, castor oil plants, ginger, dried bamboo shoot slices, corn, garlic, Chinese thorowax root, Corydalis turtschaninovii tubers, figwort root, pingzhu [1627 2611], Atractylodis macrocephala rhizomes, mat straw, honeysuckle and various sorts of ornamental flowers and grasses; as well as domestic pigs, cattle, sheep, soft-shelled turtles, loach, centipedes and yellow weasels. In the second category, products which have no current market and which are unsuitable for development are as follows: sweet-leaved chrysanthemums, yang guniang [3152 1196 1224], quail, snails and earthworms. In the third category, products which have clogged markets or a trend toward a saturated market and which we should bring under appropriate controls are as follows: jute, bluish dogbane, cotton, palm slices, lake lotus, sweet potato starch, handmade paper, Dahurian angelica roots and so forth. In the fourth category are markets experiencing short-term slumps predicted to take a turn for the better next year or the year after. Products which may rise again in price are primarily Coix seed, peanuts and dried hot peppers. In the fifth category, products that are currently overstocked but which still have prospects and await suitable price adjustments are as follows: day lilies, dried lilies, black tree-ear fungus and various kinds of edible mushrooms. In the sixth category, products that are still marketable but which require us to attend to composition readjustment and quality improvements are tea and tobacco. In the seventh category are products such as long-haired rabbits, which have had ready markets for the past 3 or 4 years but which, due to periodic changes in the international market, pose difficulties for predicting future markets. [Text] [Beijing ZHUANYEHU JINGYING BAO in Chinese 16 Mar 85 p 4] 12510

TOBACCO PRODUCTION, PROCUREMENT POLICY--The State Planning Commission, the Ministry of Agriculture, Animal Husbandry and Fishery and the China Tobacco Company Head Office have issued a joint circular concerning several policy questions on 1985 tobacco leaf production and procurement. The circular says that tobacco leaf is a single-use, high accumulation commodity, and at present we are still not fully prepared for market procurement, nor have corresponding methods of taxation

or industrial and commercial administration been perfected. If we release the tobacco hastily, difficulties in tobacco leaf procurement, the reappearance of small cigarette plants and conflicts with the national plan might emerge. In the name of caution we have decided not to release it for the time being and to handle it as an "isolated case" as in the "Exceptions" section of the 1985 Central Committee Document Circular No 1. Tobacco production carries out the guiding plan. Procurement is still accomplished by tobacco companies (or other commissioned units) according to the state plan and price stipulations, under purchasing quota contracts signed with tobacco farmers and a guaranteed procurement plan. In the case of bumper crops or crop failures, when it comes time to fulfill the contract we should permit tobacco farmers to exceed or fall short of the contract within a 15 percent range. Surplus contract tobacco and tobacco not grown under contract should still be handled according to the State Council stipulations in effect. In order to restrict indiscriminate overproduction, it should be centrally purchased by tobacco companies (or other commissioned units) on the basis of a 20 percent price discount. Finally, the circular stressed that, in conformance with the relevant stipulations of the "Tobacco Monopoly Regulations," every locality must continue to improve management in the tobacco industry, plan well for tobacco and cigarette production, strive to improve product quality and economic benefits, satisfactorily handle contract quota procurement, safeguard tobacco industry interests, perfect taxation and market administration and increase revenues. [Text] [Beijing NONGMIN RIBAO in Chinese 19 Mar 85 p 1] 12510

RARE EARTH BOOSTS YIELDS--According to the statistics of the technique development center of rare earth in agricultrual use, last year the extended area of rare earth in agricultural use in our country already reached more than 5 million mu, increasing nearly 2-fold compared with that of the year before last with economic income increasing over 20 million yuan. Rare earth is a general designation for lanthanum (La) element and other elements like scandium (Sc), yitrium (Y), etc. in the periodic table of chemical elements. After rare earth is used, spring wheat output increases about 9 percent, rice output increases from 5 percent to 8 percent, the outputs of sugar and day lily increase over 10 percent and tea leaf increases from 15 percent to 20 percent. [Text] [Beijing RENMIN RIBAO in Chinese 27 Jan 85 p 1] 12705

CSO: 4007/191

SITUATION, CAUSES, POLICY OF LAND ABANDONMENT STUDIED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 3, 23 Mar 85 pp 15-20

[Article by Ran Mingquan [0373 2494 2938] and Yang Jinglun [2799 4842 0243] of the Agricultural Economics Office of the Chinese Academy of Social Sciences: "The Land Abandonment Situation, Its Causes, and Policies for Dealing With It"]

[Text] I. The Basic Land Abandonment Situation

Land abandonment is an economic phenomenon in which the process of normal land use is interrupted and some sort of separation takes place between the land and its user. It is influenced by many factors, such as regional environment, land abundance, soil fertility, population, method of assignment, scope of operations, tilling system, management sophistication, business structure, accountability and price system. It manifests itself in a number of extremely complicated and multifaceted guises and characteristics: (1) Randomness. Abandoned land is scattered in pockets here and there, which appear suddenly and as if by chance. (2) It is seasonal. It has a sudden seasonal nature, and tends to occur when the season changes. (3) Disperseness. It is an economic phenomenon which arises sporadically in diverse locations and is not likely to spread on a large scale in a short period of time. (4) It is widespread. It occurs in regions of high, moderate or low economic development. (5) Negative impact. In crowded, land-poor China, its occurrence has a marked negative impact in idling and wasting land resources. Nevertheless, as a product of the problems of the current structure, it gives birth to a move toward a new structure. (6) Diversity. The internal structure and external form of land abandonment has the most diverse of characteristics: time--which may be seasonal, annual, or chronic; degree--partially or fully abandoned; region--developed or backward; causes--natural, economic and social, etc.

Land is the foundation of agricultural production and the people's livelihood. Land abandonment shakes this foundation, and consequently calls for serious attention. Issuance of land assignment policies by the central leadership has led to some alleviation of the problem and a reduction in turnover; but we cannot afford to be blindly optimistic

about it. First of all, the factors leading to land abandonment still exist. For example, the farmer's burdens in many areas are still unreasonably heavy; inflation is widespread for farm production materials; grain output is relatively excessive; circulation is stagnant; grain prices are falling and more and more farming households are leaving the land; there are imbalances in income between the various trades, etc. All these factors have an impact on the farmer's willingness to work the land. Second, many localities have turned to compulsory administrative methods to deal with land abandonment. From what cadres in Shuilong Village in Zhuyue Township of Yixing County have reported, if it were permitted to give up the land, the village could have 100 families willing to leave, which would result in at least 90 mu being abandoned. Obviously, although there have been some temporary reductions in land abandonment, the tendency toward it still exists. Third, land abandonment has a special characteristic--there is little complete and much partial abandonment, little year-round and much seasonal abandonment--due to the fact that most farmers do not take the trouble to understand it. They simply ignore it, giving rise to "prairies." In many regions where crops grow better and harvests are fuller in summer than in winter, well then, a summer planting is good enough, and let it go fallow over the winter. In sum, this is not a problem which we should take lightly.

II. Profile of Those Who Abandon Land and Causes of Abandonment

From the larger perspective, those who abandon land can be divided into several types:

A. The specialized business household leaving the land. This primarily refers to specialized and priority households going into a variety of businesses in industry or sidelines. When the contract responsibility system was first put into effect, these, like other farm households, asked for land assignments from a collective. Later on as their businesses became more specialized, they became more and more distracted from working the land and expended their own special energies in other lines of work. Some gave up their land assignments completely, while others did so only partially. Generally speaking they would hold onto fields for grain they themselves consumed and let the rest go.

B. The rural township entrepreneur who is both an artisan and a farmer. Some rural township entrepreneurs are both artisans and farmers, and when contracts were signed, wanted to hold onto land for their own grain consumption, so they let out their land assignments, and if they could not let them out, then either because of a lack of labor or poor management, the land became abandoned. For the most part such abandonment is partial and seasonal.

C. Tilling households with labor shortages. This tends to take one of a number of forms: (1) Labor reductions which come about because of labor hired away, replaced, in military service, married off, or deceased, with the result that there is either not enough labor to

plant or to plant properly, so that land contracted for becomes abandoned. (2) Marginal households, such as family members of cadres or industrial workers in rural areas. Because the primary laborer became absent after the responsibility system went into effect, this householder had trouble working the land and went off on his own to make a living. Often, the land is unwanted even for grain consumption and comes to be abandoned. (3) Five-guarantee households. Since these households had little experience when the responsibility system was inaugurated, some of them took on land assignments, but really had difficulty working them, and for that reason, either gave the assignment up, had the collective come in, or asked others to plant it for them. If they could not do any of the above, the land was just abandoned.

D. Relocating households. Generally one of three forms: (1) People previously sent down to the countryside who, with the enactment of new policies, are now returning to urban areas and have let out their land assignments. (2) Families moving en masse in with relatives or friends because of economic disadvantages or serious natural disasters. (3) Considerable numbers of those who opened up new lands in the fifties, experienced 30 years of poor returns and had little to look forward to, and so returned to their native place.

E. Householders who have violated family-planning regulations and fled. In most cases, these householders violated the regulations on numbers of children and fled to relatives and friends. With no one to look after or take over the lands they left behind, they became abandoned.

F. Some abandonment occurs with farmers engaged in large-scale farming. These tend to be upright individuals devoted solely to farming who abandon land after they run into real problems which they cannot solve.

From the above, we can see the complexity and variety of the causes of land abandonment and the extreme difficulty encountered in getting a hold on how they come about. But by examining the problem from the even broader perspective of its sociohistorical background and exploring the whole range of structural problems brought about as rural changes develop, then it is not difficult to discover the root causes.

Widespread implementation of the household contract linked to the output-related responsibility system and the heterogeneous form of the responsibility system itself give the farmer a great deal of freedom. Consequently, farmers can make their own choices based on the market situation. And in this choice, the farmer's own interest comes first. Development of the commodity economy and the intensification of division into industries and enterprises also provide the farmer with an even wider array of choices and allow him the option to leave the land and its management behind. This creates the potential for land abandonment. Thus, the spread of the responsibility system and development of divisions between industries and enterprises provide a broad social and

historical backdrop for the rise and continued existence of land abandonment. Of course, land abandonment does not necessarily occur when farmers leave the land. The key is whether land reassignment and readjustments can take place. This is the direct motivating factore behind whether land abandonment will come about. Where the farmer's land cannot be reassigned or adjustments cannot be made, (or conversely, where no one is willing to take on the reassigned land), it demonstrates that the land's margin of benefits is low. This is really what the land abandonment problem is all about. The factors going into this equation are numerous and involve such various aspects of the problem as the farmer's burdens and the form of those burdens, the price of farm products and the differential between industrial and farm prices, rural production and economic structures, land relations, and the form of the responsibility system. We might say that land abandonment is the result of the interacting effects of all the above-mentioned factors.

III. Policies for Solving the Land Abandonment Problem and Their Evaluation

Because the economic conditions and characteristics of various regions and various units (townships, villages, and groups) differ, as do the economic pull and control capabilities of different collectives, levels of leadership, understanding of land abandonment and of rural modes, and methods of [land] use, different policies for dealing with the problem emerge. These can be divided overall into the restoration, development and adaptation models.

A. The Restoration Model. Its basic task is to "rectify an error" and "return to a former position," which means to correct whatever has changed and pair farmers up one on one with the land. It assures that the land has someone to utilize it and glosses over how the land is used. Its goal is to see that full use is made of the land, not people; and it pays even less attention to comprehensive results. Different methods are used to achieve these "error rectification" and "return to a former position" objectives and different policies are crafted depending on conditions for the model itself, with broadly speaking, the following types:

1. Administrative intervention. A compulsory system replaces free choice. Administrative intervention is resolute and forceful for the short term; but in the long term it is unfeasible. It inhibits full movement of elements of production and further caps development of division into industries and enterprises and the formation of new economic structures. Although "full benefit" is squeezed from the land, use of human talent is not fully tapped. Land abandonment as a phenomenon disappears, but the tendency remains and there is no real resolution of the hardship to those abandoning the land.

2. Establishment of regulations on townships and the people, with awards and fines based on mutual supervision by the masses. Establishment of regulations on people and townships and holding meetings where

model land-users are recognized has its basic strong points, but it should be linked to solving the farmer's real difficulties and avoid mere form. Substitute management or planting by cadres can solve some land abandonment problems over the short haul, but such measures are limited in scope and besides, place too heavy a burden on the cadres.

3. When troubles come, everyone should share in them. Apportioning the load according to the individual is not often used as a method, but its disadvantages are obvious: land which was originally in a number of different hands becomes even more scattered in its management.

B. The Development Model. Its basic features are: 1) It focuses not just on the fact that land is used, but how it is used. It links land use to the use of manpower so that the advantages of each are brought forth. 2) It makes the best of the situation by adjusting production and labor structures in a wide swath and reorganizes the scale of land management. 3) It links resolution of the land abandonment problem up with the problem of developing commodity production, lays stress on motivating a segment of farmers to take over the land, concentrates land through development of specialized households, looks to the scope of results, and makes land operation into a profitable endeavor. Its types include:

1. Favorable contracts for unification of remote plots or reassignment to members of a neighboring township, as in the case of Niyuan Township in Zhuhe district of Honghu County, which brought together 600 mu of remote plots (20 li out) into contracts to 8 householders with favorable rates to get them to move out to the landsite itself.

The pluses of this type include: 1) It gets away from the all-purpose contract which disregards the quality or remoteness of land; 2) It cultivates a large group of large planters who engage in commercialized operations and production.

2. Concentrating land and assisting large specialized grain households with a host of responsive services for expanding the size of operations and making a profit, which satisfies motivation of one segment of the farm population toward working the land. This situation occurs everywhere and is widespread.

3. Implement "incorporation of farming and industry," which means absorption of farm labor forces which contract for a specific amount of farmland as employees of rural industrial enterprises who receive a wage and employee benefits, so that the rural industrial enterprises gradually shoulder production quotas for commodity grain. This brings rural industry and agriculture back into one operation. It is influenced by pretax elimination of the graduated eight-step tax, which is diverted to a form of industrial subsidy to agriculture, so that social redistribution is transformed into internal accounting distribution

by the enterprise. It replaces farmers with agricultural employees who have corresponding wages and benefits. In this way, it improves the social status and motivation for production of commune members engaged in agriculture. Since it makes accepting assignment of a certain amount of land a prerequisite to working in the factory and advances production specialization, it changes the perspective on scattered plots of land, strengthens social division of labor and specialization of production, and improves the scope of results. But such incorporation has preconditions, the most basic of which are that township enterprises have sufficient economic ability and that when production structures are reorganized, there is no backfire from it.

C. The Adaptive Mode. Its features include: it starts from the farmer's actual difficulties planting the soil and places stress on motivating the farmer to work the land. But it does not emphasize structural adjustment; and without a change in the scope of its composition, the problems to be solved proliferate and there is no central focus; rather, elements exist from both the restoration and the development models side by side. Policies for solving this include: reducing land burdens, equalizing incomes between different occupations, and giving the farmer taking on land assignments some profit to look forward to.

There are several methods for reducing land burdens: 1) reduce cadres and nonproductive personnel; 2) make rational decisions regarding withholding shares, and reduce total withholding amounts; 3) improve the way burdens are apportioned, moving away from "fees charged by the mu" and "shortages redressed by the mu" toward burdens based upon area, population, and labor--either individually or comprehensively. Agricultural taxes and production outlays should be based on area; labor burdens should be based on a combination of labor force, population and area, with labor force the primary factor; social benefit expenditures should be apportioned on the basis of population.

There is grassroots approval for adopting burden-lifting measures such as these, and they should be pursued affirmatively without haggling. However, we feel that just doing this is not enough, and, moreover, doing this much is difficult. At the same time there are some problems which deserve to be studied together in a comprehensive way:

1. In many places, burdens on the farmer cannot yet be reduced--especially where there is dense population and not much land or opportunity to increase affluence. These are places which primarily rely on farming for income. Although some places have tried reducing cadre levels and conserving administrative expenses to lower the farmer's burdens somewhat, production costs continue to rise and the farmer's outlook is bleak.

2. Even with reduced responsibilities, some farmers still remain unwilling to farm the fields. The farmer wants to look at income as a

whole and weigh burdens against one another. Reactions vary from place to place. In such southern Jiangsu districts as Xiakou in Yixing County where rural township enterprise is rather well developed and the annual borden per mu is only 19 yuan, the people still complain, while in other regions where brigade and commune enterprise is undeveloped (lake district counties in Hubei and Hunan) and the annual fee per mu runs between 30 and 40 yuan, there is still no outcry from the farmers, since there are always other brigades in the region where it runs even steeper, and people are comparatively satisfied. Moreover, different farmers in the same district may differ in their reaction. Specialized householders who have left the land to engage in other occupations which they feel are more lucrative would be unwilling to go back to farming even if burdens were reduced, with some even inclined to pay a subsidy themselves to let the land go. Other farmers who are set in farming and unable to do anything else would not give up the land even if burdens were increased.

3. Heavy burdens are not completely a bad thing. When burdens are heavy, some farmers think farming is a losing operation and as lucrative as other occupations. This accelerates the rate at which farmers leave the land. It gives the farmer who is good at farming the chance to accumulate land and expand the scope of his production and, from an objective standpoint, promotes the formation and stabilization of division into different industries. Conversely, indiscriminate reductions in burdens make the farmer unwilling to abandon his small self-run plot, so the process of land concentration is drawn out. If we are agile in using the lever of land burdens, it will be advantageous to the reorganization of rural economic structures: for example, raising the tax share paid on small plots and reducing burdens on large contracting housholds, increasing revenue burdens on blind development of rural industries and sidelines while reducing those same burdens on industries and sidelines which have a good future and are practical. This will help to concentrate land in the hands of those with a flair for production and concentrate labor force in occupations with the highest productivity.

IV. Selecting and Suggesting Methods for Solving the Land Abandonment Problem

The land abandonment phenomenon arising from the clash between various imbalances in economic resources and national economic structures is essentially frictional in nature and results from the clash between historical forces! In a situation where the nation has a high population and little land, the phenomenon is serious, negative and unavoidable. But the upshot of all this is not negative at all. The key lies in how we select solutions to the problem.

If we draw circles within traditional frameworks, we still have no way of seeing anything sanguine. This demands that when we are thinking through ways to solve the problem we not return to our one original starting point. We must make creative use of the predicament to reorganize the people-land relationship from scratch.

We have now a historic opportunity providing us with choices. The basic premises are: 1) A segment of the farm population has little enthusiasm for farming, meaning that a portion of the land is about to change hands or be reapportioned. 2) The enthusiasm of those who are good at farming and nothing but farming can never flag. If these are given a certain amount of assistance and attention is paid to the form of that assistance, they can pull together lands that are going to change hands and develop commodity production. This is the most minimal and the easiest current method for concentrating land, expanding the scope of operations, and developing large farm household capabilities.

We should note that if we want this method to stabilize at some point, two conditions will have to be met first: 1) resolution of the concerns and actual difficulties of those farmers leaving the land; and 2) provision of an integrated system of services to specialized farm households. Solution to these problems and satisfaction of these conditions means that a whole new structure must arise.

Experience from various places concerning ways to solve the concerns of farmers leaving the land reveals the following methods: 1) establishment of insurance and unemployment insurance systems; 2) withholding of convertible farmland by the collective which can be assigned out in the case of "enterprise failures;" 3) voluntary consultations and turnovers, primarily between relatives and friends and sealed through contracts and blood relationships.

Obviously, the first method is the ideal. First, it stabilizes the amount of land the receiving household is to get and protects the interests of large farm household. This is because land concentrations arrived at through turnovers are inherently unstable and the party releasing its assigned land has the right to get its assignment back. Consequently, the receiving party suffers a reduction in the size of its land and economic losses. Second, an insurance payout which is less than income in a different occupation could increase the pressure on those leaving the land to do well in their new endeavors and motivate them to actively seek a new line of work during the insurance period.

Third, it would make divisions between different industries and enterprises more pronounced and stabilize the structure of the labor force. All in all, indemnifying those who leave the land with land to fall back on is underdynamic and overinert; replacing it with monetary insurance has advantages both for those leaving and those not leaving the land as well as for the structure of productive force as a whole. But this has preconditions: 1) the collective has a solid economic base; and 2) the collective's organizational functions are health. Without these two conditions, sources for an insurance fund and formation of an insurance system will both be difficult. It specialized households develop to the point where they can form professional organizations (such as "specialized-household associations"), then insurance can be sought through the profession itself or from society at large through the profession's offices. This would be the optimum form of insurance.

Whether now or in the future, providing specialized farm households with an integrated system of services is urgently needed and extremely important. Without such a system of services, commodity grain and cotton production cannot develop in a stable fashion. In addition, development of other rural trades will be hindered.

From actual surveys, we have gotten the feeling that organization of rural commodity production services is that there is a slight move within the overall structural instability, and that the basic indicators of this move is the birth of new structures and the facing of old ones. The following forms are worth mentioning: 1) a variety of farm producer associations; 2) agricultural service companies of various types; 3) accounting service companies; 4) post-reform new-style supply and sales cooperative bodies; 5) all sorts of specialized circulation households and family service companies; 6) informal service organizations of various forms, such as subpoints for communicating administrative orders between various departments and "interhousehold communications" along with special service. Though these service organizations differ in form, substance and function, they all have as a premise for their existence the fact that they provide for some farmer demand. They have as a common trait the fact that they are diversified relay stations which tie the multiple needs of scattered farm operations into singular supply sources in various social sectors, creating a unique organizing space for farm production. Within this space, the dispersed farm operating households are on one level and a multitiered commodity production service, organization is on another level. The ultimate setup of this "space network" will fundamentally change the way we view our organization of farm production--a way which was formed over a long period of time and has not yet been thoroughly corrected. Generally speaking, the labor process, for example, is in tune with the way farm production is organized among advanced nations around the world.

In the United States, we saw family farms and various types of large agricultural corporations. In Japan, we observed scattered farm household operations and comprehensive farm service associations.

This recognition makes us better take note of and cherish the "historic opportunity" alluded to above, since if there were no one willing to let go of land management, there could be no shift of labor force or land concentration, nor could there take place a large-scale transformation to a commodity production and economic structure, nor would there be any need of a service organization system for commodity production. In other words, the entire new economic structure could not have come about. If we note the fact that the jump forward in the recent and modern history of many nations was prepared for by rural reform and especially land reform, it will set our sights for us on what lies ahead.

Based on this understanding, we place our greatest stress on utilization of the "development model" for solving the land abandonment and a host

of other land problems, and basing ourselves on its logic, we make the following suggestions for comprehensive resolution of them:

Guiding Ideology: combine resolution of the land abandonment problem with developing commodity production.

Goals: Establishment of rational production structures, realization of optimum arrangement of production elements, and most beneficial utilization of human and land resources.

Methods: appropriate level of expansion of land management, and support for specialized farm households.

Mechanism: seeking results through expansion of scope, balance income between occupations, provide a dynamic system for operation of the rural economy.

Primary elements:

A. relaxation of controls and lifting of prohibitions, with permission for farmers to voluntarily leave the land and land reallocation, establishment of an unemployment insurance system, provision of social welfare benefits, and resolution of apprehensions and actual difficulties for those farmers leaving the land.

1) Area-amount reporting and order for reallocation or release from land should proceed first on responsibility fields and then to fields for growing self-consumer grain; otherwise, those simultaneously abandoning their own grain lands along with other lands can be given grain for their own consumption at a stable price. 2) Cash insurance should replace land indemnification as employment insurance and unemployment assistance for specialized households leaving the land. This will both relieve the householder leaving the land of his apprehensions and stabilize the scope of landholdings for the receiving party. Gradual elimination of the underdynamic, overinert land insurance system should be considered.

Sources for insurance funds: 1) income withholdings from specialized households leaving the land; 2) portions withheld from collectives; 3) partial indemnification by society through use of local government funds, primarily to retrain householders leaving the land who have suffered "enterprise failures" to help them find or create new employment opportunities; 4) insurance payouts should not be too high, but held at subsistence levels. This will discourage laziness and sustain pressure and motivation.

B. Reallocate land to households with a strong labor force who will expand the scope of production and provide appropriate assistance.

Basic principle: expand the scope of land operation income to parity with economic income from involvement in other types of enterprise, with synchronized development; funds to assist specialized households

to come from redistribution (using industrial funds to supplement agricultural ones). Use of industrial funds to supplement agricultural ones is not to be based on equalizing benefit as a result of the distribution, but rather it is to give the specialized household the production capabilities and opportunity they need to attain equal benefits. In this way, the structure of production will be dynamic. If a process is involved in expanding scope, other forms of subsidy can be considered, but it must merely be of an assistance nature.

Mode of Implementation: Clarify the overall situation in the region's industrial and sideline development and of income in the various trades. Measure per capita income averages in the various trades and project potential for income increases and the rates of such increases. Consider what scope of land operation is necessary under the existing pricing system in order to bring income levels into general parity with what they were previously [as published]. Ascertain from a theoretical point of view, given a certain scope of operations, what amount of major elements need to be earmarked and what level of operational management is necessary, whether capabilities can be assisted, whether an able farmer can do the assigned job, what sort of backup should be given, what difference there is between the theoretical scope and the scope actually attainable, and what methods can be used to minimuze that difference without affecting healthy development (that is, not fostering the inertia built up from years of equalized distribution. What is desired is a structure which is dynamic and not one which is inert!) Policies which provide choices include: alleviating irrational land burdens on large contracting households, shifting them to other sectors; lowering land taxes and raising them in other sectors--with especially high levies on those sectors engaging in blind development. In addition, all rural social welfare and assistance should be shouldered by industry and sidelines.

C. Gradually improve service systems for production and operation of specialized planting households. Satisfy their needs for production materials, technical information, credit, manufacturing, transportation, sales and warehousing. Organizational modes should be multiform and flexible, and should be determined in accordance with actual circumstances.

D. Stabilize land relationships for planting households, with contract periods which are comparatively long. Large households may transcend levels of ownership and directly get in touch with primary economic levels of high-power collectives which have control over redistributed lands, gradually leading to a situation in which these large households establish direct contractual relationships with the state (through village-level government). This will stabilize family operations and protect the nature of the system of ownership, as well as facilitate the state in carrying out planning adjustments through the use of economic levers (the unified tax).

E. In locales where conditions permit, labor service corporations may be set up, specializing in particular labor projects and commercializing

labor burdens, replacing "labor as land rent" with "money as land rent," thus releasing the large farm household completely from the influence of the natural economy: Total labor service days should be determined in accordance with the total amount of service labor in the locality over the year. The value of a day of labor should be figured by dividing labor days equally among all types of labor force. A person bearing a labor service burden may pay in cash the amount the labor is worth or else work the number of days required by regulations. Labor service corporations may be organized to fulfill a locality's yearly labor service total volume and may also contract for projects in other rural areas. Labor service corporations may form loose associations which come together for a job and then go their separate ways. But fixed capital and project and equipment assets must be set through centralized unified management. Operational projects should be under contract, with anyone wishing to sign up permitted to become a member of a company. Each member will provide an initial report of the number of service days and hours, after which the company will make dispatching arrangements based on the year's projects as a whole. Company members will all have two occupations. When the company has work, they will be a part of it, and when it does not, each can pursue his own business. The state may consider turning over unified management of investments and of flood protection and disaster relief outlays to such labor service corporations.

12303
CSO: 4007/329

ANHUI ISSUES CIRCULAR ON DEFORESTATION

OW011910 Hefei ANHUI RIBAO in Chinese 17 May 85 p 1

[Text] The General Office of the Anhui Provincial People's Government issued a circular on 15 May to the administrative offices and city and county people's governments in the mountainous areas throughout the province. The circular called on them to take immediate measures to put an end to the indiscriminate felling of trees.

The circular said: In some forestry areas there has been indiscriminate felling of trees which destroys forests. Some timber buyers not only disobeyed regulations but also resorted to beating up people, thus disrupting social order. In order to protect forest resources and develop forestry, the circular puts forward the following demands:

--Permits must be obtained for lumbering, transporting, and marketing timber. Those who have not obtained permits should do so quickly; those who have obtained permits should strictly abide by them; those who fail to abide by the permits will be made accountable for their actions.

--Give full play to the role of state-run timber enterprises as the main channel. They must obtain lumbering permits to purchase timber from forest tenders to sell timber on their behalf or to purchase some timber from them. Other departments and specialized households wishing to deal in timber must obtain approval from the county people's governments in their localities.

--It is necessary to thoroughly understand and implement the CPC Central Committee's Document No 1 for 1985 and further improve forestry administration. All localities must promptly organize work groups to inspect the implementation of the "forest law" in the forestry districts and to investigate and punish those responsible for the destruction of forests there.

CSO: 4007/351

BRIEFS

BEIJING NATURE RESERVES PLANS--Beijing, 27 Apr (XINHUA)--The Beijing Municipal Government decided today to establish two nature reserves in the western hills. The two reserves, one located 100 km to the north of the city and the other 120 km to the west, cover 8,300 hectares and account for 0.5 percent of the city's total area. A wildlife observation station will be built in the northern Songshan Reserve inhabited by 50 categories of birds and 20 kinds of animals. There are also more than 600 categories of plants there. The western reserve is called Baihuashan Nature Reserve. The forest has been severely deforested and the Government plans to plant trees in the area. China presently has more than 133 nature reserves. [Text] [Beijing XINHUA 1043 GMT 27 Apr 85]

CSO: 4007/351

INDIVIDUAL-RUN PORK STORES MORE COMPETITIVE

OW151307 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 13 May 85

[Text] As the control over pork prices is gradually lifted all over the province, state-run food stores are facing a new challenge. According to a survey conducted by departments concerned in Longxi, Jinjiang, Putian, and other prefectures, since the price control was lifted, sale of pork in state-run stores has declined to only one-third of the total sales volume in the communities. For the first time, state-run stores have been outsold by their individually and collectively run counterparts.

With the abolishing of meat ration coupons and with cash subsidies on hand, the people now have a choice of where to shop. They buy at places where they can get good service, reasonable prices, and good quality meat, be these places state, collective, or individually run. Naturally, they shy away from stores in which they have no faith.

The consumers reflected that when they buy meat nowadays, they no longer worry about cold shoulder treatment. As the control over pork prices is lifted, there is more competition in the market which, in turn, has prompted individual- and collective-run stores to improve operating procedures in order to stay competitive.

First, a majority of the individually run stores are not only adept in their metier, but also enterprising. The meat they sell is much fresher than that offered by the state-run stores because they slaughter their pigs at a much later time than the latter. Second, there are more varieties in different specifications. Third, the prices are more reasonable. Fourth, they are more courteous toward customers. In comparison, state-run stores do not possess such flexibility. Apart from objective reasons, there is also the problem of bureaucratic style and poor service that remains to be solved. On top of this, there are too many intermediate links and the resulting reliance on state subsidies in order to stay in business.

A new task for workers of state-run food departments now is to take steps to improve management and win back customers.

CSO: 4007/351

GOOD MEASURES, MAJOR EFFORTS ACHIEVE AFFORESTATION SUCCESS

Haikou HAINAN RIBAO in Chinese 22 Dec 84 p 1

[Article: "Autonomous Prefectural Afforestation Efforts"]

[Text] Since the autonomous prefectures of Li Nationality and Miao Nationality in Hainan have relaxed forestry policy, stabilized mountain and forest rights, delimited mountain plots for personal needs and determined the liability of forestry production, a new afforestation situation has appeared. In the past 3 years, over 450,000 mu were afforested in the whole prefecture, and 208 integrated afforestation bodies and 829 afforestation specialized households emerged.

Wuzhi Mountain area is rich in tropical forest resources, there are about 15 million mu of land suitable for afforestation, this area has the reputation of a "green treasure bowl." Since the Third Plenum of the 11th CPC Central Committee, all localities in the autonomous prefecture are readjusting agricultural layout to utilize advantages but avoid disadvantages in accordance with the characteristics of the mountain area. The active development of forest production is simultaneous with working in grain production. Each year, from the government's fund for supporting undeveloped regions, the prefectual people's government transfers funds to support forestry production in the mountain area; in a period of 5 years the total investment has been 9.8 million yuan. At the same time, more than 2.36 million mu of mountain and forest areas are delimited as state-owned forest and over 644,000 mu as mountain plots for the peasants' personal use. Furthermore, the collective waste mountains, waste lands and waste beaches are contracted to afforestation economic associations or peasant households in order to establish and perfect the specialized contract responsibility system in forestry production. In private mountain areas or responsibility mountain areas the masses have the freedom to operate autonomously regarding the kind of trees to plant or how to plant only if it is advantageous to afforestation without damaging water and soil conservation. With regard to the disposition of forestry products, it is permissable to let the afforestation contract households, after completing the state assigned and centralized procurement, keep part of the products which the peasants can operate or sell on their own so that on unrestricted operation with many channels but few links can be practiced. Stabilizing mountain and forest rights, delimiting mountain plots for personal needs and extending the independent operation rights of the afforestation contract households have caused the appearance of a new afforestation situation in all localities. This year, the area of afforestation in the whole prefecture is over 189,000 mu, an increase of 24 percent compared with that of last year. In all localities, tractor-plowing,

full reclamation, nutrition appliances for cultivating seeds and other advanced afforestation technologies are popularized and used, these new methods have caused the survival preservation and growing rates of forests higher than those of past years.

As of this year, all localities in the autonomous prefectures have implemented a forest protection policy of combining forest protection with benefits for the masses; 1.93 million mu of the key forest regions are delimited as natural forest to authorize the nearby peasants for the work of preservation and management, and to continue payment of forest protection allowances and grain allowances. At the same time, 11 forest protection stations have been established and more than 330 forest protection personnel organized, the limites of forest operations have been set, and regulations concerning forest protection and closing hillsides to facilitate afforestation have been concluded. All these measures have provided the state-owned forests in Wuzhi Mountain area with effective protection.

12705
CSO: 4007/191

HAINAN PREFECTURE HOLDS MEETING ON RURAL PRODUCTION PILOT SCHEME

HK170200 Haikou Hainan Island Service in Mandarin 0400 GMT 16 May 85

[Text] In line with the spirit of this year's central Document No 1 and to greatly help the rural areas readjust the production structure, develop commodity production, and further invigorate the rural economy, the party committee and government of Hainan Li-Miao Nationality Autonomous Prefecture recently held an on-the-spot meeting in Wushi District, Qiongzhong County, about launching a pilot program in readjusting the rural production structure.

The meeting summarized and publicized the experiences of Wushi District. Experience was gained in the following ways: By taking advantage of local conditions, the district determined the direction of readjustment; it greatly developed planting and breeding industries, while actively developing the secondary and tertiary industries; it also educated the peasants in developing a commodity economy; it gradually implemented plans to develop large-scale production of commodities, gave full play to the functions of various departments, did a good job in coordination, and promptly served the readjustment of the production structure.

Yang Wengui, deputy secretary of the autonomous prefectural CPC Committee, and Wang Duwu, deputy head of the autonomous prefecture, attended the meeting and delivered speeches. They urged all localities to integrate their work with the reality, to study the experiences of those serving as examples, and to promptly establish a new production structure, so as to create a new situation in the autonomous prefecture's commodity economy.

CSO: 4007/351

BRIEFS

WAN LI INSCRIPTION STIMULATES SCIENTIST--Chen Weiping, a middle-aged scientist, and his wife Li Jian, have been working on Hainan Dao for more than 20 years as accompanying trees [BAN SHENG SHU]. They have been engaged in the study of medicinal herb growing and have dedicated their youth to the work in a quiet and selfless manner. Chen Weiping is the head of the Hainan branch of the Medicinal Plants Research and Development Institute under the Chinese Academy of Medical Sciences and an assistant research scholar. Vice Premier Wan Li's inscription for Hainan Dao--Develop Medicinal Plants To Serve the People--has constantly stimulated Chen Weiping and his wife. They are determined to live as accompanying trees on the island and to dedicate their whole lives to the development of Hainan Dao in a selfless manner. [Excerpts] [Beijing Domestic Service in Mandarin 0200 GMT 15 May 85]

CSO: 4007/351

BRIEFS

GUANGXI SUGARCANE ACREAGE--Nanning, 27 Apr (XINHUA)--In its effort to readjust agricultural structure, Guangxi Zhuang Autonomous Region has made great efforts to increase sugarcane production. By mid-April, the autonomous region had planted 2.6 million mu of sugarcane, 270,000 mu more than last year, and is the largest sugarcane acreage the autonomous region has ever had. The autonomous regional government has decided to arrange 1 million mu of low-yield farmland for sugarcane production use in the next 3 years, and to enforce a new sugarcane price policy in order to solve low prices and other related problems. This has effectively aroused a great number of sugarcane peasants to enthusiasm, and hence speeded up sugarcane planting. [Summary] [Beijing XINHUA Domestic Service in Chinese 0016 GMT 27 Apr 85]

BEIHAI FRESH WATER RESOURCES--Nanning, 27 Apr (XINHUA)--Geologists have discovered sources of fresh water in Beihai, one of China's 14 open coastal cities. The discovery will help boost the development of this Guangxi city, until now considered to lack its own source of fresh water. Geologists said 3 water-bearing strata and an underground reservoir found here recently contain about 2 billion cubic meters of fresh water. At present, the city consumes about 70,000 cubic meters of fresh water a day. [Text] [Beijing XINHUA in English 1454 GMT 27 Apr 85]

CSO: 4007/351

GUIZHOU MEETING ON SUPPORTING POOR RURAL HOUSEHOLDS

HK270357 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 26 May 85

[Excerpts] A provincial on-the-spot symposium on supporting poor households and households eligible for preferential treatment was held in Zunyi from 21 to 24 May. Responsible comrades concerned of prefectures, cities, and counties, and advanced representatives in this support work attended the meeting. Provincial CPC Committee Secretary Zhu Houze and Vice Governor Zhang Yuqin were present and made speeches.

The meeting held: Rural living standards in Guizhou have risen markedly in recent years, creating excellent material conditions for this double support work. Last year the province raised and paid out 32.4 million yuan in supporting 112,000 poor households and households eligible for preferential treatment in developing production. Many poor households have now shed their poverty.

The meeting demanded that the province seriously sum up experiences in this double support work, resolutely implement the policy on enriching the peasants of the CPC Central Committee, the State Council, and the provincial CPC committee and government, and be resolved to rapidly promote this double support work. This work must be put on the agenda and grasped regularly and consistently. It is necessary to help poor households and households eligible for preferential treatment to establish confidence in getting rich through hard work.

CSO: 4007/351

FARM CHEMICAL FERTILIZER TRENDS ANALYZED

Shijiazhuang HEBEI RIBAO in Chinese 25 Jan 85 p 2

[Article: "Market Trend Analysis for Hebei's Chemical Fertilizers"]

[Text] Recently, the provincial supply and marketing cooperative conducted a survey on this year's demand trend for chemical fertilizers in the 11 representative counties. The results indicated that there will be a drop this year in gross sales of chemical fertilizers, but that sales of some general varieties will decrease or increase.

Gross sales of chemical fertilizer in the 11 counties was over 271,000 tons last year. The predicted total demand for this year is over 233,000 tons, a drop of 14 percent. The increasing and decreasing trends of general varieties are as follows: ammonium hydrogen carbonate will drop 18 percent; superphasphate will drop 0.7 percent; imported high-valued chemical fertilizers (mainly ammonium phosphate) will increase 31 percent.

There will be a decreasing demand for chemical fertilizers this year. The main reason is reflected by the new imbalance in the price ratios between grain and fertilizer. Peasant income decreases when applying chemical fertilizers, thus affecting their initiative in increasing the application of chemical fertilizers. At present, peasants should be quickly guided to transform the food grain locally into high-quality food, such as meat, eggs, milk, etc. At present, the development of the breeding industry in some places is relatively rapid, causing grain prices to pick up and the demand for chemical fertilizers to increase. Therefore, the decreasing demand in chemical fertilizers is a temporary phenomenon.

In order to open up the sales of chemical fertilizers, the following measures should be adopted: first, the quality of the chemical fertilizer should be guaranteed by the factories. Particularly, the quality of phosphate fertilizer should be upheld to be the most important so that poor-quality phosphate fertilizer will no longer be produced and supplied. Second, the price should be lowered appropriately so as to enhance the product's competitiveness. Third, the transformation work of grain food should be stressed and animal husbandry should be developed vigorously.

12726
CSO: 4007/253

HEILONGJIANG SUFFERS FROST DISASTER DAMAGES

SK310604 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 30 May 85

[Text] Since 13 May, some counties in our province have been stricken by late frost four times. As of 30 May, about 5 million mu of land in our province was seriously harmed. More than 2 million mu of field crop seedlings died. Of this, soybeans and beets were the most seriously damaged. About 1 million mu of soybeans and 200,000 mu of beets were destroyed. A total of 660,000 mu of land under the provincial general farm bureau was damaged and 200,000 mu of land was destroyed.

After the late frost disasters, leaders at all levels immediately organized specialists to inspect the disaster situation, allocated and transported seeds suitable for replanting to disaster-stricken areas, and organized the people in disaster-stricken areas to fight against the disaster and help themselves by engaging in production.

After discovering the disaster situation, leaders at all levels in Suihua Prefecture went to disaster-stricken areas to set up organizations in.charge of fighting against disaster and to examine the actual disaster situation. Plots where 50 percent of seedlings died of frost must be destroyed and replanted. Plots with dead seedlings below 50 percent should be replanted with the same or other seedlings.

After listening to the frost forecast, the Suiling County CPC Committee and the county government immediately made plans. So far, 4,000 mu of disaster-stricken farmland was destroyed and replanted, and 25,000 mu was replanted.

CSO: 4007/351

BRIEFS

HEILONGJIANG WHEAT SOWING--As of 30 April, the 130,000 household-based farms in the reclamation areas in Heilongjiang Province sowed 9.2 million mu of wheat, fulfilling the annual wheat sowing target by over 80 percent. Meanwhile, more than 30 state farms overfulfilled the wheat sowing task. [Text] [Harbin HEILONGJIANG RIBAO in Chinese 8 May 85 p 2]

CSO: 4007/351

HUBEI OFFICIAL ON RURAL PRODUCTION STRUCTURE

HK210251 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 May 85

[Text] From 6 to 13 May, Qian Yunlu, deputy secretary of the Provincial CPC Committee, went to Huanggang Prefecture to investigate the situation in the progress of readjusting the rural production structure. Qian Yunlu successively went to seven counties--Huanggang, Huangmei, Guangji, Qichun, Luotian, Yingshan, and Macheng. He seriously listened to reports made by responsible cadres of the prefecture, counties, districts, and townships. He also investigated some 30 township and town enterprises on-the-spot and visited a large number of specialized households. Together with the cadres and the masses, he analyzed the new situation, summed up new experiences, and studied the problems. On this basis, Qian Yunlu pointed out that through the implementation of Document No 1 of the central authorities this year and of the spirit of the conference on rural work which was held by the Provincial CPC Committee, the enthusiasm of the cadres and the masses has been inspired, they are in high spirits, and a new situation in vigorously readjusting the production structure and developing the commodity economy has emerged in the rural areas. However, some new problems which merit attention have also emerged in the course of advance. At present, while readjusting the rural production structure, we must pay attention to handling well the following five relationships:

1. It is necessary to correctly handle well the relationship between the first reform and the second reform in the rural areas. Qian Yunlu held: Judging from this investigation and proceeding from the realities of their localities, the Huanggang Prefectural CPC Committee and CPC committees at all levels paid attention to eliminating the left and destroying the old, consolidated and perfected the system of household contracted responsibility for production with remuneration linked to output, and did a great deal of work in handling well the relationship between the first reform and the second reform in the rural areas. Judging from the situation throughout the province, this way is also very important.

Qian Yunlu pointed out: On the basis of the first reform in the rural areas, we have carried out the readjustment of the rural production structure. Since the 3d Plenary Session of the 11th CPC Central Committee, the implementation of the system of household contracted responsibility for production with remuneration linked to output has provided a material

material foundation and historically favorable circumstances for agriculture to move toward relatively large-scale commodity production and toward modern agriculture. Whether or not the second reform in the rural areas can stabilize and perfect the household economy--the foundation--is in fact a problem which has a bearing on how to understand that the relations of production suit the productive forces and that in the course of readjusting the rural production structure, the masses' wishes are respected so as to continuously arouse the peasants' enthusiasm. Only by promptly grasping the historically favorable circumstances provided by the first reform and grasping well the readjustment of the rural production structure can we further develop the rural productive forces in breadth and depth and can we further consolidate and develop the fruits of the first reform. We must also clearly see that the sphere and contents of the second reform are more extensive, more profound, more complicated, and harder than those of the first reform. This demands that in the course of readjusting the production structure, the combination of all new essential factors for production and the development of all forms of the cooperative economy respect the household economy--the foundation--and by no means be divorced from this foundation. In doing so, we can possibly ensure that we can unswervingly carry out readjustment, can avoid a relapse and errors, and can carry out the second reform in rural areas in a down-to-earth manner.

It is essential to correctly handle well the relationship between agriculture and other industries and the relationship between the agricultural structures. In conducting investigation and study, Gian Yunlu came to understand that some comrades presently do not thoroughly understand the spirit and essence of Document No. 1 of the central authorities this year. They have a relatively limited understanding of the readjustment of the rural production structure. On the one hand, some rural production structures which should be readjusted cannot be readjusted, and on the other, the symptom of disregarding grain production and the development of cultivation has emerged in a small number of places.

Gian Yunlu repeatedly emphasized: Guaranteeing a steady increase in grain production is a prerequisite of and foundation for doing well in readjusting the rural production structure and is a question which has a bearing on the overall situation. In readjustment, to be able to ensure a steady grain production is the best way out, to ensure basically steady grain production is the second best way out, and a big drop in grain production is a bad way. Huanggang Prefecture must strive for the best way out. Therefore, while readjusting the internal agricultural structure, all places must resolutely and in a planned way turn arable land back to forests and turn farmland back to lakes and must also not blindly reduce the areas sown to grain. So far as grain production is concerned, we cannot hold that with the reduction in sown areas, output will surely be reduced. The situation in summer grain production, has shown that both cannot be equated. Although there is a limiting factor in them, so long as we give full play to the mighty strength of policies and science and constantly tap potentials, even if some sown areas are reduced, we can maintain a steady increase in grain production.

3. It is imperative to correctly handle well the relationship between macroscopic control and microscopic invigoration. In the course of investigation, Qian Yunlu pointed out: In readjusting the rural production structure, leading cadres at all levels must have the cardinal principles in mind, must take the overall situation into account, and must submit to macroscopic policy decisions. Moreover, they must also pay attention to microscopic invigorating. They must pay attention to protecting the fruits of readjustment at the previous stage and the enthusiasm of the cadres and the masses for reform. The current development of township and town enterprises in our province is just unfolding. However, we are faced with the problem of macroscopic control. Judging from the situation of Huanggang Prefecture and the whole province, the amount of capital put into circulation to develop township and town enterprises last winter was larger. While strengthening macroscopic control, we must correctly deal with this problem. Those who consumed large amounts of energy, lacked raw materials, and whose economic results were poor must be strictly controlled. Those which were just the other way round must be given a free hand and must be invigorated. If we cannot handle this problem well and if we exercise rigid control, the enthusiasm of the cadres and the masses will be dampened and we shall again lose a good opportunity for developing township and town enterprises. Therefore, we must overcome blindness and [words indistinct] but not control those township and town enterprises which have raw materials, markets, and economic results. In particular, we must control the food industry, fodder industry, animal husbandry, and breeding poultry and livestock, which have a direct bearing on conversion into food, and the mining and small energy industry.

4. It is necessary to correctly handle well the relationship between production and circulation. When investigations were conducted in several counties, many cadres and people reported that after the markets were regulated under guidance, people could not adapt themselves to work in the sphere of circulation. Thus, the smooth progress in the rural production structure was affected.

Qian Yunlu pointed out: The commodity economy includes two aspects--commodity production and exchanges of commodities. Commodity production cannot deviate from the circulation of commodities and from [words indistinct]. If the system of circulation between town and country is not further reformed, the further readjustment of the rural production structure will be hindered. After commodity production develops, if we do not carefully direct the reform of the system of the circulation of commodities, the commodity economy cannot further develop.

Doing well in grasping reform of the circulation system, giving full play to the role of economic levers, and expanding social service is a problem which concerns the overall situation, and is a [words indistinct] problem. The current major task is that the ideology and work of leaders at all levels must catch up with the development of the situation. They must simultaneously grasp production and circulation. As the main channels of circulation, the commerce, food, supply and marketing, and foreign trade departments must further reform the management system, must vigorously take part in

market regulation, must play a part as the main channels of circulation, and must promote the sale of agricultural and sideline products on their own initiative. To suit and promote the readjustment of the rural production structure and the development of the commodity economy, financial departments, banks, and tax and commodity price departments must give full play to the role of economic levers. All departments must further correct the guiding principle of work and must provide social services in many aspects to vigorously develop the rural commodity economy and to supply market information, business policy decisions, and science and technology. They must help the peasants strengthen the latter's ability to grasp information, to absorb technology, and to do business well.

5. It is essential to correctly handle well the relationship between giving play to local advantages and learning from other places' experiences. Qian Yunlu pointed out: Proceeding from realities, adopting measures suitable to local conditions, making the best possible use of favorable conditions, avoiding the effects of unfavorable ones, and giving play to advantages is an important principle to which we must adhere in the course of readjusting the rural production structure. Mountainous areas, hilly areas, plains, and lake areas respectively, have their own advantages. Even in a village, conditions vary between households and between people. In the course of readjustment, all counties in Huangguang Prefecture paid attention to this problem. They have their own characteristics. Places along the river gave play to advantages of bordering on the Chang Jiang and vigorously developed economic relations among enterprises and regions. Hilly and mountainous areas have their own methods of readjustment. Places in mountainous areas and near Dabie Shan have their own steps of readjustment. In doing so, we can surely produce good economic results, social results, and ecological results. Judging from the situation of the whole province, to ensure that we can take such measures suitable to local conditions, make the best possible use of favorable conditions, avoid the effects of unfavorable ones, do what is profitable, and avoid what is not beneficial, we must further deepen our understanding of all resources and advantages of Hubei and must constantly understand them.

Qian Yunlu held: In the course of readjustment, we must import technology, absorb qualified personnel, import capital, and learn from other places' experiences. But we must persist in proceeding from realities and cannot indiscriminately copy their experiences. If we can do this, we can avoid detours, avoid demanding uniformity in everything, and doing things chaotically.

Qian Yunlu stated that peasants lack experience in readjusting the rural production structure. Likewise, cadres also lack experience. How can we enable the cadres and the masses to swim, to steel themselves, and to strengthen their ability in the ocean of the planned commodity economy? This is a new subject which confronts us. Therefore, leaders at all levels must strengthen study, investigation, and study; must creatively work; must constantly understand the new situation, solve new problems, and sum up new experiences; and must carefully give guidance. Thus, the readjustment of the rural production structure can progress smoothly.

CSO: 4007/351

BRIEFS

HUBEI RURAL ECONOMIC COMBINES--Rural areas in Hubei Province now have 16,924 new economic combines with 136,800 workers and with fixed assets of 112 million yuan. In 1984, the gross income of these new economic combines was 347 million yuan and they paid taxes of 15 million yuan to the state. Of these new economic combines, economic combines of secondary and tertiary industries developed relatively quickly and in particular, the trades which provided social services for rural production before, in the course, and after production, prospered still more. So far as economic results are concerned, the average gross income of each worker of the economic combines reached 2,571 yuan and was 1,673 yuan more than the average income of each worker of the peasant households throughout the province. Each worker of the economic combines paid tax of 141 yuan to the state, 124 yuan more than the tax paid by each worker of the peasant households throughout the province. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 May 85]

CSO: 4007/351

HUNAN HAS HEAVY RAIN, PREPARES FOR FLOODING IN SOME AREAS

HK290551 Changsha Hunan Provincial Service in Mandarin 1100 GMT 28 May 85

[Text] Beginning from the morning of 25 May, there has been heavy rain in northwestern and southern parts of the province. Some areas of the upper reaches of the Li Shui and Yuan Shui even experienced rainstorms, and so did most of the Xiang Jiang's upper reaches. Also, some areas of the upper reaches of the Xiang Jiang experienced heavy rain. From 0800 to 1400 on 27 May, there was another rainstorm in some areas of the upper reaches of the Xiang Jiang. Since the rainfall was heavy and covered a wide area, there were torrents of water rushing down moutains in some places and the water level in reservoirs and rivers rose sharply.

In the afternoon of 27 May, some streets of Lanshan County towns were flooded by rainwater, while some areas, like Daoxian and Jiangyong counties, encountered torrents of water rushing down the mountains. Large reservoirs at Shuangpai and Chenjianhe, as well as the Xiang Jiang hydroelectric power plant, in the upper reaches of the Xiang Jiang, opened all gates to discharge the floods.

Therefore, the water level of the Xiang Jiang's main stream will rise generally to high flood level for the next several days. It was expected that at 0100 on 28 May there would be a flood peak 4.2 meters higher than the warning water level at Lingling.

The provincial headquarters for flood control and drought relief has urged the prefectures, cities, and counties concerned to make preparations for flood control and emergency work, and to ensure the safety of low-lying areas and towns.

CSO: 4007/351

ANNUAL SUPPLY, DEMAND PROSPECTS FOR FARM MATERIALS ANALYZED

Nanjing XINHUA RIBAO in Chinese 21 Jan 85 p 2

[Article by Shu Nongzhi [5289 6593 1807]: "This Year's Demand, Supply Prospects for Provincial Agricultural Materials"]

[Text] According to the studies and forecasts by relevant sources, society's demand for agricultural production materials of the province this year, on the whole, will increase steadily. However, with the further readjustment in the rural production structure and crop distribution, there will be relatively big changes in the demand for general varieties.

Chemical Fertilizers: This year's demand will increase by about 5 percent over last year. Supply sources are on the tight side. In the area of the general varieties, the demand for nitrogen fertilizer tends to be steady. The demand for urea will increase about 3 percent. Since there is an insufficient supply of urea, the demand for the local ammonium carbonate, for which supply and demand has reached equilibrium, will increase relatively; its sales will turn brisk. In the area of phosphoric fertilizer, and as viewed from the demand for scientific fertilizer, its potential purchasing power is great, but due to the problem of low quality and high price, provincial sales decreased abruptly by 30 percent last year. This year, there will be changes in the stagnant situation, and demand will pick up. The demand for kalium fertilizer will increase steadily, but its supply remains on the tight side. Compound fertilizer is popular among the peasants. The demand from all prefectures will increase considerably, and the supply-demand conflict will become obvious. It is suggested that the relevant departments should try to increase production in time.

Pesticides: In recent years, the traditional, widely used low-content pesticide powder is being replaced by high-content new varieties. Sales of the former are dropping, but its quality has been improved. Among these, the demand for weed-control pesticides is relatively large, and the demand for growth hormone pesticides is also increasing. This year, except for a few pesticide varieties, the supply of most pesticide varieties, particularly insecticide, exceeds sales, and there is surplus. Therefore, the relevant department should base itself on the agricultural needs, should organize production quantity on the basis of sales and should prevent blind production so that overstocking and loss can be avoided. In addition, the present pesticide operation has changed from a former "single company"

to "various companies." Under such a situation, attention should be paid to market coordination and the problem of "supply and demand being out of line in spite of abundant sources of goods" should be avoided.

Agricultural film: This year's demand will drop. The peasants prefer polyethylene film and ground film to polyvinyl chloride film, sales of which remain stagnant and which is overstocked. Efforts should be made in the organization of sales so as to satisfy needs in other areas. The relevant industrial departments should strictly implement planned production. Agricultural material operation departments at all levels should prevent blind purchasing so that economic loss caused by overstocking not be incurred.

Table 1. Prices of Major Agricultural Sideline Products at Various Market Towns

Date: 19 January 1985 Unit: yuan

Agricultural Products	Nanjing (Dazhongqiao)	Zhenjiang (Jingkouzha)	Suzhou (Duanpingqiao)	Nantong (Duanpingqiao)	Huaiyin (Qinghe)
Pork	1.50	1.30	1.25	1.30	1.28
Beef	1.70	1.80	2.00	3.40	———
Mutton	1.30-1.40	1.40	1.70	1.30	1.30
Dog	1.20	1.30	0.90	———	1.20
Hen	1.90-2.00	1.88	1.80	1.65	1.50
Duck	1.60	1.45	1.40	1.20	1.20
Goose	1.60	1.60	1.30	1.10	———
Chicken eggs	1.60	0.13/egg	1.50	1.35	1.25
Duck eggs	0.17/egg	0.15/egg	1.10	1.20	1.10
Crucian Carp	2.20-2.40	2.10	1.50	2.00	1.70
Carp	1.50-1.60	1.80	1.70	1.60	1.60
Silver Carp	1.10-1.20	0.95	1.00	1.20	1.15
Shrimp	2.50-2.80	2.60	3.50	3.00	2.40

JIANGSU REMOVES AGRICULTURAL PROCUREMENT SYSTEM

Nanjing XINHUA RIBAO in Chinese 21 Jan 85 p 2

[Article by Wei Mingfu [7614 2494 1133]: "Reform of the System of Centralized and Assigned Procurement for Agricultural Products"]

[Text] It was determined by the party Central Committee and the State Council that from this year on, with the exception of individual varieties, the state will no longer assign peasants with the tasks of centralized and assigned procurements of agricultural products. According to the situation, contract purchasing with fixed quotas or market purchasing will be implemented.

Since 1953, our nation implemented the system of centralized procurement of foodgrain, cotton and oil-bearing crops. The system of assigned procurement was implemented on other major agricultural products. The system of centralized and assigned procurement played an active role in assuring supplies and supporting construction. However, with economic development, its defects were increasingly shown. To purchase as much as and whatsoever the peasants had grown was in fact breaking off the peasant-market relation, and as a result, the production of peasants was out of line with the needs of the market and the needs of the society to a certain degree; the peasants were poorly informed. Generally speaking, with improved agriculture, everything will go well, but this does not mean that the increase in agricultural sideline products will stimulate the economic cycle. It is not definite, and an adverse cycle might result. Continued implementation of the system of centralized and assigned procurement might be detrimental to reform of the agricultural structure; animal husbandry could not be developed; trees could not be grown; the prefecture's strengths could not be fully exploited, and the development of the entire rural economy would be affected.

After 5 years of successful economic reform, agricultural production in our rural areas has developed widely. There has been an obvious improvement in the supply of scarce agricultural products, which, for a long period of time, had been worrisome. At present, the agricultural products that are under the system of centralized and assigned procurement are mainly those in which supply and demand have reached an equilibrium and in which prices have tended to be stable. Supply of some major products has shown trends exceeding demand and market prices lower than the state purchasing prices.

Therefore, the conditions for the restructuring of the agricultural procurement system have now matured. For years, the task that we wished to do but could not and dared not do can be carried out now.

Now that the system of centralized and assigned procurement has been removed, the agricultural products are no longer restricted by the former operation of labor division, and direct circulation via multiple channels is implemented. The management, processing and consumption units of agricultural products can directly sign purchasing contracts with the peasants. The peasants, through cooperative organizations or by setting up producer associations, can take the initiative to consult with the related units in signing sales contracts. After the relaxation, state commerce will also adopt practical measures and take a positive role in participating in market regulation.

The restructuring of the agricultural system of centralized and assigned procurement is the second major reform in the output-related system of contracted responsibility implemented in the rural areas. It will inspire new forces in the rural areas, leading to a new peak in agricultural production.

12726
CSO: 4007/255

SUBURBAN AGRICULTURAL DEVELOPMENT TREND REPORTED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 12, 23 Dec 84 pp 14-17

[Article by Sun Huibin [1327 1920 1755] of the Agricultural and Industry Section of the Nantong City CPC Municipal Committee: "The Formation of Suburban-Style Agriculture in Nantong City and Its Developmental Trend]

[Text] The suburban counties around Nantong are right now gradually shifting from a type of agriculture combining grain, cotton and oil-bearing crops, with commodity grain production as the main thing, to a suburban-style agriculture with the special features of stabilized grain production, reduced cotton area, and expanded cash crops and vegetables of various kinds, along with animal husbandry. The structure of agriculture is constantly improving, the commodity rate is constantly growing higher and the lives of the peasants are constantly improving.

I

One general feature of suburban-style agriculture is that it produces relatively more agricultural and sideline products to supply urban people with food and to supply light industry with raw materials. At the same time, it relies on the city to get market information and to introduce advanced technology and equipment, and so allow agriculture, forestry, animal husbandry, sideline occupations, fishery industry, commerce, transportation, construction and service industries to gradually modernize. The six-county suburban area of Nantong has the specific conditions to move in this direction. As regards regional conditions, the city has 8,000 sq km of agricultural plain situated on the north side of the Chang Jiang delta. Climate and soil quality are suited to growing various cash crops, sea resources are also very plentiful, and inside and outside the sea wall there are over 1.8 million mu of sea shallows which are rich in shellfish, aquatic plants, fish, crab, shrimp, razor clams, and commodities that are in great demand. As regards transportation conditions, major land and sea routes go in all directions, facilitating the shipment of live and fresh commodities to the city. As regards market conditions, Nantong is part of a zone that is open to the outside, it is also within the Shanghai economic zone, and small and middle size towns in the counties have basically formed a commercial network, with wide coverage for their agricultural and sideline product market, and quite a good geographical position for commodity

production. With the flourishing of the market, the amount of agricultural and sideline products exchanged has increased, too. Comparing 1983 to 1978, the total output value of agricultural and sideline product commodities has grown from 1.229 billion yuan to 2.915 billion yuan, a 137 percent increase. Of this, live and fresh commodities and commodities that are seasonal delicacies constituted the greatest proportion. Circulation stimulated production and many villages adjusted the production structure of their agricultural and sideline products according to market demand, with some reducing cotton and expanding mulberry, some changing from solely growing grain and cotton to cotton, fruit and melons, vegetables or grain, fruit, melons, rotating vegetables, and some transforming low-lying ground into fish raising ponds. Formerly, many peasants were developing animal rearing, with hog rearing the main type, but now, to meet the changing demands of urban people, they are gradually shifting poultry and egg production to the prime position. Those skilled in carpentry, in particular, have shifted off the land into urban services. There are about 600,000 peasants in the whole city in state-run, large collective and village and town construction brigades and in associations that they have formed themselves as well as those who are self-employed and engaged in various other economic forms, who have entered the city to engage in construction, transportation, sales and other work activities. They both serve consumers and producers, and this plays a very significant role for the interdependence of city and countryside, their mutual reliance and their coordinated development.

Although the above cannot fully show the special traits of suburban-style agriculture, it clearly shows its developmental trend.

II

Developing suburban-style agriculture, even within the scope of one city, does not mean that there is just one type, but rather, a city can optimize its agricultural economic structure in accordance with local conditions. Seen from Nantong, there are basically six types.

One type makes rural enterprise the main thing, combining industry and agriculture. For the most part, this belongs to a close-in suburban type agricultural district within the sphere of a city, county seat or market town. This part of the agricultural district has developed village industries, and most of the worktime of the major part of the labor force has shifted into nonfarm activities. There is both industry and agriculture, with industry the primary thing. Purely agricultural labor is in the minority, and in general, people are engaged in industrial day or night shifts, with business divided into busy and slack seasons. They farm the land early, in the morning, during the middle of the day, or late, and when they are short of labor, they ask others to take their shift. The developmental trend of agriculture in this part of the agricultural district, apart from grain ration fields, is for peasants to be partial to growing vegetables, fruits and melons to serve the city. This kind of agricultural district constitutes about 10 percent of the whole.

A second type is shifting from grain to animal husbandry and combines farming with rearing. These farm areas are commonly situated in the far suburbs, such as Hai'an and Rugoa Counties. Industry is not well developed, and because they base themselves on farming, stress the feed-processing industry and have

developed an animal husbandry industry based on poultry and eggs, they have been able to basically take care of surplus labor, and this has enabled them to be interdependent, promote each other, create a benevolent cycle, coordinate development and gradually form an ecological agricultural area. This part of the agricultural area is about 30 percent of the whole city, and it also is tending to expand.

A third type is developing specialty cash crops as the main thing, while also growing other things. In some of the villages that are adjacent to the two counties of Nantong and Haimen, peasants have the traditional custom of growing peppermint and jute, and with the precondition of assuming their grain contract task, they themselves decide the crops for rotation, and have expanded peppermint and jute. The direction that the surplus labor in these villages took was (1) into factories, (2) setting up small family workshops, and (3) engaging in transport and marketing and making runs into the city; villages and markets specializing in sofas, springs, cloth and embroidery thus appeared.

A fourth type is combining farming and other labor services, with planting as primary. This is done mainly in areas with a glaring labor surplus, such as the area on the Chang Jiang of Qidong, Haimen and the southern part of Nantong along the highway. These areas are fairly close to Nantong and Shanghai, have quick access to market information, a strong business sense, quite actively engage in nonfarming activities such as small-scale retailing, construction, transport services, etc., and serve the city, and the labor that serves the market is generally about 50 percent. This part of the agricultural district has quite a few peasants who "rely on grain ration fields for their grain, rely on money from growing cotton for their daily expenses and rely on remittances from the city for the money to get married and build a house."

A fifth type is growing cotton as the main thing and combining farming and fishery. This part of the agricultural district is along the sea, and peasants both have traditional cotton farming experience and also have the skills for going down to the sea to fish. Some of the villages in the five counties of Rudong, Qidong, Nantong, Haimen and Hai'an belong to this category. This area is both a commodity cotton base and also a marine product base.

A sixth type is those that use a courtyard economy as their base position and produce all sorts of agricultural and sideline products with a high degree of intensive farming. Most was after the implementation of the contract responsibility system tying pay to production, when peasants got a fairly good idea of how to deal with farming autonomy, and used private plots, forage land and people's homes and animal sheds to develop flowers, plants, melons and fruit, middle- and high-quality vegetables, raise domestic animals and poultry and develop three-dimension agriculture. This kind of agricultural production structure has the advantages of a high degree of intensity, high labor productivity and high economic results and it is clearly effective in mobilizing many peasants to develop a diversified economy. According to an analysis of 136 basic households, from January to June of this year, the average household net income from diversified economic activities was 239.88 yuan. This style of farming has a tendency to spread.

The six patterns of agricultural economic structure described above are relative, and there is overlapping between types, and moreover, there is constant adjusting between them and complementing of each other and a tendency to improve gradually.

III

Under the CPC's policy and guidance of enriching the people, it is estimated that the agricultural production structure of Nantong will change in the following five areas.

One is the tendency for fairly large-scale development of animal raising. In recent years, the speed of development of the animal-raising industry in Hai'an County has been very rapid, with 1978 the base period. By 1983, domestic poultry had increased 4.6-fold, eggs had increased 2.06-fold, silkworm cocoons had grown 1.07-fold and hogs had doubled and the number put on sale grew from 355,600 to 708,500 head. Fish raising has also increased and doubled. According to the statistics from the four villages of Duntou, Qiuhe, Wadian and Lieshi on the lower reaches of the river, the number of nets and boxes for raising fish rose from over 1,000 last year to over 2,000, and the amount of fish raised rose from 550,000 jin to 1.35 million jin.

Hai'an County belongs to a distant agricultural district which was late in developing village and rural industry, and animal raising has taken in a lot of surplus agricultural labor. From actual experience they have come to know that they have six strong points for developing animal raising: (1) animal raising consists mostly of simple manual labor and there is great flexibility concerning the physical strength and level of knowledge of the labor force; the majority of peasants can handle it; (2) every commune member family can become a farming administrative level, basically, with every family and household having private plots, forage land, responsibility land and grain ration land, and by developing animal raising, they can supply the "four fields" with high-quality fertilizer, and can both promote higher yields for that year and also improve the soil, and when the proportions of joint farming and animal raising are rationalized, then they can effectively promote a benign cycle in agricultural ecology, and spur a continual rise in the level of farming and animal raising; (3) in developing animal raising, facilities are simple, investment small, requires very little energy, is not restricted very much by outside factors, starts up quickly and has fast results, and so it is easy for peasants to have independent farming; (4) economic results are high, and the net profit ratios for output value in animal raising are 76.9 percent for laying chickens, 56.6 percent for laying ducks, 70.8 percent for fish, 63.9 percent for female hogs and 25.9 percent for hogs, and peasants say that although the output value for animal raising is lower than that of industry, the results are superior and it should be greatly developed; (5) there are many sources for forage, and after agriculture implemented the contract responsibility system tying pay to production, grain yields increased, in addition to which the nation has had bumper harvests for successive years, permitting grain to flow onto the market, and this, then, creates the conditions for the development of animal raising; (6) the large and medium size cities within the Shanghai economic sphere are a vast market. According to estimates,

about 70 percent of the capons supplied by Shanghai municipality come from northern Jiangsu.

Consequently, going the path of combined farming and animal raising, with processing to increase value, would have a decisive role in realizing the quadrupling of total agricultural output value in areas where villages are not very developed. From now on, as long as we attain complete sets of processing equipment as soon as possible, improve social service conditions, perfect economic adjustment functions and build an ecological agricultural area combining farming and animal raising, then it can develop quickly and deeply.

Second is intensively farming the land and taking the path of high results. In the past, some places stressed, in farming, the completion of grain, cotton and oil-bearing crop targets and neglected market demand, stressed speed and neglected results. Certain skilled farmers are just now embarking upon the main road of agriculture, intercropping and interplanting sideline products, and the multiple cropping index is generally about 300 percent. For example, some peasants interplant garlic between rows of wheat and interplant watermelon between rows of cotton; and some peasants plant paddy rice in early summer, raise mushrooms in midsummer and sow wheat in late summer. Peasant Si Fusheng of Rugoa County's Daming Township adopted the method of growing corn in his wheat fields, interplanting potatoes, and atop the ditch edges, he put in watermelon, and after harvesting the potatoes and watermelons, he again interplanted winter melons and garlic, and the output value per mu was 1,674 yuan. Peasant Xu Pingyang of Hengqiao Village in Nantong County's Yuanzao Township test-planted a small area of hot pickled mustard tuber and ginger and earned an income of 1,120 yuan per mu.

At present, there are many places where this new type of intensive farming has spread, and though the area is not large, there is a trend toward development.

Three is to appropriately reduce cotton fields, expand the growing of lake mulberry and special types of cash crops. In the 1970's the grain and cotton objectives and tasks through directives--this basic bowstring--was stretched taut, and to ameliorate the contradiction between grain and cotton, many production units adopted the expedient plan of expanding grain and crowding out green manure in late summer, and expanding cotton and crowding out grain fields in early fall. And due to irrational crop rotation, fertility fell, the ecology became unbalanced, wilt spread, cotton yields dropped and this dampened the enthusiasm of peasants for growing cotton. Added to which, the price of cotton tends to be low compared to silk cocoons, jute and peppermint, and peasants very naturally got the idea of reducing cotton and expanding mulberry and special types of cash crops.

Four is the expansion of urban labor construction enterprises, which will attract even more rural surplus labor. According to estimates, Shanghai's economy will quadruple, construction of workshops will increase 50 million sq m and workers residences will increase two-fold. The urban construction engineering task is great and rural construction contingents will inevitably expand correspondingly, too. The construction industry of Nantong is just now developing in this direction. Its features are: (1) the scale of construction

contingents is rather large, with the city having 8 construction companies, 324 enterprises and over 800 construction brigades, with 198,366 workers and staff, or 21.87 percent of the entire province's construction contingents; (2) it has definite economic strength and now has enterprise capital funds of 69,946,900 yuan, in addition to which there is a circulation fund of 35.62 million yuan, and in this way, each staff member and worker has a capital fund of 532 yuan; (3) construction capability is quite high, and they are able to undertake to build five- to six-story residential buildings, as well as large-scale workshops and high-class guests houses: (4) the scope of economic activities is continually expanding, construction sites having spread to 23 provinces and municipalities; there are 54 agencies, with over 5,000 construction sites; about 120,000 people have been sent out in contingents and their total income was 260 million yuan with each person creating 985.85 yuan in profit; they pay 11,788,000 yuan in taxes to the state and make up 11.41 percent of the city's total income.

The shift of rural labor into construction work contingents will have two major effects on agricultural production: (1) with the increase in the amount of work put in by brigade labor, income will also increase correspondingly, effectively overcoming the inclination of those engaged in agriculture to abandon it; (2) the shift of rural labor has its own momentum, and it seems that the primary labor force of some villages has completely left, and that they now rely on the old, on the very young and women to farm the fields, and this can only be a holding pattern, and it will be very difficult to raise the level of agricultural production under these conditions. At this point, some peasant households came up with the demand for transferring land contracts, which would break up that pattern of equal occupation of land. And this reminded concerned departments that they must do a good job in social service work for the households that transfer contracts.

Five is that Nantong's opening to the outside and development of the sea will bring new improvements. Nantong's coastal sea shallows are richly endowed by nature. (1) The shoreline is long and the shoal area is large, with a total length of 204.9 km starting from Dongnan Yuantuo in Qidong County to Laobagang in Hai'an County. The area outside the seawall is 1.43 million mu, and inside the seawall, there are 408,000 mu of fields created from reclaimed land. (2) There are definite resource advantages, with total reserves of shellfish with commercial potential approaching 78,300 tons, the coastal waters are rich in nutrient salts, the broad sea shallows are suited to developing striped laver and Spartina Anglica (a kind of forage grass), and because of runoff from Chang Jiang and the large amounts of nutrient salt and organic matter that it brings, along with the mixed fresh and salty water, there are large quantities of plankton in many varieties with the amount of plankton in spring and summer being 10 times that of Haizhou Wan, and about 80,000 tons of ocean products are caught annually, about 40 to 50 percent of the entire province's catch.

The sea has great potential, the development task is great and if we want to change the natural resources with which we are so richly endowed into productive forces and transform them into commodity advantages, we must rely on economic and technological strength and speed up development. The backup force

for Nantong's opening to the outside and for gaining foreign exchange is rural agriculture, and among the best selling commodities for export are marine products. If we want to take in even more marine products, such as shellfish, aquatic plants, fish, crab and shrimp, then we must undertake overall development of the sea. In developing the sea, the investment is large, it involves a broad range of knowledge, it has certain difficulties, and yet because there is great potential for marine products, it is attractive to foreign businessmen, and some foreign businessmen are willing to invest and transfer technology when conditions show that there is profit to be had. At present, we have already had foreign businessmen come one after another to look into the situation, desiring to develop the sea shallows, and we can anticipate that the development and use of Nantong's sea shallows will further improve.

If there is to be overall realization of the trends in agricultural development described above, it will hinge primarily upon coordinating the national macroeconomy and the local microeconomy; it will hinge on regulating and mobilizing the policy of enriching the people, of opening to the outside and enlivening the domestic economy; it will hinge on continuing to reform that part of the superstructure that does not conform to the economic base. At present, the broad countryside of the municipality is just now beginning reform of the industrial structure on a foundation of having already basically concluded reform of the economic system that had implementing the contract responsibility system or tying pay to production as its key element. We can anticipate that our city will rapidly develop new production sectors and create new productive forces. A brand new kind of suburban-style agriculture is gradually taking shape and will continually develop.

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CSO: 4007/200

BRIEFS

JIANGSU SUPPLY-MARKETING COOPERATIVES--During the first quarter of this year, the supply and marketing cooperatives in Jiangsu Province increased the amounts of domestic purchase and sales by 19.5 and 19.1 percent, respectively, compared with last year's corresponding period. Profits made by grassroots supply and marketing cooperatives totaled 51.09 million yuan, up 9.8 percent compared with last year's corresponding period. [Summary] [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 9 Apr 85]

CSO: 4007/351

JIANGXI PLANS TO BOOST REDUCED FISH PRODUCTION

HK310523 Beijing CHINA DAILY in English 31 May 85 p 2

[Article by Liu Keqing]

[Text] Although dubbed "a land of rice and fish", Jiangxi Province is now in the awkward situation of having grain to spare while lacking fish.

Last year the province produced only 130,115 tons of fish--amounting to less than the per capita average of the country--while its grain yield reached 15.5 million tons, making it a key grain producer.

Bordering the south bank of the Yangtze River, the province has five major river systems as well as 250 lakes and 18,000 reservoirs totalling 16,700 square kilometers, one-tenth of the province's total area.

In recent years, however, fish supply in the province has fallen so short that the prices in the markets soared 54 percent.

The Jiangxi Branch of the Agricultural Bank of China is now "determined to help this situation".

To boost fish production, Ren Kaijun, deputy director of the branch, has recently put forward a package of loan measures, with which the province is expected to become worthy of its fish reputation once again.

There are three main targets in the program:

Raising per unit area output. The average fish output in the province is about 495 kilograms per hectare. The bank will pay subsidies to double the output within two or three years.

Raising more fish breeds. Last year the province bred more than 20 improved species of fish and introduced four new species including African crucian carp. Now, under the bank's finance, even more fish species are to be raised.

Taking full advantage of main waters. Jiangxi has vast waters including the 3,583-square kilometer Poyang, China's largest fresh water lake, but only 12 percent of the available water is used. The bank hopes to raise the utilization by 10 percent with loans.

In addition, the bank plans to support breeding fish in rice paddyfields, amounting to 2.24 million hectares or 13.5 percent of Jiangxi's total area.

And the bank has also decided to make the province's five largest reservoirs, which have been opened to the public allowing individuals and collectives to run the key loan projects through contracts, rents or shareholding, the deputy director said. [sentence as published]

Jiangxi Province is also seeking outside help to boost its fish production.

The Food and Agricultural Organization of the United Nations (FAO) has agreed to offer free material aid of wheat and oil worth $22 million.

CSO: 4007/351

NINGXIA STRESSES FODDER INDUSTRY

Yinchuan NINGXIA RIBAO in Chinese 13 Jan 85 p 1

[Commentary: "Vigorous Development of Fodder Industry"]

[Text] The vigorous development of the fodder industry, which leads to the efficient transformation of foodrains into meat, poultry, eggs and milk, has its significant role in changing the food structure and enhancing the people's living standard.

During these few years, Ningxia has attained bumper harvests in food grain in successive years. The stock increases continually, storage capacity is very tense, and the transformation of foodgrain is urgently needed. The annual quantity of chaff used as a fodder crop amounted to 600 million jin; rice cake, over 50 million jin; shredded beet, 400 million to 500 million jin. In addition, there are many industrial fodder sources from the honey, brewing and slaughtering industry plus over 3 billion jin of crop straw and cultivated forage crops.

Fodder resources are very sizable, and there are good prospects for development of the fodder industry. In the mountainous region, a large quantity of herbivorous livestock could be raised, and the breeding of hogs, chickens, fish, ducks, etc. could be promoted vigorously in the river areas. As long as we could fully and sensibly mix the present fodder crops, the byproducts of foodgrain, oil-bearing crop cakes and industrial waste bits and pieces in proper proportions, the mixed fodder could be first promoted and a nutritious, full-value compound feed could be developed gradually, thus providing a larger and better supply of fodder for the development of animal husbandry.

The scale and rate of development of a modern livestock industry are largely determined by the production and supply of compound feed. Scientifically manufactured fodder contains various additives. They are nourishing and all-sided; they can promote the growth of livestock and poultry, can prevent diseases, can shorten breeding cycles and can lower breeding cost. In the past, the application of only one fodder not only wasted foodgrain, but with protein-free fodder and fodder without additives, livestock and poultry gained weight slowly, the breeding cycle was long, the cost was high and the shed-leaving rate was low. At present, the

production of compound feed requires a limited amount of foodgrain but produces a relatively large quantity of meat, poultry, eggs and milk. Under such circumstances why shouldn't we use it?

To radically change the food structure of the Chinese people--to switch from foodgrain to meat and dairy products--can improve the health of the Chinese people. It is an important task leading to the prosperity of our nation. We have to strive to attain this goal within a generation's time. The fodder industry lays the foundation for the development of animal husbandry. Last year, the State Council drew up a decision to accelerate development of the fodder industry. In this 20th century and in the 1980's, our understanding of the fodder industry should not remain at the level of the former "chaff theory." We have to treat the fodder industry as a new industrial realm and as a large-scale industry that awaits development so as to bring about a new aspect in the production of animal husbandry in Ningxia.

12726
CSO: 4007/253

BRIEFS

NINGXIA SECOND SOIL SURVEY--Based on the state's unified plan, Ningxia has basically ended the second soil survey started in 1979. Among the 19 counties (cities) of the autonomous region and with the exception of Guyuan, Pengyang and Jingyuan counties which are collecting data, the rest of the 16 counties (cities) have completed their duty and 10 counties (cities) have forwarded the soil survey report. Through the soil survey, our prefecture's soil and soil resources are basically studied, the development, distribution, characteristics and fertility of various soil types are mastered and the major soil-hindering factors that affect the production and development of agriculture, forestry and animal husbandry have been investigated. In addition, studies were made on the special topics of the quality of agricultural fertilizer, the diversion of groundwater from the Huanghe River irrigation region and soil salinization, soil erosion and desertification of the mountainous region, etc. so as to provide a scientific basis for soil improvement and utilization and for the guidance of agricultural production. Some counties (and cities), based upon the results of the soil survey, are conscientiously readjusting their agricultural production structures. [Text] [Yinchuan NINGXIA RIBAO in Chinese 17 Jan 85 p 1] 12726

CSO: 4007/253

BRIEFS

QINGHAI CHINCHILLA FARM--Xining, 19 May (XINHUA)--China's first farm of chinchilla, raised from stock imported from South America, is being built in the Qinghai provincial capital of Xining. The farm will breed 10,000 chinchillas and produce 4,000 to 5,000 high-quality pelts annually. Trial breeding of the rare animal began sucessfully 5 years ago in Xining, which has a cool and dry climate similar to that of the animal's native Andes. Experiments with its breeding in the coastal areas had failed several times. [Text] [Beijing XINHUA in English 0647 GMT 19 May 85]

CSO: 4007/351

OUTSTANDING COTTON DEVELOPMENT TEST REPORTED

Jinan DAZHONG RIBAO in Chinese 17 Jan 85 p 1

[Article: "Shandong Achieves Outstanding Results in Cotton-Yield Development Test with the Application of High-Yield Techniques: 1.01 Million Mu of Testing and Demonstration Cotton Fields Increase Income by 140 Million Yuan Within 3 Years"]

[Text] The development test conducted on extensive cotton farms with the application of high-yield techniques achieved success in our province. It was our province's major scientific and technological key task item sponsored by the Provincial Cotton Research Institute, Shandong Agricultural University, Pingyuan County, and four other counties and cities. An increase of 140 million yuan in net profit was made by the testing and demonstration farm covering 1.01 million mu within 3 years. The sum was equivalent to 147-fold the subsidized fund for science and technology in 3 years.

This cotton developing test aimed at the new situation and new problems in cotton production in Shandong. Its purposes were to fully utilize the present technical forces and scientific achievements, to investigate the patterns and technique of growing high-yield, stable-yield, good-quality and low-cost cotton over an extensive area and to enhance economic results. In these 3 years the units, which had been undertaking various tasks, introduced the planting of high-yield and good-quality varieties on 1.01 million mu of testing and demonstration farms of various types. Various techniques and achievements were comprehensively applied. As a result, the per-mu yield of ginned cotton averaged 167.4 jin, increasing its yield over 70 percent compared with that prior to the test, but decreasing by 40 percent the production cost per jin, and fibre quality was improved. At the same time, the high-yield patterns and technical standards of various types of cotton field were studied and summarized, thus laying the bases for further expanding application. According to the technical appraisal conference held by the provincial science committee recently, such a large-scale and comprehensive study of cotton yield techniques and development is not common in the nation. Its major achievement had a certain promotional value in cotton fields of the same type in the northwest of Shandong and the coastal areas of the Yellow Sea and the Huai Hai. This development testing not only resolved the problems of growing seedlings on the thin-soiled salt marsh and the problems of early germination and early waning, but the "tall, big, empty" problems of cotton plants that were common in the highly fertilized cotton marshy fields were also resolved.

Based on statistics, in the various developing prefectures, the relatively good-quality new varieties, e.g., Shandong cotton No 2, etc., were planted and tested on over 600,000 mu, occupying 60 percent of the total test area. It supplied certain technical reserves in promoting the high-yield, good-quality varieties, e.g., Shandong cotton No 2, etc., throughout the province. Additionally, 40,000 peasant technicians and science and technology leading households were trained in cotton growing techniques.

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CSO: 4007/255

BRIEFS

SHANDONG FLOOD PREPARATIONS--On 9 May, the Shandong Provincial Drought and Flood Control Headquarters held a meeting to call on the people to make early preparations for preventing and combating possible large floods. A weather forecast shows that this summer, our province will have relatively more rainfall, concentrated in June, July, and August. At the same time, some places will suffer flooding and waterloggings. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 9 May 85]

CSO: 4007/351

READJUSTMENT OF RURAL INDUSTRIAL STRUCTURE SURVEYED

Beijing NONGYE JISHU JINGJI [ECONOMICS OF AGRICULTURAL TECHNOLOGY] in Chinese No 2, Feb 85 pp 15-19

[Article by Zhang Xue [1728 7185], Feng Zhenxiang [7458 2182 4382] and Yan Yimin [7051 6654 3046] of the Rural Policy Research Office of the CPC Shanxi Provincial Committee: "Readjustment of the Industrial Structure Is the Basic Measure for Quadrupling Agricultural Output and Making Peasants Well-Off--An Investigation on the Readjustment of the Rural Industrial Structure of Yanbei Prefecture"]

[Text] I

Yanbei Prefecture is situated outside the Yanmen Pass in the northern part of Shanxi Province. Its natural climatic conditions are rather poor and its economic basis weak. Formerly it was known throughout the province and the country as a poor and backward area. Since the 3d Plenum of the 11th CPC Central Committee, through implementing in depth the party's line, principle and policies, stabilizing and perfecting the output-related household contract responsibility system and persevering in launching the readjustment of the rural economic structure, the rural economy has developed rapidly and profound changes have taken place (See table 1).

Table 1. Development of the Major Economic Indices of Yanbei Prefecture

Units: 10,000 jin; 10,000 yuan

(A) 年度 \ (B) 项目	(C) 粮食总产量	(D) 油料总产量	(E) 农业总产值	(F) 农业总收入	(G) 农民人均收入(元)	(H) 工农业总产值	(I) 财政总收入
1978	152939	2317.84	48138	27199.9	87.1	81966	6095.18
1980	154719	5916.5	48435	32399	96.8	94877	6060.5
1983	191460	15241.28	87311	90421	315.6	161719	13253.8
1984年预估 (J)	212698	18053	100000	124749	401.7	193800	15000
1983年比1978年(K)	+25.2%	+557.8%	+102%	+208.2%	+370%	+97.4%	+115%
1984年比1983年(L)	+11.1%	+18.4%	+11.5%	+37.9%	+27.3%	+19.8%	+13.2%

[Key on next page]

Key to Table 1:

A. Year
B. Item
C. Gross output of grain
D. Gross output of oil-bearing products
E. Gross value of agricultural output
F. Gross income from agriculture
G. Per-capita income (yuan) of peasants
H. Gross value of industrial and agricultural output
I. Gross financial revenue
J. Estimate for 1984
K. 1983 compared with 1978
L. 1984 compared with 1983

From table 1, we can see clearly that the indices for the gross value of agricultural output, the gross income from agriculture, the peasants'per-capita income and the revenue of Yanbei Prefecture in 1983 all more than doubled those of 1978, one of eight prefectures in the country to do so. In 1984, the prefecture continued to advance at a relatively high speed. Compared to 1983, the seven economic indices in the table all registered a growth rate of better than 11 percent.

In addition to implementing in depth the party's line, principle and policies since the 3d Plenum, popularizing the output-related household contract responsibility system, and fully mobilizing the enthusiasm of the broad masses of peasants in production, the reason why the rural economy of Yanbei Prefecture is able to develop at high speed is inseparable from the continuous readjustment of the rural industrial structure. Since the 3d Plenum, the whole prefecture has conscientiously summed up the positive and negative experiences and lessons in the development of the rural economy, renewed its understanding of the local natural factors, suited measures to local conditions, given play to its strengths, and gradually changed from the previous unitary production of grain to an all-round development of agriculture, forestry, animal husbandry, sideline occupation and fishery and the comprehensive management of agriculture, industry and commerce, thereby promoting the development of rural commodity production and forming a new industrial structure with coal, forestry, animal husbandry, industry and oil-bearing products as the economic pillars. For details, please see Table 2.

Table 2. Land and Income Structure of Yanbei Prefecture

Units: 10,000 mu; 10,000 yuan

项目 (B) / 年度 (A)	(C) 耕地面积	(D) 其中 (E) 粮油面积占%	(F) 经济作物面积占%	(G) 还林还牧累计面积占%	(H) 农业总收入	(J) 种植业占%	(I) 其中 (K) 粮食收入占% (L)	(I) 其中 经济作物占% (M)	(N) 林业占%	(O) 牧业占%	(P) 工副业占%
1978年	9816	87.4	12.5		27,199.9	69.7	86	14	1.8	2.5	22.4
1980年	977.2	85.4	14.5		32,399	63.2	78	22	1.25	2	32.5
1983年	968.2	80	20		90,421	52.4	68	32	7.3	6.3	33.1
1984年	944	80	20	3.8%	124,749	43.5	64	36	1.2	5.6	45.8

[Key on next page]

Key to Table 2:

A. Year
B. Item
C. Acreage of farmland
D. Of which:
E. Percentage in grain
F. Percentage in cash crops
G. Percentage of the cumulative acreage returned to forestry and animal husbandry
H. Gross income from agriculture
I. Of which:
J. Percentage in crop-growing
K. Of which:
L. Percentage of income from grain
M. Percentage of income from cash crops
N. Percentage of forestry
O. Percentage in animal husbandry
P. Percentage in industrial sideline occupation

Table 2 shows that in the past 6 years, remarkable changes have taken place in the agricultural economic structure of the whole prefecture. In crop-growing, the previous unitary pattern of growing grain on over 87.4 percent of land has been changed to a pattern of growing grain and cash crops. Cash crops and other crops have constituted 20 percent of the farmland, and their percentage of the total income from crop-growing has increased from 14 percent in 1978 to 36 percent. Although the absolute value of the income from grain has increased year after year, its percentage in the gross income from agriculture has dropped from 59.8 percent in 1978 to 28 percent as a result of the all-round development of the rural economy. Conversely, the income from diversified undertakings has increased from 40.2 percent in 1978 to 72 percent. Of this, the income from industrial sideline occupation has increased most rapidly and has constituted a relatively large percentage of the gross income from agriculture, showing an increase from 22.4 percent in 1978 to 45.8 percent. There are 280,000 laborers throughout the prefecture who have left the land without leaving the village. They constitute 37.8 percent of the prefecture's rural labor force, a 2.7-fold increase over 1983. The readjustment of the rural economic structure has effectively promoted the rapid transformation of the rural areas from a closed and self-sufficient and semi-self sufficient economy to a commodity economy. A scene of prosperity has appeared in the rural areas.

II

In adjusting its rural economic structure, Yanbei Prefecture has concentrated primarily on the following five areas:

A. In Light of Local Natural Resources, Develop Strengths and Avoid Weaknesses, Exploit Superiorities and Select a Breakthrough Point for the Readjustment of the Industrial Structure

Although Yanbei Prefecture has relatively poor natural ecological conditions, it has a vast area with abundant coal and mineral resources. These are two major strengths. The whole prefecture has some 9.8 million mu of farmland, or 5 mu per capita. It has some 20 million mu of barren slopes which are suitable for forestry and animal husbandry, or 10 mu per capita. Of the prefecture's 13 counties, 10 have coal resources and favorable factors for developing diversified undertakings. Since the 3d Plenum of the 11th CPC Central Committee, the party committees at various levels of Yanbei Prefecture have emancipated their thinking, renewed their understanding of the local natural resources, and focused on these two major strengths in seeking a point of breakthrough. Those counties which have coal have developed coal mines jointly operated by the communes and production brigades. Those counties which do not have coal have developed the superiority of the vast land by readjusting the ratio between grain and cash crops in crop-growing, and expanding the acreage of cash crops. At the same time, they have vigorously developed the breeding business, forestry and fruit-growing and other industrial sideline undertakings, and have increased their income through diversified undertakings. Zuoyun County, long famous as a "barren land," has, since late 1978, adopted the principle of "unified planning, rational planning, joint operation and sharing of results." In light of its abundant coal resources, it has organized 10 communes which do not have coal to jointly operate commune-production brigade coal mines with 4 communes which have coal. In just 1 year, the county has set up 22 commune-production brigade coal mines, producing a total of 1.29 million tons of raw coal. In the last few years, 44 joint village coal mines have been set up, with an annual coal output of 4.5 million tons. Using coal as the point of breakthrough has also brought along the sustained development of the transportation business, the building materials industry and the processing industry. In 1984, the income from industrial sideline occupation of the whole county increased from 5,265,000 yuan in 1978 to 50.08 million yuan, a 9.5-fold increase. Its percentage of the gross income from agriculture also increased from 43 percent in 1978 to 54.7 percent. The per-capita net income of the peasants throughout the county has reached 810 yuan.

In 1984, greater development has again been made in the small commune-production brigade coal mines. There are 235 small commune-production brigade coal mines throughout the prefecture, with the capacity of yielding 12.50 million tons of raw coal. The income from this constitutes 17 percent of the gross income from agriculture. The per-capita net income of several counties which have coal, namely, Beiren, Shanyin, Suoxian and Pinglu, has gone up to over 500 yuan. This has brought about a new state of an all-round and balanced development of agriculture, forestry, animal husbandry and sideline production. For several years, in Zuoyun County, the county and village levels have put 7.57 million yuan in support of agriculture, forestry and animal husbandry. In 6 years, grain has increased 1.8 fold, and oil-bearing products have increased 3.14-fold. Some 800,000 mu of trees have been planted, with the rate of forest coverings at 44 percent. The income from animal husbandry has increased 23.3-fold. The average annual increase of the gross value of industrial and agricultural output, the gross value of industrial output, and the gross value of agricultural output have all averaged over 21 percent in the past 6 years. Financial revenues have increased by more than 8-fold, with an average annual increase of 41.6

percent. In line with its local conditions, Ying County, which does not have coal resources, has exercised its advantage of a large labor force, vast land and a wide variety of agricultural sideline products by expanding the percentage of cash crops in crop-growing by readjusting the acreage of cultivation from 8.8 percent previously to 25 percent. The percentage of cash crops in the gross income from agriculture has gone up from 16.5 percent to 21.4 percent. The percentage of income from forestry and animal husbandry has gone up from 2.1 percent in the past to 6.2 percent. The percentage of income from industrial sideline occupation has gone up from 19.8 percent in the past to 34 percent. Per-capita income in 1983 reached 328.5 yuan. In 1984, it reached 427 yuan. In light of the needs of the city, Datong County, which is near Datong City, has vigorously developed the construction industry, building materials industry, and food processing as well as transportation and labor service. While a large number of laborers have left their land, this has served to concentrate the farming experts on the land; 195 major specialized households in commodity grain, producing and selling over 100,000 jin of grain, have appeared, most of which are 10,000 yuan-households. Facts have proved that one can become well-off as long as one grows grain on a definite scale.

B. Determine Easily Salable Products and Develop a New Industrial Structure According to Local Resources and Market Demand

Yanggao County is situated at the juncture of Datong City, Nei Monggol and Hebei. Its railways and highways extend in all directions. This county has a lot of land and good water conservancy factors. Historically, it is accustomed to growing vegetables and fruit trees, raising hogs and operating processing industries. In light of these superiorities and a market situation which has manifested a need for large volumes of vegetables, fruits, meat and eggs by the surrounding cities, it has designated hogs, vegetables, fruits and products from the processing industry as its salable products and has taken these and the related processing industry as the pillars in developing a new industry. In 1984, there were 14,000 mu of vegetables in the whole county, with a gross output of 100 million jin. Besides signing a contract to sell 50 million jin to Beijing, the vegetables were sold to Hebei, Nei Monggol and Tianjin. There were 23,000 mu of beets, with a gross output of 47.75 million jin. The income from the two totaled 8.4 million yuan, constituting 14.9 percent of the gross income from crop-growing. Forests for economic use totaled 3,400 mu, with a total of 8.18 million jin of fruit products, yielding an income of 1.63 million yuan. A total of 150,000 hogs were raised, yielding 9 million yuan in income, constituting 48 percent of the gross income from animal husbandry. It is estimated that the income for the whole year from industrial sideline production, which takes processing as the key, will total 44.04 million yuan, constituting 39.4 percent of the gross income from agriculture. The above four salable products will yield 62.08 million yuan for the whole year, constituting 56.4 percent of the gross income.

The differing superiorities in resources of the various places will determine the differences in salable products. Throughout the prefecture, the policy of emphasizing salable products and stimulating the prosperous development of commodity production in all undertakings has been preliminarily established. Zuoyun and Pinglu have exploited their advantages of vast land resources,

abundant coal resources and suitability in forestry, animal husbandry, oil-bearing crops production and sideline production, and have taken coal, oil-bearing crops and livestock products as their salable products. Ying, Shanyin and Datong counties have fully utilized their vast alkaline soil and have regarded grain, beets, sunflowers, hogs and dairy cattle as their salable products. Focusing on development of salable and leading products, the various places have also launched in a planned manner the building of bases in order to further coordinate the flow of manpower, funds and technologies, further enlarge the scale and scope of business, and gradually lay a foundation for specialized and commercialized production. Focusing on the four major salable products, Yanggao County has designated 10 bases for commodity grain, beets, oil-bearing products, almonds, grapes, hog raising, timber forests, herbs and vegetables. Preliminary results have been obtained. Many specialized villages are also commodity production bases. Large numbers of "integrated households" with a higher degree of specialized production have given play to their role as the core in the development of salable products and the building of bases. In 1984, the number of "two households" in the whole prefecture totaled 210,000, constituting 38 percent of the total number of peasant households. The gross income of the "two households" constituted 50 percent of the prefecture's gross income, with a commodity rate of over 60 percent. They have promoted the development of the newly-rising industries.

C. Maintain Our Foundation of Long-Term Strategic Principles, Vigorously Develop the "Short-Line" Industries--Forestry And Animal Husbandry--Improve Our Ecological Environment, and Promote Harmonious Development Among Agriculture, Forestry, and Animal Husbandry

The natural climatic conditions of Yanbei Prefecture are poor, and are very windy and dusty. There are many barren hills and slopes. The development of forestry and animal husbandry has thus embraced a special significance for this place. Since 1979, the whole prefecture has planted 3.94 million mu of forests, more than the sum total of the area of afforestation in the 30 years prior to 1978. A total of 125 million trees have been planted on all sides. The forest-covered areas have constitute 24.4 percent of the total area of the prefecture. The gross income from animal husbandry has totaled 126 million yuan, doubling that of 1978. With the development of forestry and animal husbandry, wind and sand have reduced in scale, the climate has improved, fertilizers have become more abundant, and agricultural production has also continuously improved. With the increase in agricultural, forestry and livestock products, the processing industries for timber, fur, meat and dairy products have also developed, and the economic results in agriculture have improved.

Situated at the foot of the Great Wall where the land is vast and the population sparse, Youyu County is very windy and dusty with undulating hills. In 1983 and 1984, it planted 410,000 mu of forests, or 5 mu per capita. The cumulative area of forests totaled 1.54 million mu, constituting 52.2 percent of the total area of the county. This county became the first in the whole province where its barren hills and barren slopes suitable for afforestation were basically forest-covered. In 1984, the income from forestry for the whole county more than doubled that of 1980. In 1983 and 1984, 270,000 mu of land were switched from farming to grass-growing. Over 34,000 head of draft

animals, with cattle as the key, were developed, with an average of 1.7 head per household. In 1 year, over 1,000 beef cattle were sold. The whole county had over 1,400 dairy cattle; 106,000 sheep, with an average of 5.3 sheep per household; 31,000 hogs; and 70,000 rabbits. The income from animal husbandry constituted 18.2 percent of the gross income from agriculture. In 1984, the gross output of grain surpassed 100 million jin. The gross output of oil-bearing crops was registered at 16.45 million jin, with some 200 jin per capita. The gross income from agriculture was 56.85 million yuan, with a per-capita income at 370 yuan. A situation of mutual promotion and harmonious development among agriculture, forestry and animal husbandry has been preliminarily formed. In the last few years, Shanyin County has implemented the principle of "developing agriculture and animal husbandry simultaneously and exchanging grain for milk," and has encouraged the peasants to develop dairy cattle. The state, the collective and the individual have launched the work together and emphasized all three aspects of production, processing and sales. In 1984, the number of cattle in shed throughout the county totaled 5,400, 3.5-fold more than 1978. A total of 15 million jin of fresh milk and 350 head of beef cattle were sold. The gross income from dairy cattle was 4.8 million yuan, 31.4 percent of the income from animal husbandry and 2.3 percent of the gross income from agriculture. Through raising dairy cattle, the whole county has converted 15 million jin of grain into 40 million jin of straw. In 1983, some 5 million jin of corn were allocated from the province. The straw from corn was all used as feed for cattle.

D. Rely On Local Resources, Import Funds, Technology, and Skilled Personnel, Vigorously Set Up Village And Township Industries, and Open Up a New Realm for Rural Commodity Production

Yanbei Prefecture has abundant mineral resources and a complete variety of traditional handicraft industries. Since the 3d Plenum of the 11th CPC Central Committee, we have emphasized the work of developing the rural areas as an important aspect in the readjustment of the rural economic structure, and have enabled this new industry to develop prosperously. By the end of September 1984, the whole prefecture already had over 47,000 village and township enterprises, with over 220,000 employed personnel. The gross output value fulfilled was over 530 million yuan, which would reach 600 million yuan by the end of the year. This constituted over 50 percent of the gross value of agricultural output. These enterprises have basically formed a "ladder-type" structure with small-scale household self-run enterprises and jointly-run enterprises as the basis and village-run enterprises as the core. In over 47,000 village and township enterprises throughout the prefecture, 2.5 percent were run by the small towns, 13.95 percent by the villages, 9.6 percent jointly by households, while 73.95 percent were run by the households separately. The statistics of Yanggao County show that, from January to September, the village and township enterprises have made 15,286,000 yuan in profits. Of this, household, joint, village and small-town enterprises constituted 40 percent, 23.9 percent, 25 percent and 10.9 percent respectively. A total of 1,081,800 yuan in taxes was delivered to the state. Of this, the household, joint, village and small-town enterprises constituted 39.5 percent, 25 percent, 18.2 percent and 17.2 percent respectively. The 10,000-yuan households and the 1,000-yuan per-capita households basically all came from the household and joint enterprises. These enterprises were

generally run by personnel who knew technology and who were good at management. The management cost was low and the capital input-output rate was high, the production cycle was short, and adaptability was high. These enterprises were able to select and change their products without delay in light of society's needs and market supply and demand. They were highly influential over and very attractive to the surrounding peasants. Generally, one or several able personnel were able to lead many. The peasants in the villages would follow them or take part in the enterprises which they ran. They have played a very major role in solving the outlet for surplus labor force, promoting the division of labor among specializations and concentrating the land among the farming experts.

E. Adapt to the Development of Commodity Production and Vigorously Develop a New Industry With Service Trades as the Center

Proceeding from its realities, Yanbei Prefecture has continuously studied the new situations and solved new problems. Focusing on commodity production, it has vigorously developed the service trades and made the readjustment of the economic structure more complete, harmonious and rational. Concentrating on the production, transport and sales of the salable products, Yanggao County has set up complementary service trades as well as subsidiary industries. In order to solve the dilemma of an unbalanced supply and demand in brisk and slack market seasons, the county has built 412 state-run, collective and individual cellars for storage and developed over 500 specialized households for storage, with a total storage capacity of over 5 million jin. In addition, the county has mobilized 749 technologically-equipped specialized households and some 2,100 people to weave baskets to be used in sending 50 million jin of vegetables and a large amount of fruits and vegetables to other places for sale. This effort alone has produced an income of over 500,000 yuan for the whole year. Focusing on the marketing of salable products, the whole county has also set up an information network, a sales network and a technological network, set up 11 service companies including agricultural economics, water conservancy, vegetables, and livestock and poultry insurance, to render service with compensation. Over 1,000 full-time and part-time people constitute an information rank. In addition, 1,970 specialized households in transportation, 1,289 specialized households in sales promotion, and 649 specialized households in catering and service trades have been formed. According to statistics, there are already 9,257 service organizations of all kinds, 7,119 specialized households in the service trades, and over 5,000 peasant information personnel throughout the prefecture. These service organizations carry out cooperation both horizontally and vertically and involve all realms and sectors of the countryside. They occupy an increasingly important position in the entire agricultural economic structure.

III

Definite results have already been scored in the readjustment of the industrial structure in Yanbei Prefecture. However, this is only the beginning. A large-scale readjustment of the industrial structure is to follow. First, in 1984, per-capita grain in Yanbei Prefecture was 876 jin, slightly higher than the national average. There were roughly 300 million jin of grain throughout the prefecture which could not be transported out. At the

same time, certain agricultural sideline products, such as vermicelli and noodles, sunflower, Codonopsis pilosula and aniseed, are unmarketable with a large volume in stock. All these have put forth problems for us to further readjust the internal structure of agriculture and to strengthen macroecnomic guidance. In light of this situation, the prefectural party committee and the various counties have planned to: First, expand the acreage of wheat and reduce the quantity of purchase from outside. Tianzhen, Yanggao and Datong are suburban counties suitable for growing wheat. A plan for expanding the acreage of wheat has been made. Second, cash crops will be arranged according to society's needs and market supply and demand, and will not be expanded blindly. Third, the portion of land that is withdrawn from farming will be returned to forestry and animal husbandry. Fourth, grain will be converted into meat, milk and eggs. If we emphasize properly these four aspects, we will solve very easily the present temporary phenomenon of "difficulty in selling grain" and unmarketability of certain agricultural sideline products. Yanbei is large in size and has relatively good water conservancy conditions. There is still a very great potential for grain production. With the development of animal husbandry and the processing industry, we must not only relax on grain production, but must continue to develop it. Whether in the mountainous areas or on the plains, Yanbei Prefecture is well-equipped for developing dairy cattle. There are also very bright prospects for developing animal husbandry. These are all important aspects of the further readjustment of the industrial structure.

Second, the village and township industries, which take mining, communications and transport, construction and building materials industries and processing industries as the key, are the leading industries throughout the prefecture for doubling output. We should continue to emphasize them and accelerate the pace of their development. The processing industry involving livestock products is a particularly weak link. With the development of animal husbandry, the comprehensive processing and utilization of livestock products must be promoted. Otherwise, animal husbandry will not develop swiftly and may even diminish in scale.

Third, with the continuous development of the specialization and commercialization of agricultural production, higher and higher demands have been made on social services. Some peasants will continue to leave their land for the tertiary industries. At present, the pre-production, inter-production and post-production service work throughout the prefecture has become more and more acutely unsuitable for agricultural production. The leadership at various levels and the broad masses should attach great importance to this and emphasize the development of tertiary industries as a task in the readjustment of the rural industrial structure.

Fourth, the readjustment of the industrial structure is a relatively complex task which should be carried out simultaneously with reform of agricultural technology. In order to accelerate the progress of readjustment we should stipulate corresponding industrial policies, which include investment and support policies, in line with local conditions. We should also take concrete steps which are practical and realistic. The various sectors should unify thinking and cooperate in carrying out service work well. The various comprehensive reforms at the county level must follow accordingly.

Summing up the situation of Yanbei Prefecture, at present the development of the rural economy has already entered a new stage. With the development in depth of the rural reform and the further readjustment of the industrial structure, it is entirely possible to realize the goal of quadrupling our output ahead of schedule.

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CSO: 4007/312

SICHUAN'S YANG RUDAI STRESSES ROLE OF AGROSCIENCE

HK170223 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 17 May 85

[Excerpts] According to SICHUAN RIBAO, in mid-May Yang Rudai carried out investigation and study in Qionglai and Pujiang counties, and then investigated the provincial agricultural science institute on his return to Chengdu. He held a forum with agricultural scientists and technicians, during which he said: In recent years we have mainly depended on popularizing hybrid rice to increase grain production. Rice yields over large areas have now risen to 800 to 900 jin per mu. Such a momentum of steady development cannot be maintained without breakthrough measures. The agricultural research departments must produce new strains and strive for new breakthroughs in strains and crop quality.

Yang Rudai said: Wine, pork, rapseed, tangerines, and coccoons are key products of Sichuan. There are now markets for all these products, except coccoons, and sales outlets are very good. We must do everything possible to improve product quality.

He said: Sichuan is a vast place with great potential for developing aquatic products and livestock. Leaders at all levels and the departments concerned must devise ways to make some breakthrough in these two weak links in not too long a time.

CSO: 4007/351

SICHUAN ISSUES REGULATIONS ON LAND MANAGEMENT

HK280245 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 28 May 85

[Excerpts] The provincial people's government issued a circular on 24 May demanding that the province strengthen land management and immediately curb indiscriminate occupation and use of farmland. The circular made the following points:

1. The government at all levels must place land management work in an important place on the agenda, correctly handle the relationship between invigorating the economy and strengthening land management, strictly enforce the system of examination and approval for occupation of land, and extensively publicize the laws concerning land.

2. The province must strictly observe the procedures for examination and approval of land occupation. It is reiterated that only government at and above county-level has the right to examine and approve land requisition. Government below county level has no such right.

3. In the wake of the readjustment of the rural production structure and the development of urban and rural commodity economy, some land will have to be occupied in establishing and building township enterprises, roads, and small towns. However, this must be done in an economical way and its scale must be strictly controlled. Applications for approval must be submitted according to the regulations.

4. People's government at and above county-level and prefectural commissioner's offices must establish land management organs [words indistinct].

CSO: 4007/351

SURVEY RESULTS ON AGRICULTURAL PRODUCT FAIRS REPORTED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 12, 23 Dec 84 pp 9-13

[Article by Zuo Zhaoyi [1563 2507 3015] of the Agricultural Economics Department of Xinan Agricultural Institute: "A Survey of Agricultural Product Fairs in Chongqing City"]

[Text] I. The Vast Prosperous Scene of Agricultural Product Fairs

Chongqing City is one of China's seven major cities, situated at the junction of the Chang Jiang and the Jialing Jiang, and at the starting point of the Xiang-Yu, Cheng-Yu and Chuan-Dian Railways, at the starting point of the Nan-Yu, Da-Yu, Cheng-Yu, and Chuan-Dian Highways, giving it smooth, convenient land and water transportation, and making it a place of strategic importance in the southwest and the economic center of the upper reaches of the Chang Jiang. From ancient times, it has been the commodity distribution center for Sichuan, Yunnan and Guizhou. The central districts of Chongqing have a population of 450,000, and together with the close in and further out suburbs, the total population is about 2 million. Since lifting the restrictions on agricultural product fairs, the scale of fairs in Chongqing City has grown from small to large, the quantity of agricultural, sideline and special local products that have gone on the market has grown from few to many and the management methods have expanded from peasants themselves selling what they produce to the large-scale transport of goods for sale. Agricultural, sideline and local specialty products are brought together from villages along the rivers, railways and highways and from districts outside the province to Chongqing's agricultural products fairs for exchange, and every day in the city close to 50,000 peasants sell animatedly at the agricultural product fairs. In the city's central district, the amount of agricultural and sideline products on sale has increased from 69 million jin in 1981, or 150 jin per capita, to 76 million jin in 1982, or 165 jin per capita and a 10.14 percent increase over 1981; to 116.12 million jin in 1983, or 253 jin per capita and a 52.78 percent increase over 1982. The volume of sales for agricultural and sideline products for sale was 31 million yuan in 1981, or 67 yuan per capita, equal to 10.95 percent of the total volume of commodity retail sales in the city's central districts; in 1982, the figure increased to 36.89 million yuan, or 80 yuan per capita, and equal to 10.7 percent of the total volume of commodity retail sales in the city's central districts, and a 19 percent increase over 1981; in 1983, the figure reached 116.12

million yuan, or 116 yuan per capita, and equal to 14.77 percent of the total volume of commodity retail sales in the city's central districts. In 1983, 174 jin per capita of vegetables were on sale, equal to about 45 to 60 percent of the amount supplied by the state-run vegetable companies in the city's central districts (that is, the planned market supply). In 1983, about 35 jin per capita of meat and eggs were on sale, equal to 30 to 50 percent of the state planned market supply. In 1983 about 24 jin per capita of dried and fresh fruit was on sale, equal to 60 to 70 percent of the state planned market. The commodity trade situation for the city's agricultural product fairs in eight districts in 1983 was: the amount of agricultural and sideline products on sale in the seven major categories of grain, oils and fats, tobacco and hemp, meat and eggs, aquatic products, vegetables, and dried and fresh fruits was 403.77 million jin or 208 jin per capita; the total sales volume for products on sale (15 major categories) was 162.75 million yuan or 84 yuan per capita.

The above situation shows that after the countryside implemented the production responsibility system, there was swift development of production. In particular, there was fairly large growth in commodity agricultural products, so they were able to supply the cities with 100 million jin of agricultural and sideline products and satisfy the consumption demands of urban people. And in turn, peasants used the money and funds from transporting and marketing their agricultural and sideline products to buy back from the cities their means of production and daily necessities, and so expanding reproduction and improving their lives. It can be seen that the city's agricultural product fairs play a role in interchange between city and countryside, mutual help between city and countryside and the common economic prospering of both city and countryside.

II. The Structure of Agricultural Product Fairs

A. Comprehensive Agricultural Product Fairs

The commodities of large city agricultural product fairs are primarily to satisfy the daily necessities of life needed by urban workers, staff and residents. Most of the agricultural product fairs in Chongqing City are the comprehensive type, that is, they have all sorts and varieties of commodities. More than 90 percent of the commodities for sale are purchased by the family members of workers, staff and residents. Viewed from the quantity of goods for sale, the order of rank is vegetables, meat and eggs, dried and fresh fruit and aquatic products, etc. The specific situation is as follows:

Vegetables: Although state vegetable shops have supplies, they are mainly to supply large quantities to the collective dinner halls of institutions, factories, mines and organizations; they are able to supply relatively little to city people, and moreover, they do not have much variety. The freshness and tenderness, tidiness, color and variety of the vegetables of the agricultural product fairs, their convenience and freedom of selection are all welcomed by consumers. Scarce varieties, such as Chinese chive flowers, sword beans, young soy beans, plains mushrooms, wild mushrooms and other items that the planned market does not have can be bought at agricultural product fairs.

Meat and eggs: Within the meat category, pork was originally planned and supplied by state-run foodstuff companies, but now the amount supplied by the agricultural product fairs is equivalent to 30 to 50 percent of that supplied by the planned market, and most of this is fresh meat and the masses happily purchase it. The beef foodstuff companies only meet the needs of the Moslems and Moslem restaurants, and so urban residents can only buy from the agricultural product fairs. The chickens, ducks and geese in the domestic poultry category are mainly supplied by the agricultural product fairs, and the planned markets, basically, do not sell to city residents. In the egg category (chicken, duck and goose eggs), state-run commerce supplies them through assigned purchases primarily to regulate market prices. Extremely large quantities of eggs are supplied by agricultural product fairs.

Dried and fresh fruit: The state has fruit companies for planned supply, but the agricultural product fairs also supply considerable quantities of fresh fruit. The state-run companies have little of some varieties, like bananas, cherries, loquats, longans and litchis, but the agricultural product fairs have no lack of them. Moreover, their fruit goes on sale early, matures slowly and there are many varieties. For example, in June of the following year, agricultural product fairs still had stored Guanggan oranges on the market.

Aquatic products: Fresh fish is supplied primarily by the agricultural product fairs. Only ocean products (like the hairtail) are organized and supplied by the state-run aquatic product companies, thus providing a mix of varieties.

Grain: In recent years, there have been bumper grain harvests and there have been large quantities of husked rice on the market at the agricultural product fairs. For example, when the agricultural product fairs' sales of Shaping Bashuang brand are highest, they reach 400,000 jin.

And the agricultural product fairs have other things, such as fats and oils, tobacco and hemp, articles of daily use, means of production, industrial products, flowers and trees, birds, fish and insects.

Because agricultural product fairs supply abundant sideline products and foodstuffs, they thereby change the food structure of urban people, raise the people's standard of living and strengthen the people's physical constitution; rare flowers and exotic trees beautify the city, gold fish and sparrows contribute to the spiritual lives of the people. In sum, urban agricultural product markets play a progressive role in the material culture and spiritual culture of the city.

B. Specialized Wholesale Markets:

With the development of rural commodity production and the spread of urban agricultural product fairs, some agricultural, sideline and local specialty products have gradually been separated out from the comprehensive markets and placed in specialized wholesale businesses due to the special characteristics of the products themselves and of consumer demand.

The very first wholesale market to be established was the Shaping Bashuang Xiangzi Wholesale Fruit Market. This is the classic model specialty wholesale market in Chongqing City. It handles relatively many varieties of fruit and it is also one with a rather large scale of management and fairly good management results. Those who come for transport and sale include state and collective work units and peasants. As for the origins of the fruit, the farthest ones are the persimmons and walnuts from Shaanxi's Zhenba, the Zhaotong pears and Hekou bananas of Yunnan and Hebei's Yali pear; within Sichuan, there are Nanchong's Guanggan oranges, Kangding's apples, Aba's Jinchuan pears, Wanxian's lemons and the longans and litchis of Huzhou. It broke provincial and local boundaries, cleared out channels and goods now flow smoothly.

Next was the bamboo and wood products and vegetable wholesale market at Caiyuanba. Most of the goods come from specialty counties on the upper reaches of the Chang Jiang which abound in bamboo and wood and which process bamboo and wood products and from communes and brigades along the river which produce the vegetables which are sent in along the river. The very large supply of these goods requires wholesale business and that they be distributed as quickly as possible. From the last third of May 1983 to the first third of June, villages along the railroad put from 60,000 to 100,000 jin of tomatoes up for sale every day and from here, they were distributed wholesale to neighboring prefectures and counties.

The next was the Chaoqianlu Egg and Fruit Wholesale Market. This was to deal with the large amounts of chicken eggs and fruit brought to Chongqing for sale from specialty counties on the lower reaches of the Chang Jiang and the upper reaches of the Jialing Jiang by steamship and automobile. The eggs and fruits are shipped to Hong Gang, then distributed from the Chaoqianlu Wholesale Market and then distributed to consumers through retailers. In 1983, it handled 11 million jin of fruit and eggs. Each day, 3,000 to 5,000 jin of duck eggs are on sale and in the busy season, this can reach 10,000 jin.

To meet urban needs, we also opened a flower, bird, insect and fish specialty market on Gongyuan Lu, and also opened a grain specialty market at Mitingzi and a medicinal materials specialty market at Yangziba.

C. Agricultural, Sideline and Local Specialty Product Trade Center

With the ever-increasing development of rural commodity production, ever-expanding urban trade fairs and the ever more frequent exchange between city and countryside, we broke through local boundaries, and brought the city in contact with commodity exchange of markets outside the city, outside the province and even international markets. Chongqing has already become the economic center of the upper reaches of the Chang Jiang in the southwest region. Agricultural product fairs meet these economic development needs, and the agricultural, sideline and local specialty product trade center, then, emerged as the times required. Its task is primarily to develop purchasing agencies, marketing agencies, storage agencies and transportation agencies, and there are also joint purchases and joint marketing, joint purchases and separate marketing, exhibit displays and independent purchasing and marketing. The scale of business includes dried nonstaple foodstuffs, dried and fresh fruit,

starches, seasonings, sugar, tea, tobacco, liquor, oils, foodgrains other than wheat and rice, meat products, ocean products, candied fruits, confections and canned foods. Demand is geared toward the southwest, connects with the whole country and gradually is striving to enter the international market. Since they set up the center in July 1983, they have had dealings with 777 work units and contact with 27 provinces, municipalities and autonomous regions, and business results have been very good. They will also set up an information [and] service exchange center.

D. Trade Warehouses

In the past, when some of Chongqing's specialty companies had warehouses, they were mainly in business to serve only those specialty companies. Along with the flourishing of urban agricultural product fairs, some specialty companies used the advantageous conditions of their own work units to establish simple warehouses to make transporting goods for sale more convenient for the peasants. For example, the Xiaolongkuai Vegetable Co ran an agricultural product warehouse and the residential sector of Chaotianmen had a depot for agricultural and sideline products. To meet the needs of rural commodity production development, the prospering of urban trade fairs and of the urban development of Chongqing's economic center, Chongqing City has decided to plan and construct a Chongqing Municipal Trade Warehouse for supply and marketing companies and for local products companies. The direction and tasks of their activities will be to uphold the thought of "service first," develop horizontal economic relations, create a collection, distribution, purchasing and marketing network, take responsibility for shipping out products and for shipping in outside commodities, help promote the exchange of materials between city and countryside and between the city and the outside and give full play to the role of the central city; they also want to set up various kinds of information networks.

E. Industrial Trade Center

With the development of rural commodity production, agriculture realized the comprehensive management of agriculture, industry and commerce, peasant buying power greatly increased and the scope of material exchange between the city and countryside expanded. To meet the needs of this situation and the reform of Chongqing's economic system, an industrial trade center emerged as the times required. It was an excellent form for promoting commodity circulation. It was formed to depend on the six major specialized companies of general merchandise, textiles, knit goods, hardware, telecommunications and the chemical industry. It develops self-management of the "four agent" professions (purchasing agents, marketing agents, storage agents and transportation agents). Since its establishment, foreign traders have also come to hold business talks. It will become the pivot of industrial trade between the city and countryside, inside and outside (domestically, for Sichuan and other provinces, and also in foreign trade) and will play a very major promotional role in developing a market for Chongqing's industrial products and enriching the economy of the southwest.

To sum up, the structure of Chongqing City's agricultural product fairs includes a trade center for agricultural, sideline and local specialty products and also

an industrial trade center, which constitute a great industrial and agricultural trade center. In addition, there are also various kinds of comprehensive agricultural product fairs and specialty wholesale markets. The two combined are the special feature of Chongqing's new economic center. They reflect more kinds of economic components, more kinds of economic forms, more channels and fewer links, forming an economic trade network. And their overall objective is to enliven the urban and rural economy, do well with circulation inside the city and outside, promote urban and rural economic prosperity and create a new situation for Chongqing's economic center.

III. The Facilities and Management of Agricultural Product Fairs

When the ban was first lifted on agricultural product fairs, they had no space, but all carried on trade under eaves or at the side of the road. With the development of urban agricultural product fairs, they rationalized the distribution of agricultural product fairs and constructed some market facilities, like building all-weather sheds and commodity sales counters, installing electric lights and running water, setting up public scales and developing simple services (such as temporary care of goods and rental of bedding and winter clothes, etc.).

After the development of agricultural product fairs, it was necessary to implement necessary and appropriate management of the fairs. Agricultural product fairs are under the management of the municipal industry and commerce bureau, and each district also has its own district industry and commerce bureau. The bureaus have set up municipal management departments, and below the bureaus, they have set up municipal management offices. The management offices select the personnel to manage the fairs, and one of their roles is to accept fees and taxes and another is to supervise order and cleanliness. These workers are chosen from among the activist elements of retired workers and from urban youth who are waiting for employment, and their wages are paid from the municipal management fees. Their work (to take Caiyuanba as an example) consists of the "six supervises," that is, supervising the personnel at the market, the varieties on sale, commodity prices, sanitation, order and service, in order to do well with market management work. And among working personnel, they have carried out the "six settles," that is, deciding personnel, posts, tasks, shifts, times and areas of responsibility.

In the administrative work of reconstructing the market in Beibei district, the past practice of having the Industry and Commerce Bureau in charge with the tax department assisting was changed to a system where the industry and commerce, tax, public security, urban construction, sanitation and transportation work units jointly organized an overall administrative office for the unified administration of the market. Implementing the three unifications--unified planning of a street peddler market, unified inspections of economic activities and unified study and handling of the breaking of rules and regulations--brought about calm and prosperity.

IV Several Problems Worth Attention and Urgently Awaiting Solution

A. Further Develop Commodity Production and Promote Even Greater Prosperity in the Urban Agricultural Product Fairs

Although there has been a fairly large increase in Chongqing City's commodity rate for agricultural production, seen from the quantity of commodities in the agricultural product fairs, the amount of some varieties for sale is fairly small, with a potential for expansion and these should be energetically developed.

Sichuan has much mountainous land, abundant grassy plains, and has the conditions for developing grass-eating animals; it also has a fair amount of ponds, reservoirs and paddyfield water surface for raising fish, and there is still potential for this. However, in developing commodity production there are some problems that urgently await solution and which are worth our attention. For example, beef and mutton goes on the market after farm animals die of weakness and old age and there are still not many people who use our grassy mountains to raise beef cattle; as for goats, the state only purchases their skins and not their meat; the purchase price for rabbits is not rational; epidemic prevention and treatment work has not kept pace; and we need to implement the responsibility system for fresh and living aquatic products and actively develop the aquatic product industry.

B. Do Well With Communication and Transportation, Promote Commodity Circulation

The commodities of Chongqing's agricultural product fairs come from all directions and manpower, bicycles, rubber-tired carts, motor vehicles, boats and airplanes all take part in transportation. Some communication departments have also opened up new routes and increased their number of cars for carrying agricultural goods. In addition, some peasants themselves have purchased motorized vehicles for transportation. In sum, there are many forms that deserve to be called a union of the state, collective and individual forging ahead together to develop water, land and air transport, and so promoting commodity circulation between city and countryside. However, peasants have strong views about certain transportation fees in the transport process. This is particularly true of the wide variety of fees for the transport and marketing of retail agricultural and sideline products. Communication and transportation departments should maintain just and rational fees. They should ban the unfair practice of collecting fees by concocting various pretexts.

C. Solve the Problem of Temporary Storage and Overnight Quarters for Peasants Who Bring Their Commodities into the City

Since ancient times, there has been the custom of "goods arriving at the dock and the people staying at an inn." Yet at present, when peasants bring agricultural products into the city to sell, there is no place to store their commodities and the people have no place to spend the night. Some inns use the first floor and the corridors for convenient temporary storage and liberally open up for peasants to stay. This is a very good thing but it comes far from meeting the need. Large cities must make plans for peasants to leave their

goods in storage temporarily and for them to stay, and first, they must quickly construct some simple warehouses and inns. To solve the problem, funds can be taken from the markets administrative fees or we can adopt the method of having local people run them with a subsidy from the state.

D. Solve the Space Problem for Agricultural Product Fairs

Chongqing City's agricultural product fairs at present adopt measures to local conditions and use sidewalks and back streets (not major roadways), flights of stairs and other narrow places. Their capacities are small and not able to meet the demand. We feel that the scale of agricultural product fairs should be expanded, there should be more variety, and they should engage in both retail and wholesale business. Other professions could also open up shops and do business centered on the agricultural product fairs, develop various kinds of services for agricultural product fairs, and in this way, both be more convenient for those who transport goods for sale and also be more convenient for consumers.

E. We Must Carry Out Sanitation Inspection of the Agricultural, Sideline and Local Specialty Products That Are For Sale

The commodities at the agricultural product fairs come from all directions and most are either fresh or living commodities which have been brought for sale over long distances, and because we lack facilities for guaranteeing freshness, it is difficult to keep foodstuffs from going bad. In addition, there are also unlawful elements who have infiltrated and are posing as legitimate. Consequently, we must implement the necessary quarantines. And in quarantines, we must guard against the phenomenon of concocting various pretexts for collecting fees.

F. Develop Credit Work for Agricultural Product Fairs

After restrictions were lifted on agricultural product fairs, large amounts of money were shifted from the hands of consumers into the hands of the peasants [and those] who transported the goods for sale. Banking departments should actively attract this money and withdraw it from circulation, so that money will be put into the expansion of reproduction; they must guide peasants in using this money to purchase daily necessities, expanding markets for urban industrial products and promoting interchange between city and countryside; they must transact trade remittance work, speed up the turnover of funds and promote commodity circulation.

G. Do a Good Job Supervising Prices at Agricultural Product Fairs

The business transactions of agricultural product fairs follow the market, with negotiated purchases and negotiated sales. The factors affecting market prices are determined by the supply and demand relationship of the commodities. With adequate sources of goods and abundant supplies, prices are low; but with shortages in the sources of goods and inadequate supplies, prices go up. The fundamental methods for stabilizing the prices of agricultural product fairs are to actively develop commodity production and to do well with commodity circulation;

at the same time, we must process and store agricultural products locally and carry out seasonal adjustments, so as to balance supply and demand and so spur on price stabilization. Yet, we must also gather data and do research and analysis on market prices, giving more specific supervision and we must attack those who engage in speculation and profiteering and who drive up prices. State and cooperative commerce departments should take part in market town trade and truly give full play to their role in stabilizing prices.

H. Actively Train Qualified Market Administration Personnel

With the lifting of restrictions on agricultural product fairs, their development and the expanding scope of their economic activities, the market's economic problems have also become more complex and require strengthened administration. Administration requires a group of qualified supervisory personnel who are very familiar with commodity economics and market economics. At present, apart from a few state workers and personnel, most of those in the grassroots level industry and commerce offices are retired workers and staff and youth who are waiting for employment. They have done a lot of work for current market administration and have played a definite role. But seen in the long term, the nation needs to train a new group of industrial and commercial personnel. And to this end, we can open up an industrial and commercial administration school to train them. When municipal market administration already has a fairly sound foundation, we can have small numbers of highly skilled personnel and save administrative expenses, in order to facilitate putting the funds into fair construction.

12452
CSO: 4007/190

BRIEFS

LIVEHOGS, EGGS SURPASS QUOTAS--In 1984, the number of livehogs purchased by the provincial food system amounted 18.66 million, achieving 103.7 percent of the annual plan with a livehog quota of 18 million. Compared with the previous year, the actual increase was 1.14 million, up 6.5 percent. The annual shipment of frozen pork was 207,400 tons, attaining 345.7 percent of the annual plan. The increase was 2.62-fold over the previous year. There were 1.89 million livehog in stock by the end of the year. The quantity of fresh eggs purchased throughout the year was 53.52 million jin, achieving 133.8 percent of the annual plan. The increase was 11.5 million jin over the previous year, increasing by 27.3 percent, with egg sales amounting to 35.82 million jin. The increase was 17.89 million jin over the previous year, increasing by 99.8 percent. [Text] [Chengdu SICHUAN RIBAO in Chinese 12 Jan 85 p 1] 12726

CIRCULAR ON RICE BLAST--The provincial government issued an urgent circular on 30 May demanding that all city and autonomous prefectural governments and prefectural commissioner's offices do a good job in preventing and curing rice blast. The circular said: Rice blast has appeared in various places recently. The government and the departments concerned must regard preventing and curing this disease as a major measure in striving for increased rice output this year. In all areas, whether the disease is serious or light, it is essential to strengthen leadership, assign persons to take charge of the work, conduct investigation and study, and take effective steps to solve problems in the work. [Excerpt] [Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 2 Jun 85]

CSO: 4007/351

BRIEFS

XINJIANG SHEEP RAISING--Urumqi, 25 Apr (XINHUA)--Xinjiang Uygur Autonomous Region has steadily improved the economic results of sheep raising, and increased the output of sheep in past years. The output of wool and mutton increased respectively, by 42.8 percent and 65.7 percent, from 1979 to 1984. Development of sheep raising has given a new vitality to the autonomous region's wool spinning industry. The autonomous region now has over 10 wool spinning mills, using local fine wool as raw material. These mills create some 100 million yuan in profits and taxes annually for the state. [Summary] [Beijing XINHUA Domestic Service in Chinese 0035 GMT 25 Apr 85]

CSO: 4007/351

YUNNAN HOLDS MEETING ON WATER-SOIL CONSERVATION, DRINKING WATER

HK180530 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 16 May 85

[Excerpts] A provincial meeting on water and soil conservation and drinking water for people and livestock opened in Dongchuan City this morning. The meeting analyzed the problems existing in soil erosion work and in the work of drinking water for people and livestock in our province and proposed views on future work.

Since liberation, our province has brought under control soil erosion areas of some 14 million mu and has solved the problems of drinking water for some 4 million people. At present, the province still has problems of soil erosion areas of some 30 million mu and of drinking water for some 2.6 million people which urgently await solution. The main reason for the slow development of these two aspects of work is that since the 10 years of turmoil, the province, prefectures, autonomous prefectures, and all other levels have had no special organs and personnel over a long period of time. The Provincial Water and Soil Conservation Office was only set up in 1983.

The meeting held that the work of water and soil conservation and drinking water is the foundation for invigorating the country and enriching the people. The province, prefectures, autonomous prefectures, and all other levels must really strengthen leadership, must establish organs, must put them on a sound basis, must put this work in an important position, and must grasp it firmly and well. Concerning funds, we must advocate that we rely on our own efforts and people to raise funds to do this work with public subsidies so that the work of drinking water for people and livestock can be grasped well through many channels. Under the premise of guaranteeing the time of completion, quality of projects, and economic results, we can sign contracts with specialized households or individuals for building projects. Regarding the existing projects, we must establish the system of management to ensure good management and use.

The provincial meeting on water and soil conservation and drinking water for people and livestock will last 8 days as planned. Beginning tomorrow, prefectures and units which have made outstanding achievements in the work of water and soil conservation and drinking water for people and livestock will introduce their experiences. The participants in the meeting will pay visits to and study at points.

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